



FINANCE COMMITTEE MEETING
NOVEMBER 18, 2021



BOARD OF COMMISSIONERS

Dr. Ana "Cha" Guzmán Chair	Olga Kauffman Vice Chair	Gilbert Casillas Commissioner	Dalia Contreras Commissioner	Loren D. Dantzler Commissioner	Gabriel Lopez Commissioner	Ignacio Perez Commissioner
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PRESIDENT & CEO

Ed Hinojosa, Jr.

**SAN ANTONIO HOUSING AUTHORITY
*FINANCE COMMITTEE MEETING
OR SPECIAL BOARD MEETING
HYBRID TELECONFERENCE**

**Call In Phone Number: (346) 248-7799
Meeting ID: 93839434337# Passcode: 654170#
818 S. Flores St., San Antonio, TX 78204
1:00 p.m., Thursday, November 18, 2021**

A quorum of the Board of Commissioners may convene at this meeting thus triggering a Board meeting for discussion on the following matters. (Note: If a quorum of the Board attends this meeting, four Commissioners must be physically present at this location, but up to three other Commissioners may attend by videoconferencing, as permitted by Tex. Gov't Code Section 551.127):

MEETING CALLED TO ORDER

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

PUBLIC COMMENT

2. **Public Comment at approximately 1:00 p.m.** (may be heard after this time) Citizens are provided up to three minutes each to speak to any agenda items. Citizens wishing to speak to items posted on the agenda should personally request to be placed on the Public Comment roster prior to 12:45 p.m. at 818 S. Flores St., San Antonio, TX 78204 or register online and access Phone Number: **(346) 248-7799** and enter Meeting ID: **93839434337#** and Passcode: **654170#**, prior to 12:45 p.m. A Spanish/English translator will be available to citizens needing translation.

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

DISCUSSION ITEMS

3. Update and discussion regarding the Quarterly Financial Report (Diana Kollodziej Fiedler, Chief Financial Officer)
4. Update and discussion regarding the Quarterly Internal Audit Update (Aiyana Longoria, Director of Internal Audit)

5. Adjournment

*Note: Whenever the Texas Open Meetings Act (Section 551.001 et seq. of the Texas Government Code) provides for a closed meeting in matters concerning legal advice, real estate, contracts, personnel matters, or security issues, the Board may find a closed meeting to be necessary. For convenience of the citizens interested in an item preceded by an asterisk, notice is given that a closed meeting is contemplated. However, the Board reserves the right to go into a closed meeting on any other item, whether it has an asterisk, when the Board determines there is a need and a closed meeting is permitted.

"Pursuant to § 30.06, Penal Code, (trespass by holder license holder with a concealed handgun), a person licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not attend this meeting with a concealed handgun."

"Pursuant to § 30.07, Penal Code, (trespass by holder license holder with an openly carried handgun), a person licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not attend this meeting with a handgun that is carried openly."

SAN ANTONIO HOUSING AUTHORITY**November 18, 2021****MEMORANDUM**

To: Finance Committee

From: Ed Hinojosa, President and CEO

Presented by: Diana Kollodziej Fiedler, Chief Financial Officer

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

DS
EHJ

SUMMARY:**Financial Performance Highlights**

The Quarterly Financial Report for the San Antonio Housing Authority for the three months ending September 30, 2021 is attached. The Financial Performance Report has been modified to present two condensed statements of revenue and expenses to separate SAHA's core business activities of housing, management, and resident services ("Operations") from the Capital Fund and Real Estate Services lines of business ("Capital"). The results of operations for the three months ending September 30, 2021, reflect a Surplus Before Non-Cash Items of \$1.3 million for Operations (\$2.2 million above budget) and \$3.9 million for Capital (\$0.3 million below budget).

Total Operating Revenue for the Operations segment was approximately \$2.2 million below budget due primarily to an unfavorable variance of \$2.5 million in Housing Assistance Payment (HAP) Revenue, \$1.4 million in Tenant Revenue offset by favorable variances of \$1.1 million in Grants revenue and \$0.5 million in Miscellaneous Revenue. The \$2.5 million unfavorable variance in Section 8 HAP Revenue was offset by the favorable variance in Section 8 HAP Expense of \$2.4 million. Tenant Revenue was below budget by \$1.4 million due primarily to unfavorable variance of \$1.0 million in the Beacon portfolio and \$0.4 million in Public Housing. Grants revenue was above budget by \$1.1 million mainly due to a favorable variance of \$0.8 million in Section 8 administrative fees for the new Emergency Housing Voucher program (EHV). The \$0.5 million in Miscellaneous Revenue was related to lease payments for Alazan lofts and insurance dividends.

Total Operating Expenses ended the period \$4.3 million below budget for Operations largely due to favorable variances of \$2.4 million in HAP Expense, \$1.1 million in Salaries and Benefits and \$1.0 million in Other Expenses offset by an unfavorable variance of \$0.2 million in Ordinary Maintenance and Operations. Staffing vacancies and positions placed on hold have led to the majority of segments reporting favorably for Salaries and Benefits.

Total Operating Revenue for the Capital segment was approximately \$0.6 million below budget due primarily to an unfavorable variance of \$0.8 million in Miscellaneous Revenue, partially offset by a favorable variance of \$0.2 million in Grants revenue. The \$0.8 million unfavorable variance in Miscellaneous Revenue was caused by development fee revenue budgeted but not realized due to the construction timing of the Horizon Pointe, Pearsall Flats and St. John's Apartments

SAN ANTONIO HOUSING AUTHORITY**November 18, 2021**

projects. The \$0.2 million favorable variance in Grants revenue resulted primarily from the timing of Capital Fund grant expenditures.

The Comparative Balance Sheet reflects an overall increase in Total Net Position of \$5.5 million from September 30, 2020 to September 30, 2021. Total Assets increased by \$49.0 million due to the additions of \$42.9 million in Fixed Assets, \$5.2 million in Current Assets and \$0.8 million in Other Non-Current Assets. The \$5.2 million increase in Current Assets resulted largely from the proceeds of the new EPC loan of \$7.9 million of which \$2.8 million remains and \$2.5 million in Sunshine Plaza loan proceeds offset by payments for capital projects in both the Public Housing and Beacon sectors. The \$42.9 million upswing in Fixed Assets was due to the addition of buildings and land of \$53.7 million as well as an increase of \$9.0 million related to capital projects offset by the recording of depreciation. The increase in buildings was attributable to Beacon's purchase of the Costa Valencia property and the capitalization of construction projects in both the Beacon and Public Housing portfolios. The increase in land was caused by the Authority acquiring ownership interests in several properties for the Watson Road, Copernicus, Kitty Hawk, Vista at Interpark, Josephine, and Vista at Everest projects. The increase of \$0.8 million in Other Non-Current Assets was due to the general partner investment in the Legacy at Alazan project.

Total Liabilities increased by \$42.3 million due mainly to an increase of \$24.5 million in deferred revenue which arose from the Facility Corporation entering into ground leases with the Watson Road, Copernicus, Kitty Hawk, Vista at Interpark, Josephine and Vista at Everest partnerships. Also included in this category is \$11.5 million of new debt consisting of the Sunshine Plaza loan of \$2.5 million and the Labor Street construction loan of \$9.0 million. Also contributing was the acquisition of the Costa Valencia property which added new debt of \$10.1 million. These increases were partially offset by scheduled debt payments.

Supplemental Information—Funding Environment

On July 29, 2021, the U.S. House Appropriations Committee approved the budget for HUD in House Resolution 4502, including some highlights below:

- \$3.4 billion for the Capital Fund. This is \$635 million more than FY 2021 enacted.
- \$4.9 billion for public housing formula grants. This is a \$83 million increase over FY 2021 enacted levels.
- \$24.9 billion for Housing Assistance Payment renewals for Housing Choice Vouchers. This is \$3.4 billion more than the FY 2021 enacted level.
- \$4.68 billion for the Community Development Block Grant Program. This is \$1.2 million more than FY 2021 enacted levels.

On October 28, 2021, President Biden announced a framework for the Build Back Better Act which includes a budget of \$1.75 billion, this includes \$150 billion for Housing including some highlights below:

- \$65 billion in public housing investments
- \$24 billion for Housing Choice Vouchers
- \$1 billion for Project-Based Rental Assistance
- \$10 billion for HOME Investment Partnerships Program
- \$3 billion for the Community Development Block Grant Program
- \$15 billion for the National Housing Trust Fund

SAN ANTONIO HOUSING AUTHORITY

November 18, 2021

PROPOSED ACTION:

None

FINANCIAL IMPACT:

None

STRATEGIC OUTCOME:

Supports all strategic outcomes.

ATTACHMENTS:

Financial Performance Report
Cash and Investment Summary
Grants Report

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

Condensed Statement of Revenue and Expenses

(For the Three Months Ended 09/30/2021)

	OPERATIONS ACTUAL 9/30/2021	OPERATIONS BUDGET 9/30/2020	OPERATIONS Variance	Highlights Section
Operating Revenue				
Tenant Revenue	\$ 9,747,140	\$ 11,144,253	\$ (1,397,113)	I(a)(1)
Grants	10,750,913	9,609,709	1,141,204	I(a)(2)
HAP Revenue	23,273,875	25,744,355	(2,470,480)	I(a)(3)
Miscellaneous Revenue	824,192	287,066	537,126	I(a)(4)
Total Operating Revenue	\$ 44,596,120	\$ 46,785,383	\$ (2,189,263)	
Operating Expenses				
Salaries and Benefits	\$ 9,065,399	\$ 10,199,444	\$ (1,134,045)	I(b)(1)
Ordinary Maintenance and Operations	4,263,023	4,044,202	218,821	
Utilities	2,242,600	2,184,982	57,618	
Other Expenses	2,278,516	3,263,347	(984,831)	I(b)(2)
HAP Expense	23,221,639	25,669,153	(2,447,514)	I(a)(3)
Total Operating Expenses	\$ 41,071,177	\$ 45,361,128	\$ (4,289,951)	
Net Operating Income	\$ 3,524,943	\$ 1,424,255	\$ 2,100,688	
Non-Operating Income (Expenses)				
Interest Expense	\$ (1,120,204)	\$ (1,338,315)	\$ 218,111	I(c)(1)
Interest Income	242,217	226,784	15,433	
Other Income (Expenses)	(1,311,690)	(1,195,703)	(115,987)	I(c)(1)
Total Non-Operating Income (Expenses)	\$ (2,189,677)	\$ (2,307,234)	\$ 117,557	
Surplus (Deficit) Before Non-Cash Items	\$ 1,335,266	\$ (882,979)	\$ 2,218,245	
Non-Cash Items				
Depreciation and Amortization	\$ (3,438,869)	\$ (3,924,431)	\$ 485,562	
Non-Operating Income (Expense)	28,999	2,690,743	(2,661,744)	
Total Non-Cash Items	\$ (3,409,870)	\$ (1,233,688)	\$ (2,176,182)	
Change in Net Position	\$ (2,074,604)	\$ (2,116,667)	\$ 42,063	I(c)(1)

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

Condensed Statement of Revenue and Expenses
(For the Three Months Ended 09/30/2021)

	CAPITAL ACTUAL 9/30/2021	CAPITAL BUDGET 9/30/2020	CAPITAL Variance	Highlights Section
Operating Revenue				
Tenant Revenue	\$ -	\$ -	\$ -	
Grants	3,646,911	3,460,846	186,065	II(a)(1)
HAP Revenue	-	-	-	
Miscellaneous Revenue	710,357	1,535,803	(825,446)	II(a)(2)
Total Operating Revenue	\$ 4,357,268	\$ 4,996,649	\$ (639,381)	
Operating Expenses				
Salaries and Benefits	\$ 251,701	\$ 273,065	\$ (21,364)	
Ordinary Maintenance and Operations	18,277	27,173	(8,896)	
Utilities	502	972	(470)	
Other Expenses	155,080	316,529	(161,449)	II(b)(1)
HAP Expense	-	-	-	
Total Operating Expenses	\$ 425,560	\$ 617,739	\$ (192,179)	
Net Operating Income	\$ 3,931,708	\$ 4,378,910	\$ (447,202)	
Non-Operating Income (Expenses)				
Interest Expense	\$ (106,343)	\$ (106,763)	\$ 420	
Interest Income	56,066	47,237	8,829	
Other Income (Expenses)	(3,918)	(120,561)	116,643	II(c)(1)
Total Non-Operating Income (Expenses)	\$ (54,195)	\$ (180,087)	\$ 125,892	
Surplus (Deficit) Before Non-Cash Items	\$ 3,877,513	\$ 4,198,822	\$ (321,310)	
Non-Cash Items				
Depreciation and Amortization	\$ (3,512)	\$ (3,499)	\$ (13)	
Non-Operating Income (Expense)	(37,705)	(1,606,644)	1,568,939	
Total Non-Cash Items	\$ (41,217)	\$ (1,610,143)	\$ 1,568,926	
Change in Net Position	\$ 3,836,296	\$ 2,588,679	\$ 1,247,616	II(c)(1)

*Capital Fund column includes Capital Fund and Real Estate Services

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

Comparative Balance Sheet

	9/30/2021	9/30/2020	Increase (Decrease)	%	Highlights Section
Assets					
Current Assets	\$ 116,424,668	\$ 111,193,331	\$ 5,231,337	4.70%	
Fixed Assets	306,342,668	263,429,931	42,912,737	16.29%	
Other Non-Current Assets	67,598,176	66,770,097	828,079	1.24%	
Total Assets	\$ 490,365,512	\$ 441,393,359	\$ 48,972,153	11.09%	III(a)
Deferred Outflows of Resources					
Deferred Charges on Refunding	\$ 354,606	\$ 468,815	\$ (114,209)	-24.36%	
Deferred Swap Outflows	1,893,930	3,022,359	(1,128,429)	-37.34%	
Total Deferred Outflows of Resources	\$ 2,248,536	\$ 3,491,174	\$ (1,242,638)	-35.59%	
Total Assets and Deferred Outflows of Resources	\$ 492,614,048	\$ 444,884,533	\$ 47,729,515	10.73%	
Liabilities					
Current Liabilities	\$ 30,708,640	\$ 22,015,869	\$ 8,692,771	39.48%	
Non-Current Liabilities	149,979,694	116,417,953	33,561,741	28.83%	
Total Liabilities	\$ 180,688,334	\$ 138,433,822	\$ 42,254,512	30.52%	III(b)
Net Position					
Net Investment in Capital Assets	\$ 195,313,985	\$ 169,817,561	\$ 25,496,424	15.01%	
Restricted Net Position	55,714,907	42,098,323	13,616,584	32.34%	
Unrestricted Net Position	60,896,822	94,534,827	(33,638,005)	-35.58%	
Total Net Position	\$ 311,925,714	\$ 306,450,711	\$ 5,475,003	1.79%	III(c)
Total Liabilities and Net Position	\$ 492,614,048	\$ 444,884,533	\$ 47,729,515	10.73%	

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

HIGHLIGHTS

For the three months ended September 30, 2021, the Operations segment generated a surplus before non-cash items of \$1.3 million, which was \$2.2 million above budget. Total Operating Revenue was below budget by \$2.2 million, or 4.68 percent, and Total Operating Expenses were below budget by \$4.3 million, or 9.46 percent.

For the three months ended September 30, 2021, the Capital segment produced a surplus before non-cash items of \$3.9 million, which was \$0.3 million below budget. Total Operating Revenue was below budget by \$0.6 million, or 12.80 percent, and Total Operating Expenses were below budget by \$0.2 million, or 31.11 percent.

Total Assets and Deferred Outflows of Resources increased by \$47.7 million, or 10.73 percent. Total Liabilities and Deferred Inflows of Resources increased by \$42.3 million, or 30.52 percent. Presented below are explanations which summarize the results of operations (Operations and Capital segments) and the combined changes in financial condition.

I. Income Statement (Operations)

Total Operating Revenue was below budget by \$2.2 million and Total Operating Expenses were below budget by \$4.3 million.

(a) Operating Revenue

- (1) Tenant revenue was below budget by \$1.4 million due to an unfavorable variance in the Beacon sector of \$1.0 million and \$0.4 million in the Public Housing sector. The primary properties contributing to the variances for the Beacon sector were Woodhill and two tax credit properties that we had anticipated acquiring, however, it was determined that the most favorable path would be to resyndicate those properties and re-establish them as new tax credit partnerships outside of the Beacon portfolio.
- (2) Grant revenue was above budget by \$1.1 million primarily due favorable variances of \$0.8 million in Section 8 administrative fees partially due to the new Emergency Housing Voucher program (EHV) and \$0.3 million in Public Housing operating subsidy.
- (3) Section 8 Housing Assistance Payment (HAP) Revenue ended the period with an unfavorable variance of \$2.4 million which was offset in the HAP Expense account by a favorable variance of \$2.4 million.
- (4) Miscellaneous Revenue ended the period with a favorable variance of \$0.5 million which was primarily due to lease payments in the Public Housing sector of \$0.3 million related to Alazan lofts and other income of \$0.2 million in the Central Office sector related to Texas Mutual and Housing Authority Risk Retention group dividends.

(b) Operating Expenses

- (1) The Salaries and Benefits expense line item ended the period \$1.1 million below budget with most segments reporting favorably. The Beacon and Public Housing segments were the primary contributors to the favorable variance.

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

- (2) The Other Expenses line item ended the period \$1.0 million below budget primarily due to favorable variances in Central Office and Public Housing segments. Favorable expenses arose from technology/licensing fees and consulting fees.

(c) **Summary of Changes in Net Position**

- (1) Change in Net Position ended the period on budget. Net Operating Income was above budget by \$2.2 million. Other Income (Expenses) had an unfavorable impact of \$0.1 million primarily due to projects budgeted to be capitalized that were not. Interest Expense was above budget by \$0.2 million primarily due to the closing costs related to the Labor Street transaction.

II. Income Statement (Capital)

Total Operating Revenue was below budget by \$0.6 million and Total Operating Expenses were below budget by \$0.2 million.

(a) **Operating Revenue**

- (1) Grant revenue was above budget by \$0.2 million primarily due to a favorable variance in the Capital Funds sector of \$0.2 million, which was affected by the timing of Capital Fund grant expenditures.
- (2) Miscellaneous Revenue was below budget by \$0.8 million due to an unfavorable variance of \$0.8 million in development fee revenue. Development fee revenue was budgeted for New Braunfels and Las Varas of \$1.1 million; however, we did not realize any of these fees. Additionally, financing fee revenue had an unfavorable variance of \$0.3 million that was budgeted for Las Varas but not realized. Partially offsetting the overall unfavorable variance was \$0.5 million in compliance monitoring fees and \$0.1 in lease payments earned in excess of budget.

(b) **Operating Expenses**

- (1) Other Expenses were below budget by \$0.2 million primarily due to a favorable variance in the Capital Fund and Real Estate sectors of \$0.2 million for budgeted consulting fees not expensed.

(c) **Summary of Changes in Net Position**

- (1) Change in Net Position ended the period with a \$1.2 million unfavorable variance. Net Operating Income was below budget by \$0.3 million. However, Other Income (Expenses) was unfavorable by \$0.3 million attributable to timing of expensing the Capital Funds management fee.

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

III. Balance Sheet

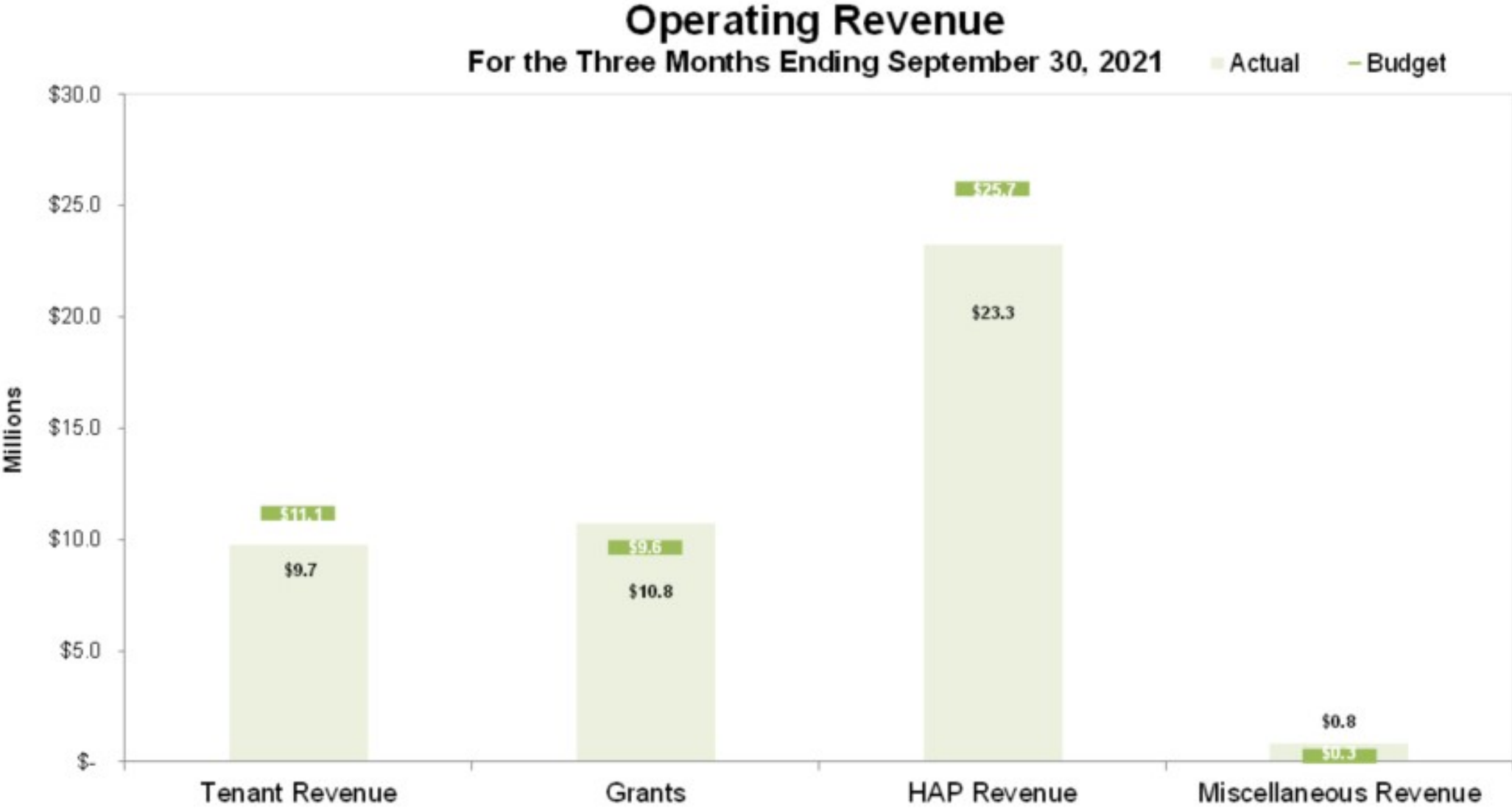
Total Assets and Deferred Outflows of Resources increased by \$47.7 million, Total Liabilities and Deferred Inflows of Resources increased by \$47.7 million, and Total Net Position increased by \$5.2 million.

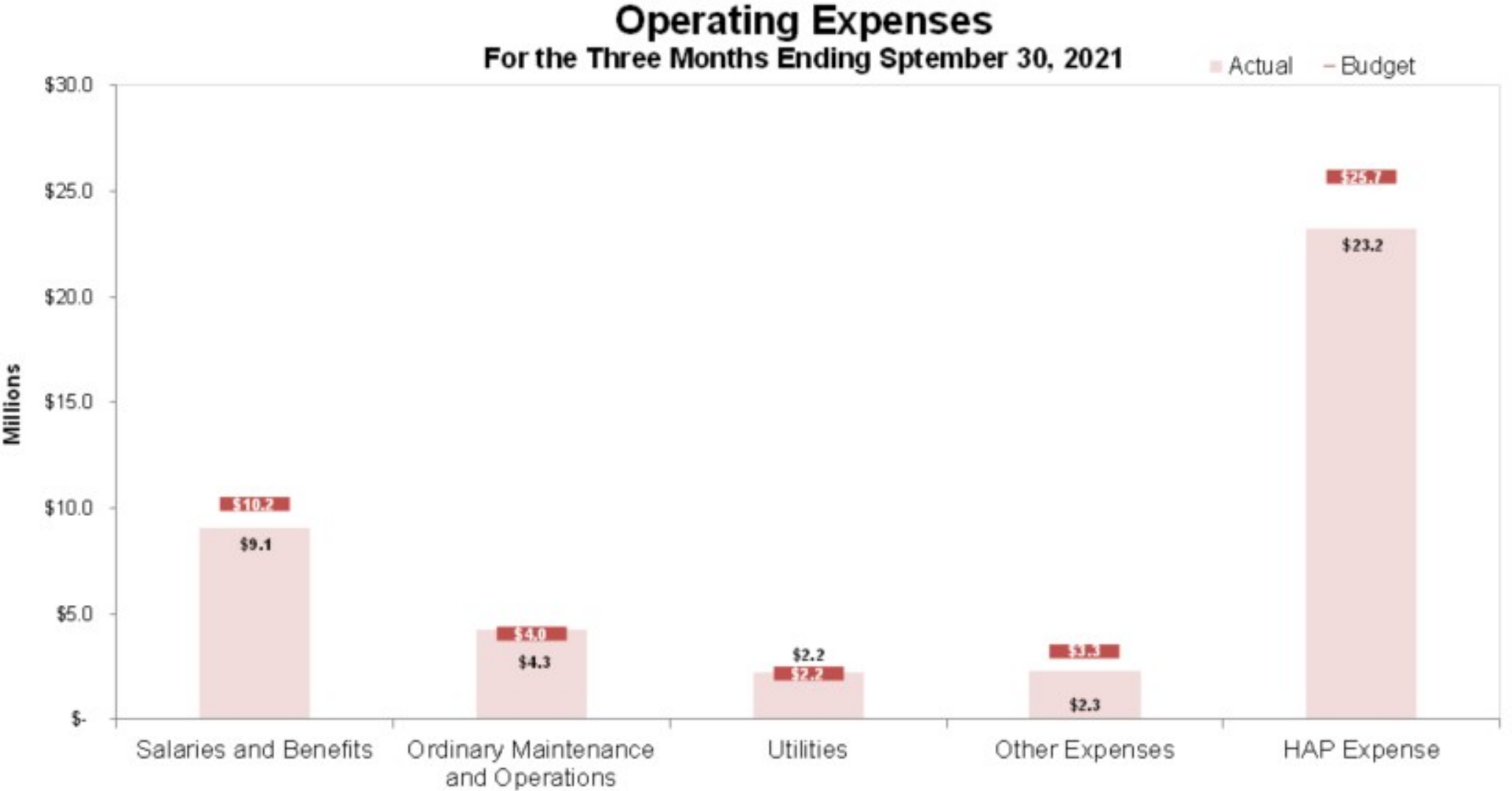
- (a) Total Assets increased by \$49.0 million, or 11.09 percent, due to increases of \$42.9 million in Fixed Assets and \$5.2 million in Current Assets, including an increase of \$0.8 million in Other Non-Current Assets. The \$42.9 million increase in Fixed Assets resulted primarily from an increase of \$53.7 million in land, buildings and equipment, related to the purchase of the Costa Valencia property in the Beacon portfolio, as well as the capitalization of projects in both the Beacon and Public Housing portfolios. These amounts were offset by the routine recording of depreciation of an additional \$19.8 million. Additionally, there were increases of \$9.0 million in construction in progress related to ongoing modernization projects. The \$5.2 million increase in Current Assets arose primarily from the receipt of \$7.9 million in loan funds for the new EPC loan, of which \$2.8 million remains. Other significant increases included the receipt of \$1.4 million in insurance claims funds for the winter storm in February 2021, \$2.5 million in Sunshine Plaza loan proceeds offset by payment of capital projects for both Public Housing and Beacon sector properties. There was an increase in Other Non-Current Assets of \$0.8 million primarily from the general partner investment in the Legacy at Alazan project.
- (b) Total Liabilities increased by \$42.3 million, or 30.52 percent, due primarily to the \$24.5 million in deferred revenue which arose from the Facility Corporation entering into ground leases with the Watson Road, Copernicus, Kitty Hawk, Vista at Interpark, Josephine and Vista at Everest partnerships. Additionally, there were increases of \$11.5 million of new debt related to Labor debt of \$9.0 million and Sunshine debt of \$2.5 million. Also contributing was the addition of \$10.1 million in debt related to the acquisition of the Costa Valencia property. These increases were partially offset by scheduled debt payments.
- (c) Total Net Position increased by \$5.5 million, or 1.79 percent, as a result of the changes described above.

**San Antonio Housing Authority
Financial Performance Report
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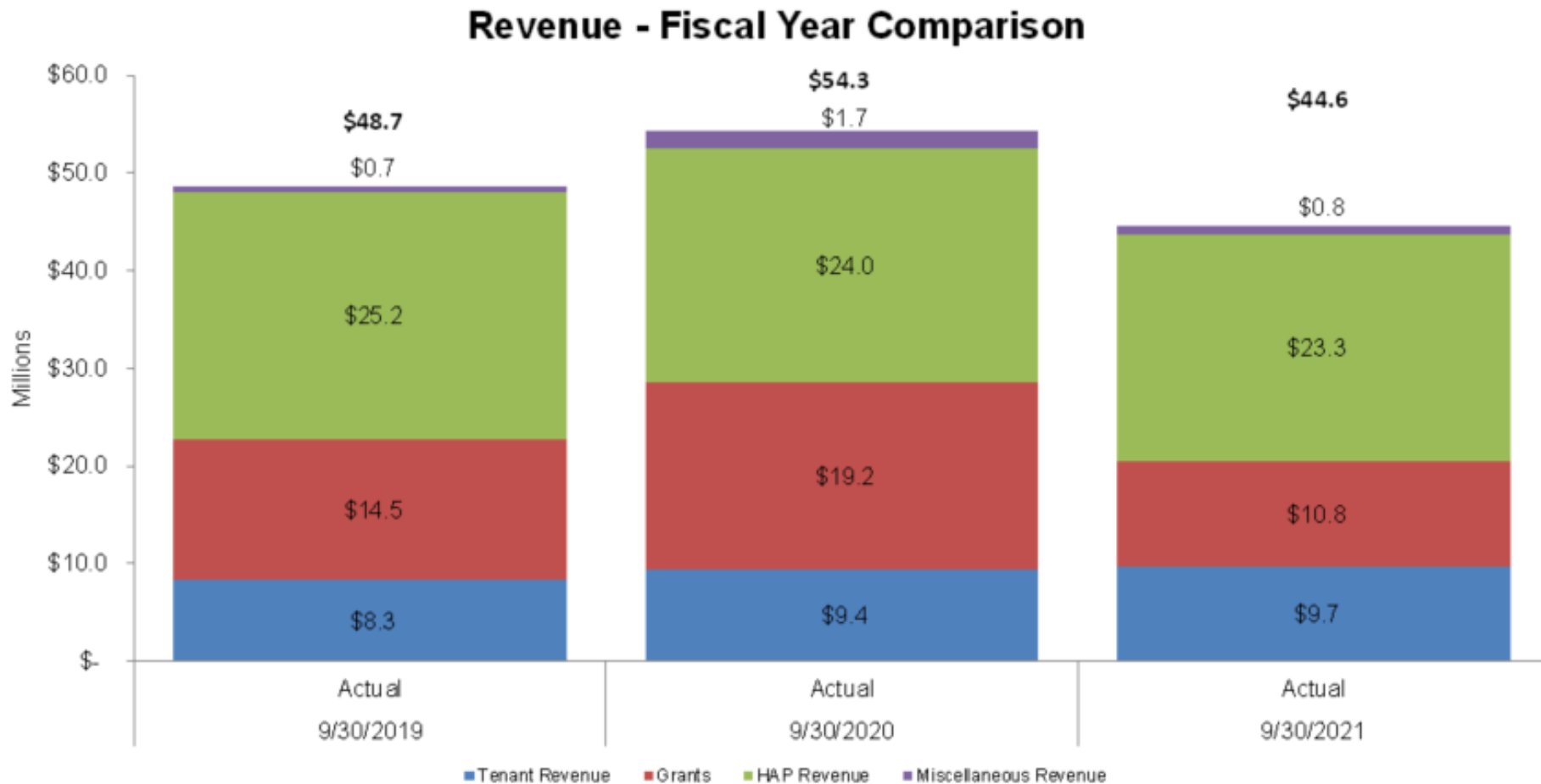
IV. MTW Expenditures

Projects	Cumulative Expenditure Balance as of 09/30/2021	
Community Development Initiatives	\$	456,436
Capital Planning		76,509
Development Activities:		
100 Labor Multi Family Development		37,551
Total	\$	570,496



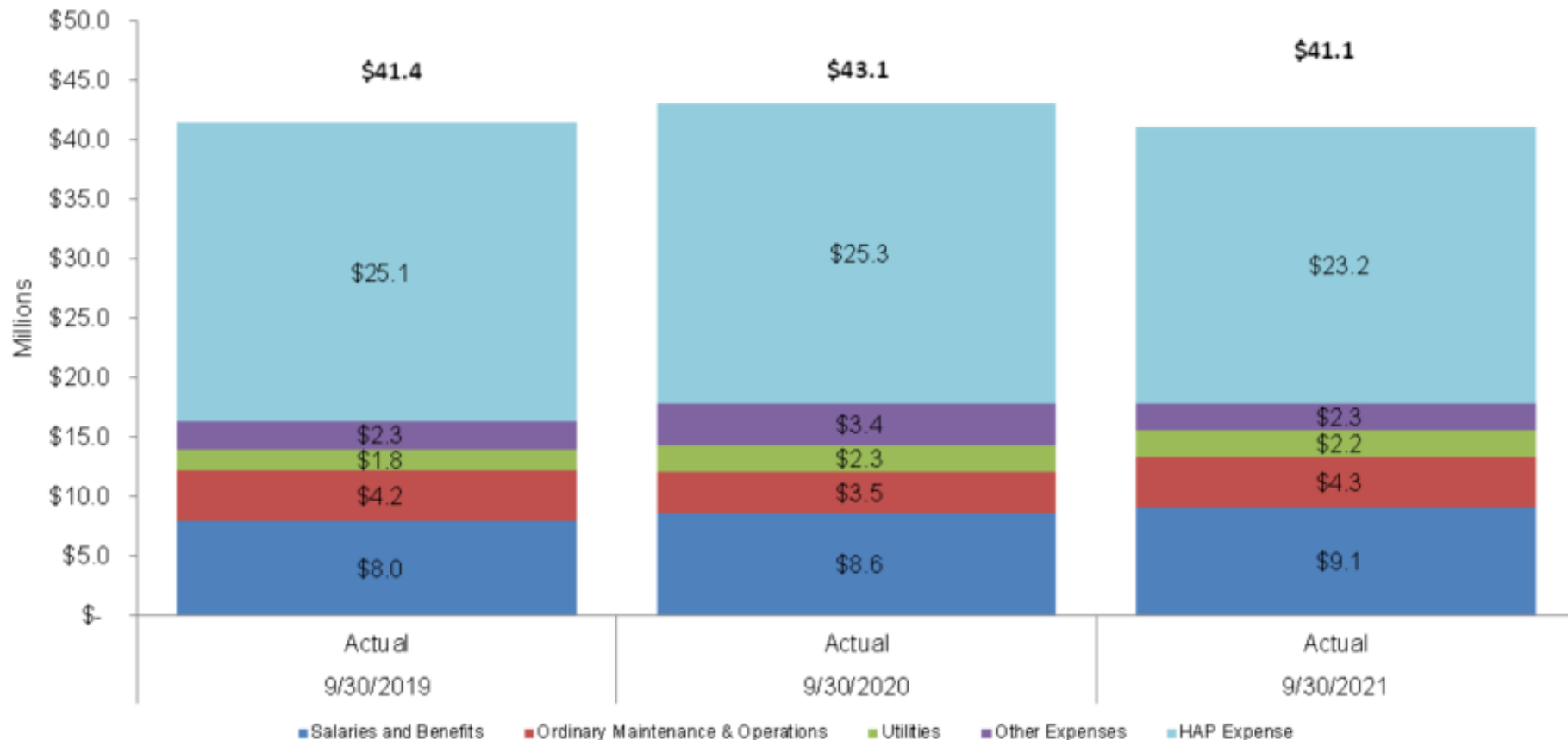


Total Revenue was approximately 22% lower compared to the previous year with Grants Revenue as the primary contributor



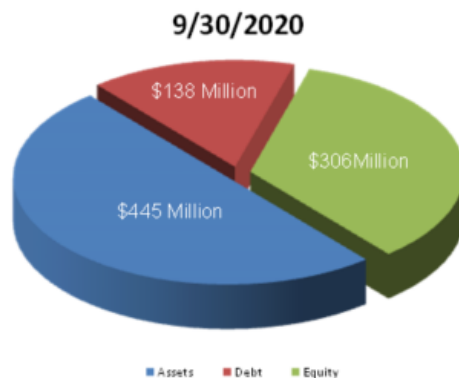
Total Expenses were 5% lower compared to the previous year caused primarily by lower HAP Expenses

Expenses - Fiscal Year Comparison



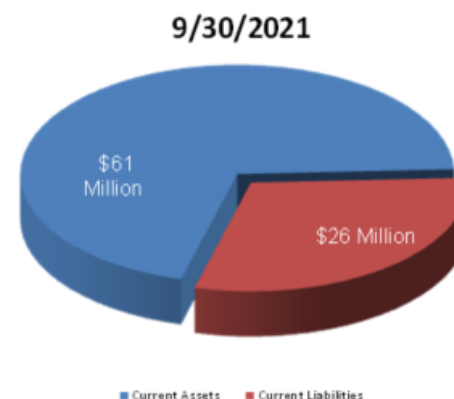
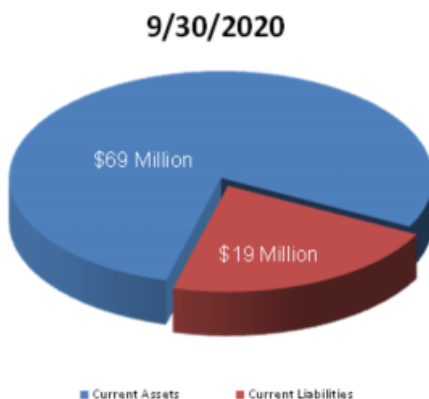
SAHA experienced an increase in debt-to-equity ratio but remains financially strong

Financial Strength



The debt-to-equity ratio increased from 0.43 to 0.58 due primarily to acquisitions of various partnerships.

Financial Liquidity



The current ratio decreased from 3.63 to 2.35 but remains an indicator of SAHA's strong capacity to meet its short-term financial commitments.

Summary of Major Changes in Cash and Investment Balance

For the Quarterly Period Ending September 30, 2021

The overall cash and investment balance increased by \$1.9 million over the previous quarter due to increased funding received for Section 8 programs and the receipt of insurance claims proceeds from the February 2021 winter storm, offset by cash payments to vendors in connection with annual insurance renewals and ongoing capital projects at various Beacon and Public Housing properties.

Cash

Unrestricted Cash

- **Public Housing** - There is a net cash decrease of approximately \$6.2 million over the previous quarter primarily due to the reclassification of proceeds from various insurance claims and a legal settlement to restricted resources, partially offset by the receipt of a capital grant. See below **Cash-Restricted Cash – Public Housing**.
- **Project Based Properties** - There is a net cash decrease of approximately \$2.9 million due to the reclassification of net proceeds from the refinance of a Beacon community to restricted cash. See below **Cash-Restricted Cash – Project Based Properties**.
- **Properties under SAHFC** - There is a net cash decrease of approximately \$2.9 million primarily due to the reclassification of internally restricted modernization and development funds to restricted cash and the settlement of intercompany balances in connection with capital projects at various Beacon communities. See below **Cash-Restricted Cash – Properties under SAHFC**.
- **Other Unrestricted Cash** - There is a net cash decrease of approximately \$1.7 million primarily due to cash disbursements made to vendors in connection with annual property insurance premiums and ongoing capital projects.

Restricted Cash

- **Public Housing** - There is a net cash increase of approximately \$7.7 million primarily due to the reclassification of proceeds received from various insurance claims and a legal settlement as mentioned above in **Cash-Unrestricted Cash – Public Housing** and the receipt of \$1.4 million in proceeds from a winter storm insurance claim. The activity noted above was partially offset by the payments to vendors for ongoing capital project work at one Public Housing property.
- **Section 8** - There is a net cash increase of approximately \$4 million due to a combination of a reduction in HAP expenses as well as the receipt of additional funding.
- **Project Based Properties** - There is a net cash increase of approximately \$2.5 million mainly due to the reclassification of net proceeds from the refinance of a Beacon community to restricted cash. See above **Cash-Unrestricted Cash – Project Based Properties**.
- **Properties under SAHFC** - There is a net cash increase of approximately \$1.7 million due to the reclassification of internally restricted modernization and development funds to restricted cash, and the receipt of proceeds from a winter storm insurance claim, net of outgoing transfers for the settlement of intercompany balances in connection with capital projects at various Beacon communities. See above **Cash-Unrestricted Cash – Properties under SAHFC**.

**San Antonio Housing Authority
Cash and Investment Summary
September 30, 2021**

	Balance 6/30/2021	Deposits	Withdrawals	Balance 9/30/2021
Cash				
Unrestricted Cash:				
Central Office Cost Center (1)	9,547,780	4,087,139	4,169,076	9,465,843
Public Housing (1)	13,640,955	14,503,505	20,682,929	7,461,532
Section 8 (1)	3,281,916	3,759,321	4,357,821	2,683,416
Community Development Initiatives	142,303	1,785,498	1,740,558	187,244
Central Office- Health Insurance (2)	3,145,611	1,736,229	1,855,824	3,026,016
Homeownership	65,139	6,174	2,270	69,043
Project Based Properties (1)	5,360,690	3,811,260	6,666,730	2,505,220
Properties under SAHFC (3) (4)	8,884,232	5,923,560	8,862,626	5,945,166
Education Investment Foundation	486	10,601	2,000	9,087
Capital Fund Program (1)	-	4,097,274	4,097,274	-
Development Activities under SAHFC	1,485,316	239,844	110,554	1,614,607
Other Beacon Properties Cash (5)	8,738,430	4,195,587	4,347,752	8,586,265
Other Unrestricted Cash	6,019,887	49,562,732	51,293,543	4,289,076
Sub-Total:	60,312,748	93,718,724	108,188,956	45,842,516
Restricted Cash:				
Central Office Cost Center	-	892,824	-	892,824
Public Housing	13,337,761	8,781,113	1,048,597	21,070,277
Section 8	3,080,066	33,357,995	29,393,023	7,045,038
Project Based Properties	818,271	2,453,334	817	3,270,787
Properties under SAHFC	11,962,975	2,248,460	524,771	13,686,663
Education Investment Foundation	51,746	-	2,500	49,246
Capital Fund Program	4,709,608	31	690,268	4,019,371
Development Activities under SAHFC	2,056,797	12	37,381	2,019,428
Non-Profit-Other Restricted	585,629	56,303	-	641,932
Other Restricted Cash	1,100,946	54,069	57,257	1,097,758
Endowment Trust	544,937	12	17,628	527,321
Sub-Total:	98,561,483	141,562,877	139,961,199	100,163,162
Investments				
Restricted Investments at Various Banks:				
Central Office Cost Center	75,986	-	-	75,986
Other Restricted Investments	1,111,452	1,931,137	1,656,543	1,386,046
Sub-Total:	1,187,438	1,931,137	1,656,543	1,462,032
Total Cash & Investments:	\$ 99,748,922	\$ 143,494,015	\$ 141,617,742	\$ 101,625,194

(1) Cash and Investments related to federal programs

(2) Cash and Investments related to self insurance program

(3) Includes \$696 Thousand in funds earmarked for capital projects at three Beacon communities

(4) Includes \$833 Thousand in cash from acquired tax credit partnerships internally restricted by the Limited Partnership Agreements

(5) Includes \$78 Thousand in cash earmarked for capital repairs at one Beacon community

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


	6/30/2021	Deposits	Withdrawals	9/30/2021
Cash from Tax-Credit Partnerships	2,062,063	2,056,452	1,702,311	2,416,204
Total Cash Held for Partnerships Managed by SAHA:	\$ 2,062,063	\$ 2,056,452	\$ 1,702,311	\$ 2,416,204

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


	Total Deposits	Deposits Covered by FDIC	Deposits Covered by Collateral	Pledged Collateral
Frost National Bank	\$ 92,697,402	\$ 500,000	\$ 92,697,402	\$ 96,645,360
Lument Capital, LLC	\$ 1,296,199	\$ 853,654	\$ -	\$ -
US Bank	\$ 840,500	\$ -	\$ -	\$ -
Bank of New York - Woodhill	\$ 489,037	\$ -	\$ -	\$ -
Bank of New York - Sendero	\$ 205,416	\$ -	\$ -	\$ -
Bank of New York - Converse Ranch II	\$ 294,207	\$ -	\$ -	\$ -
Wells Fargo - Rosemont at Highland Park	\$ 191,498	\$ -	\$ -	\$ -
Walker & Dunlop - Converse Ranch I	\$ 452,078	\$ 276,660	\$ -	\$ -
Walker & Dunlop - Bella Claire	\$ 69,871	\$ 69,871	\$ -	\$ -
Walker & Dunlop - SAHFC	\$ 417,805	\$ 417,805	\$ -	\$ -
Berkadia Commercial Mortgage, LLC	\$ 151,417	\$ 151,417	\$ -	\$ -
Total Collateralized deposits:	\$ 97,105,430	\$ 2,269,407	\$ 92,697,402	\$ 96,645,360

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

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

DocuSigned by:

 10/26/2021
 Diana K. Fiedler, CPA, CGMA
 Investment Officer, Chief Financial Officer

GRANTS REPORT AS OF September 30, 2021



CAPITAL GRANTS

Unmet expenditure deadline approaching within 6 Months

Unmet obligation deadline approaching within 12 Months

Grant expenditure is not progressing as planned

Grant Number	Obligation End Date	Expenditure End Date	Amount to be Obligated by End Date	LOCCS Authorized	Cumulative PHA Obligated	Unobligated Amount	Obligation Percentage	Cumulative GL PHA Expended	Expended Percentage	LOCCS Disbursement	
Capital Fund Program (CFP)											
Capital Projects at various PH Properties											
TX59P006501-10	07/14/12	07/14/14	\$ 8,770,114.80	\$ 9,744,572.00	\$ 9,744,572.00	\$ -	100%	\$ 9,744,572.00	100%	\$ 9,744,572.00	(1)
*Major Projects: Marie McGuire											
TX59P006501-11	08/02/13	08/02/15	\$ 7,336,199.70	\$ 8,151,333.00	\$ 8,151,333.00	\$ -	100%	\$ 8,151,333.00	100%	\$ 8,151,333.00	(1)
*Major Projects: Blanco, Marie McGuire, Westway											
TX59P006501-12	03/11/14	03/11/16	\$ 6,669,297.00	\$ 7,410,330.00	\$ 7,410,330.00	\$ -	100%	\$ 7,410,330.00	100%	\$ 7,410,330.00	(1)
*Major Projects: Fair Avenue, South San, Sun Park											
TX59P006501-13	09/08/15	09/08/17	\$ 6,472,918.80	\$ 7,192,132.00	\$ 7,192,132.00	\$ -	100%	\$ 7,192,132.00	100%	\$ 7,192,132.00	(1)
*Major Projects: Lewis Chatham, Jewett Circle, Westway											
TX59P006501-14	05/12/16	05/12/18	\$ 6,564,698.10	\$ 7,294,109.00	\$ 7,294,109.00	\$ -	100%	\$ 7,294,109.00	100%	\$ 7,294,109.00	(1)
*Major Projects: Westway, Charles Andrews, Cassiano Homes											
TX59P006501-15	04/12/17	04/12/19	\$ 6,785,826.30	\$ 7,539,807.00	\$ 7,539,807.00	\$ -	100%	\$ 7,539,807.00	100%	\$ 7,539,807.00	(1)
*Major Projects: Charles Andrews, HB Gonzalez											
TX59P006501-16	04/12/18	04/12/20	\$ 7,024,842.00	\$ 7,805,380.00	\$ 7,805,380.00	\$ -	100%	\$ 7,805,380.00	100%	\$ 7,805,380.00	(1)(2)
*Major Projects: Westway, WC White											
TX59P006501-17	08/15/19	08/15/21	\$ 7,176,040.20	\$ 7,973,378.00	\$ 7,973,378.00	\$ -	100%	\$ 7,973,378.00	100%	\$ 7,973,378.00	(1)(3)
*Major Projects: Victoria Plaza, Villa Tranchese											
TX59P006501-18	05/28/21	05/28/23	\$ 11,098,890.00	\$ 12,332,100.00	\$ 12,332,100.00	\$ -	100%	\$ 12,332,100.00	100%	\$ 12,332,100.00	(1)(4)
*Major Projects: Victoria Plaza, Fair Avenue											
TX59P006501-19	10/15/22	10/15/24	\$ 11,636,649.90	\$ 12,929,611.00	\$ 12,929,611.00	\$ -	100%	\$ 12,187,778.78	94%	\$ 11,247,099.05	(5)
*Major Projects: Victoria Plaza, Fair Avenue											
TX59P006501-20	09/25/23	09/25/25	\$ 11,827,386.00	\$ 13,141,540.00	\$ 10,959,599.08	\$ 2,181,940.92	83%	\$ 5,551,785.13	42%	\$ 5,155,129.28	(6)
*Major Projects: Madonna, L.C. Rutledge											
TX59P006501-21	02/22/23	02/22/25	\$ 11,865,870.90	\$ 13,184,301.00	\$ 2,658,962.69	\$ 10,525,338.31	20%	\$ 2,658,962.69	20%	\$ 2,651,286.02	(7)
*Major Projects: Mirasol, Francis Furey											
TX59E006501-18	08/12/21	08/12/22	\$ 225,000.00	\$ 250,000.00	\$ 249,639.00	\$ 361.00	100%	\$ -	0%	\$ -	
*Major Projects: Riverside, Villa Veramendi											
TX59L006501-20	05/10/23	05/10/25	\$ 4,374,949.50	\$ 4,861,055.00	\$ -	\$ 4,861,055.00	0%	\$ -	0%	\$ -	(8)
*Major Projects: Lincoln Heights, Mission Park, Riverside											
Urban Revitalization Program (Hope 6) (URP)											
Choice Neighborhood Grant											
TX6J006CNG112	09/30/19	09/30/19		\$ 29,652,649.09	\$ 29,652,649.09	\$ -	100%	\$ 29,652,649.09	100%	\$ 29,652,649.09	(1)
*Implementation grant for Wheatley Neighborhood											

- (1) These grants are expended and disbursed at 100% however, HUD still requests monthly updates in eLOCCS.
 (2) A portion of the 2016 CFP grant contains DDTF funding of \$832,561. Total DDTF funding has been expended.
 (3) A portion of the 2017 CFP grant contains DDTF funding of \$854,061. Total DDTF funding has been expended.
 (4) A portion of the 2018 CFP grant contains DDTF funding of \$1,204,763. Total DDTF funding has been expended.
 (5) A portion of the 2019 CFP grant contains DDTF funding of \$1,269,432. Total DDTF funding has been expended.
 (6) A portion of the 2020 CFP grant contains DDTF funding of \$733,624. Total DDTF funding has been expended.
 (7) A portion of the 2021 CFP grant contains DDTF funding of \$236,509. No DDTF funding has been expended.
 (8) This grant is the 2020 Lead Based Paint Capital Fund Grant. SAHA staff is currently working with HUD to spread the awarded amount of \$4,861,055 into budget line item authorizations.

GRANTS REPORT AS OF September 30, 2021

HUD - PROGRAM GRANTS								PROGRAM GRANTS ➡ Grant expenditure is not progressing as planned.	
Grant Number	Effective Date	Expenditure End Date	LOCCS Authorized	Cumulative Expended	Expended Percentage	Remaining to Expend	LOCCS Disbursement		
Resident Opportunities & Self Sufficiency (ROSS) Funding for Family Self Sufficiency (FSS) Coordinators									
ROSS191334	05/13/19	05/12/22	\$ 508,761.00	\$ 325,891.49	64%	\$ 182,869.51	\$ 322,100.89	(9)	
*2018 ROSS Service Coordinators									
FSS21TX4127-01-00	01/01/21	12/31/21	\$ 936,002.00	\$ 649,868.11	69%	\$ 286,133.89	\$ 621,133.57	(10)	
*PH & HCV Combined FSS 2020									
Jobs Plus Funding for PHAs to develop locally-based approaches to increase earnings and advance employment outcomes for Public Housing residents									
TX006FJP6JPH20	05/14/21	09/30/28	\$ 2,300,000.00	\$ -	0%	\$ 2,300,000.00	\$ -	(11)	
*Jobs Plus - Lincoln Heights									

NON-HUD - PROGRAM GRANTS							
Grant Number	Performance Date	Award Amount	Cumulative Expended	Expended Percentage	Remaining to Expend	Reimbursement Received	
Alamo Colleges Health Professions Opportunity Grant (HPOG)							
HPOG Grant 2020	09/30/20 - 09/29/21	\$ 62,046.00	\$ 59,966.45	97%	\$ 2,079.55	\$ 46,715.28	(12)
VIA Metropolitan Transit Authority Capital Assistance Program For Elderly Persons and Persons With Disabilities							
TX-2021-010-00	09/25/2020 - 09/30/2022	\$ 70,900.00	\$ -	0%	\$ 70,900.00	\$ -	(13)
*VIA Grant 2021							

(9) Grant expenditures are approximately \$73k short of the projected average cumulative expended amount or expended percentage of 78%.

(10) Grant expenditures are approximately \$52k short of the projected average cumulative expended amount or expended percentage of 75%.

(11) Grant expenditures are approximately \$129k short of the projected average cumulative expended amount or expended percentage of 6%.

(12) This grant ended on 09/29/2021 and \$2,079.55 will remain unexpended. The remaining reimbursement from Alamo Colleges of \$13,251.17 is expected to be received by November 2021.

(13) This grant has been extended to September 30, 2022. The grant is projected to be expended by 85% by February 2022 upon the delivery of a vehicle ordered.

GRANTS REPORT AS OF September 30, 2021

LIST OF GRANT APPLICATIONS						
Grant Name	Award Amount	Date Submitted	Match Amount	Term of the Grant	Application Status	Description
FY21 HAI Group Loss Prevention Fund	\$20,000	05/31/21	N/A	N/A	Not Awarded	Housing Authority Insurance Company
FY21 HAI Group Loss Prevention Fund	\$49,750	05/31/21	N/A	N/A	Not Awarded	Housing Authority Insurance Company
Family Self-Sufficiency Demonstration Development Grant	\$222,038	07/02/21	N/A	N/A	Not Awarded	FSS Administration Grant for Children and Families
Community Impact Grant	\$5,000	06/29/21	N/A	N/A	Not Awarded	Home Depot Community Impact Grant
FY20 Housing-related Hazard Capital Fund Program	\$3,448,218	05/24/21	N/A	N/A	Not Awarded	HUD Housing-related Hazard Capital Fund Grant
FY21 ROSS SC Program Renewal	\$621,051	09/17/21	N/A	N/A	Pending	HUD ROSS Service Coordinator
FY21 Family Self-Sufficiency Renewal	\$1,064,316	09/01/21	N/A	N/A	Pending	HUD Family Self-Sufficiency



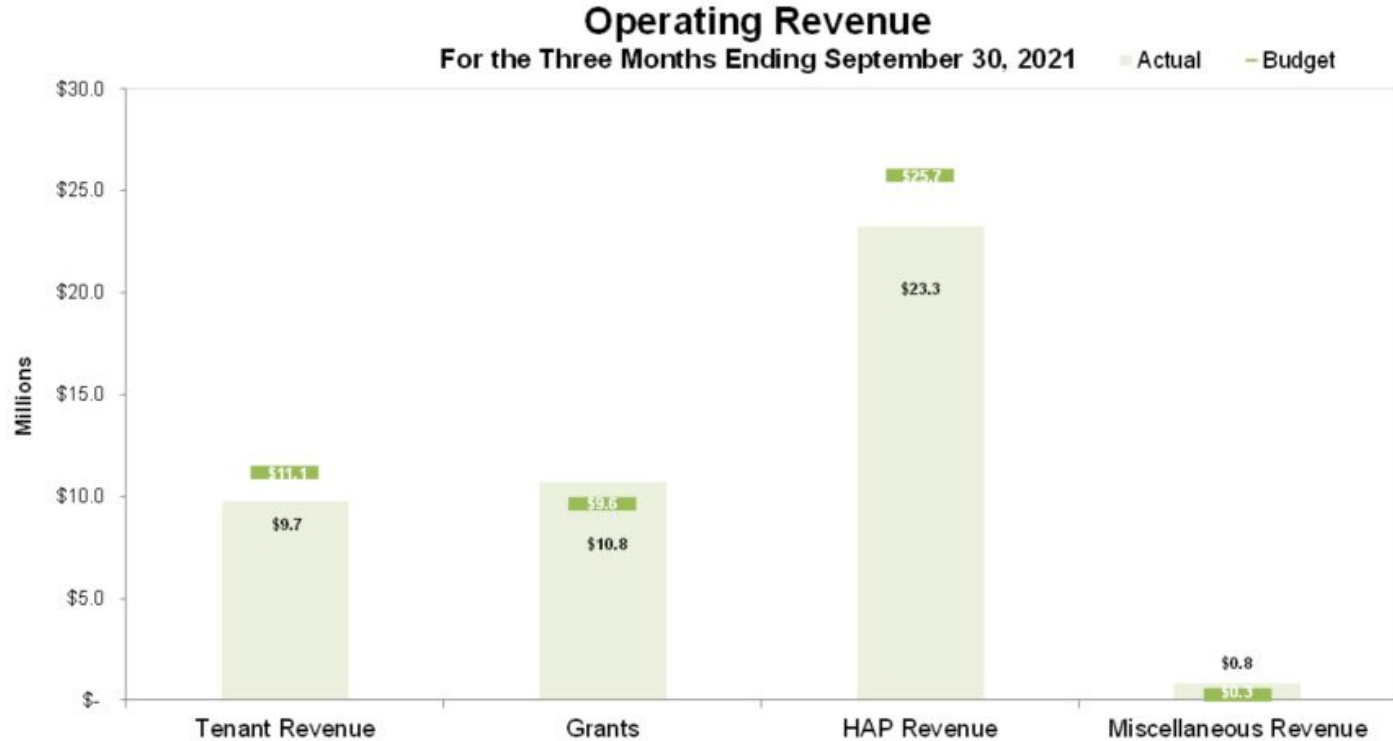
FINANCIAL PERFORMANCE REPORT

November 18, 2021

OPERATING REVENUE

For the Three Months Ending September 30, 2021

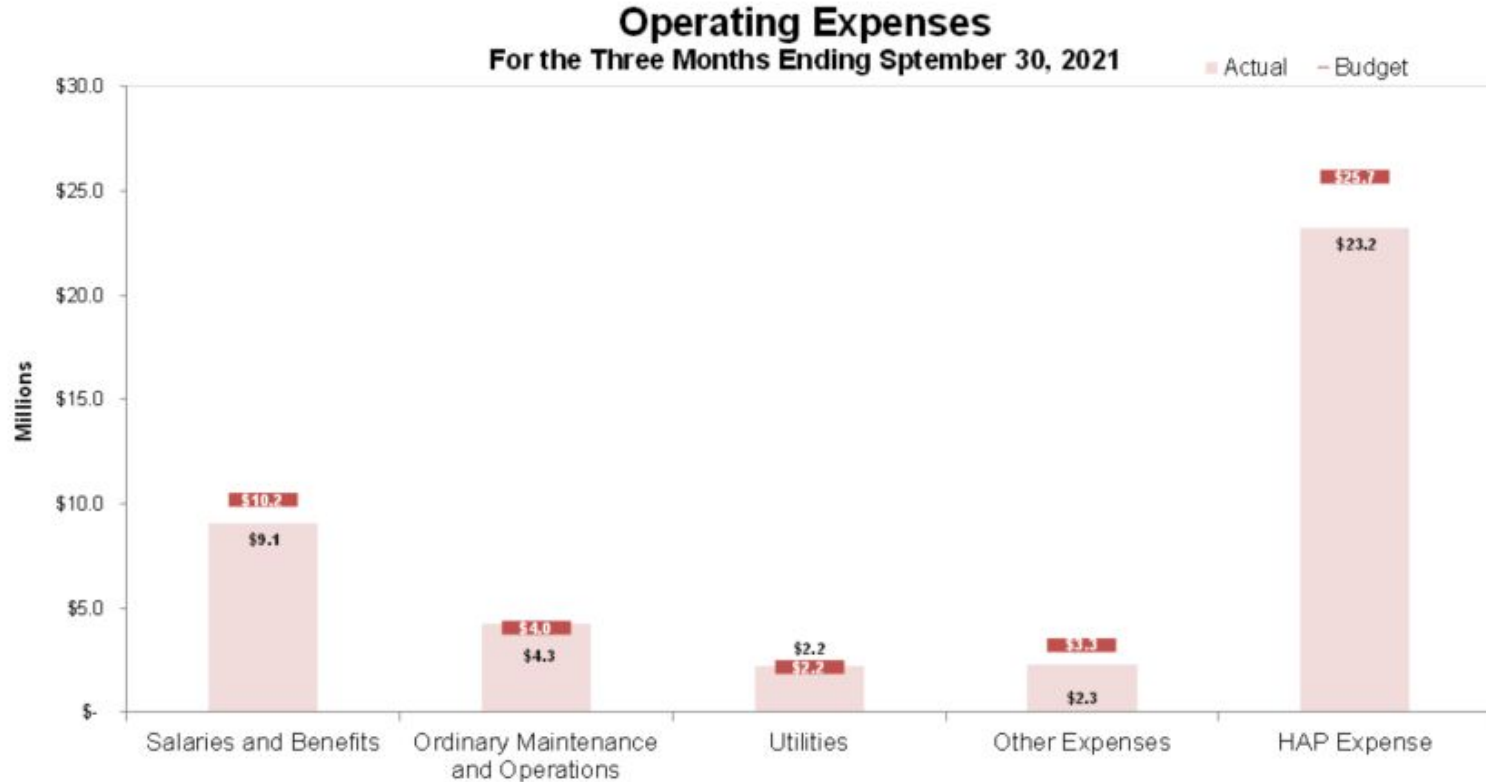
2



OPERATING EXPENSES

For the Three Months Ending September 30, 2021

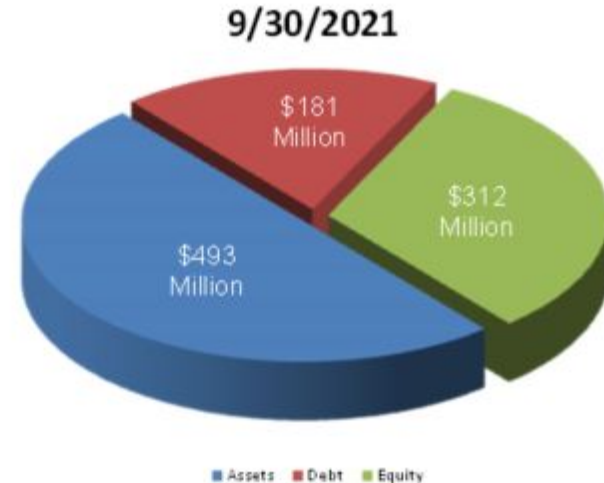
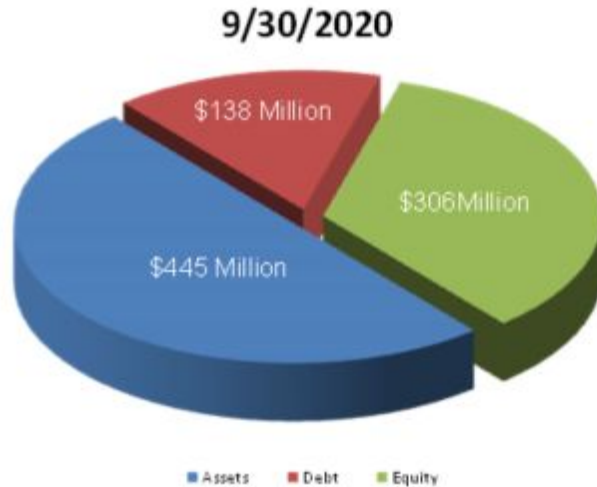
3



FINANCIAL RATIOS

4

Financial Strength



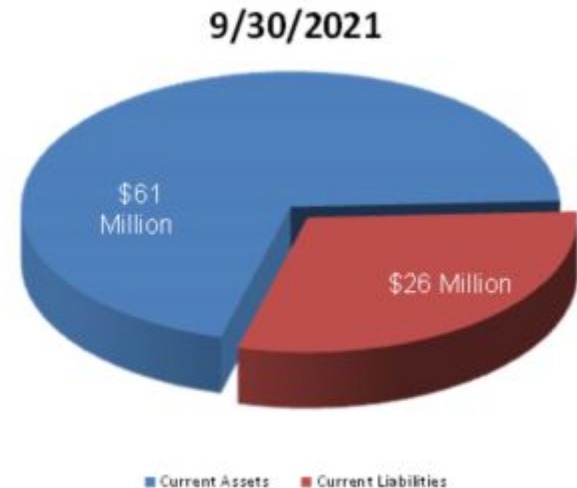
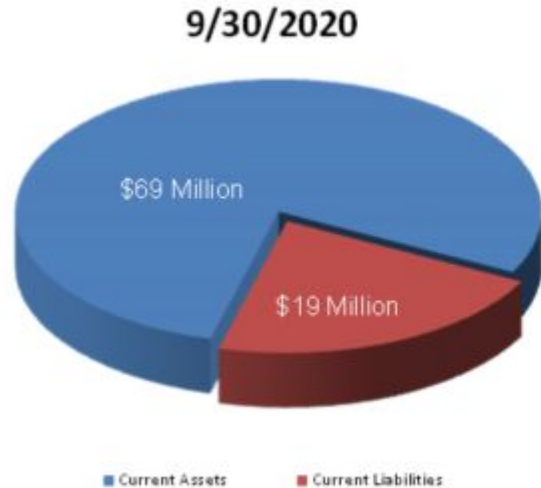
The debt-to-equity ratio increased from 0.43 to 0.58 due primarily to acquisitions of various partnerships.

FINANCIAL RATIOS

Continued...

5

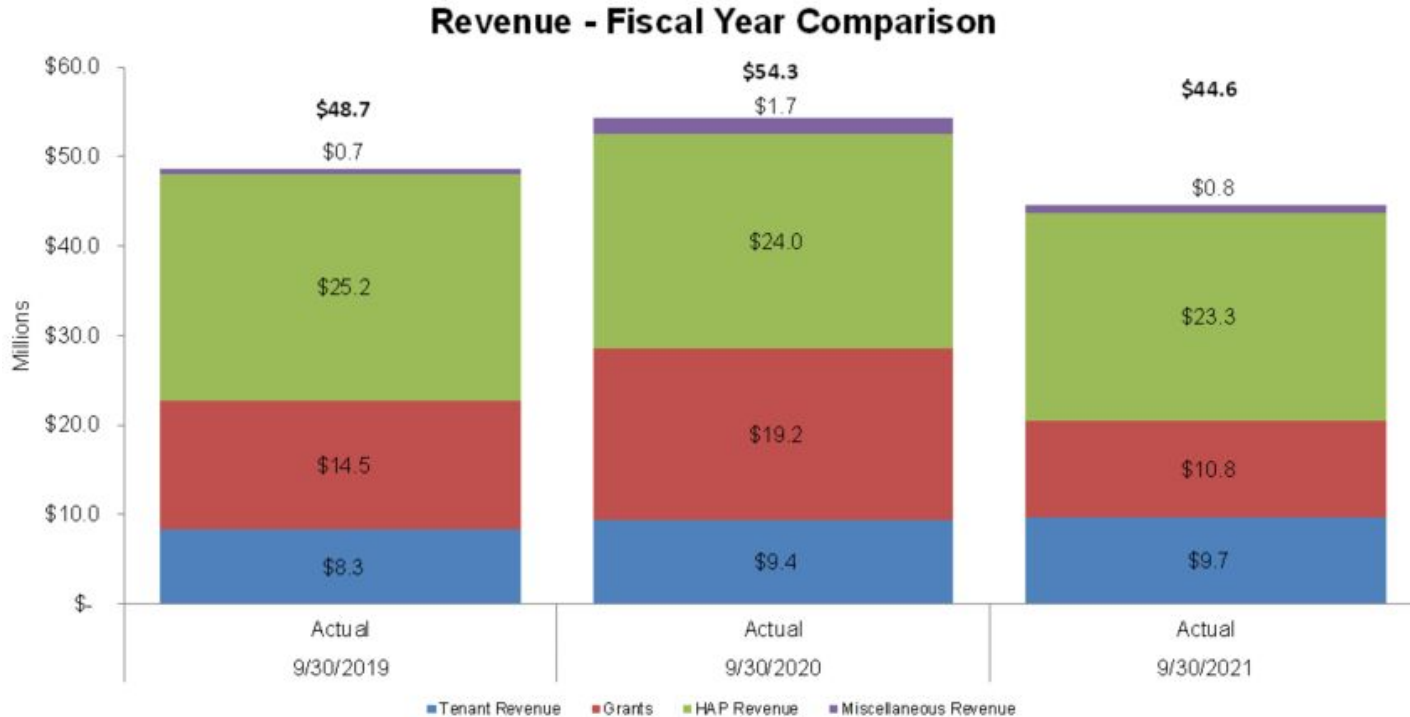
Financial Liquidity



The current ratio decreased from 3.63 to 2.35 but remains an indicator of SAHA's strong capacity to meet its short-term financial commitments.

REVENUE - FISCAL YEAR COMPARISON

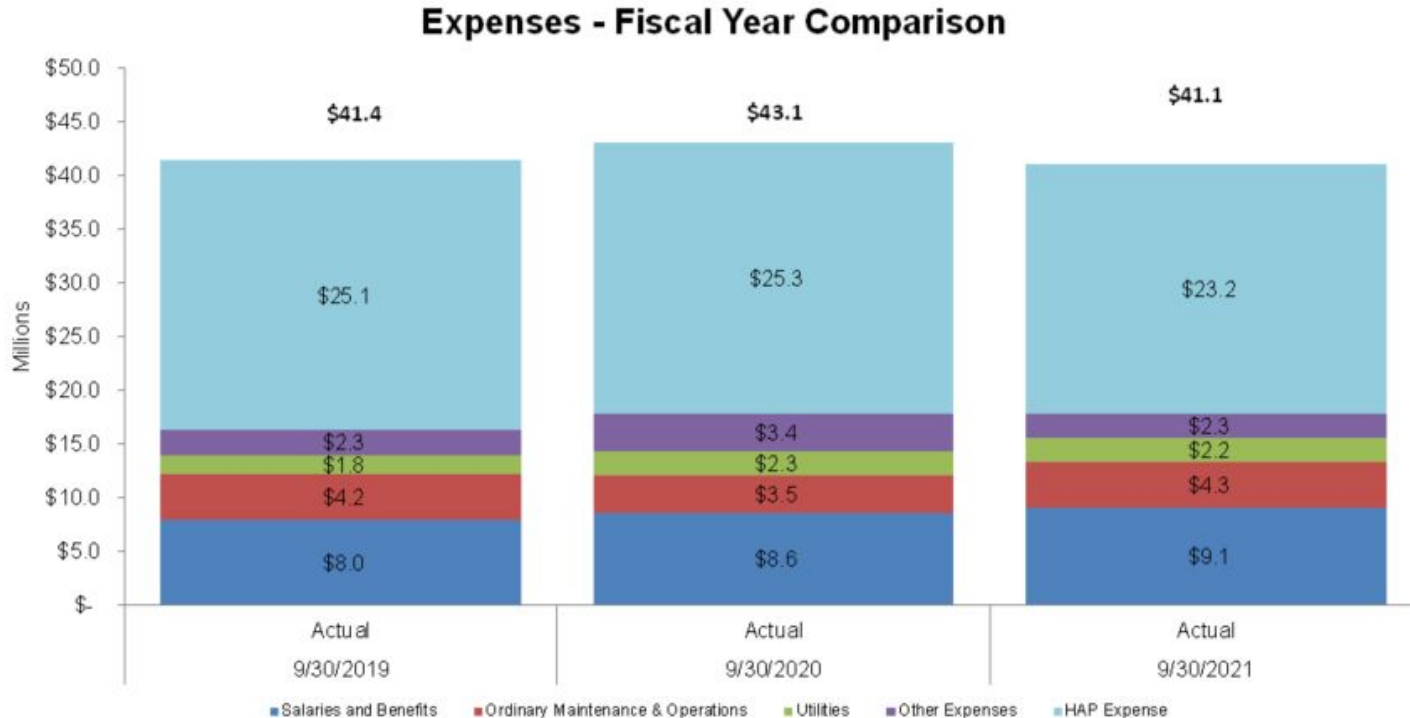
6



Total Revenue was approximately 22% lower compared to the previous year with Grants Revenue as the primary contributor.

EXPENSES - FISCAL YEAR COMPARISON

7



Total Expenses were 5% lower compared to the previous year caused primarily by lower HAP Expenses.

QUESTIONS?

SAN ANTONIO HOUSING AUTHORITY

November 18, 2021

MEMORANDUM

To: Finance Committee

From: Ed Hinojosa, Jr., President and CEO

Presented by: Aiyana Longoria, Director of Internal Audit

RE: Update and Discussion regarding Internal Audit

DS
EHJ

SUMMARY:

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

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

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

This update provides the required communication, as follows:

- Internal Audit Department Update
- Internal Audit Plan Status - FY 2021-2022 Quarter 2
- Summary and Status of Management Corrective Action Plans (related to Internal Audit reporting)

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

SAN ANTONIO HOUSING AUTHORITY

November 18, 2021

PROPOSED ACTION:

None at this time.

FINANCIAL IMPACT:

Not applicable.

STRATEGIC OUTCOMES:

Supports all strategic outcomes.

ATTACHMENTS:

Presentation

Status of Management Corrective Action Plans

STATUS OF MANAGEMENT CORRECTIVE ACTION ITEMS as of 11/1/21

Audit Plan Year	Final Report Date	Audit Title	Finding Type	Finding Number and Title	Finding / Condition Description and Recommendation	Management's Corrective Action Plan	Original Estimated Completion Date	Revised Estimated Completion Date	Status	Resp. Officer's Initials	Comments
<i>Fiscal Year 2016-2017</i>											
FY 16-17	4/16/19	Audit of Tenant Participation Funds at Parkview Apartments	Significant Deficiency	Finding 3 - Check Disbursements	Recommendation Internal Audit recommends that the Property Manager or Case Management Specialist assist the RC with establishing a bank account that will conform to the requirements set forth in the RC Manual. including the requirement for dual signatures, with the Treasurer being one of the signatories on each disbursement. Additionally, either the Property Manager or the Case Management Specialist should be on the bank account.	<i>CDI Management will meet with PH Management to determine the best course of action for supporting RC with establishing bank accounts. An SOP will be developed to provide guidance for SAHA staff who have expressed concerns with adding their names to the RC bank account.</i>	5/8/2019	12/31/2021	In Progress	BP	CDI Management is currently exploring best practices and seeking additional services for guidance and redevelopment.
<i>Fiscal Year 2019-2020</i>											
FY 19-20	10/30/20	Audit of Rent Calculation and Collection Processes at Public Housing Communities	Significant Deficiency	Finding 2 - Incorrect collection or application of security deposits	Recommendation Management should reemphasize to staff the importance of collecting deposits and verifying that they have been appropriately accounted for in the tenant ledger.	<i>Monthly Quality control for Security deposit collection Reports has been occurring since July 2020 for Property manager review. Move Out SOP is being updated and training is scheduled for February 2021.</i>	2/28/2021	12/31/2021	In Progress	BP	
FY 19-20	10/30/20	Audit of Rent Calculation and Collection Processes at Public Housing Communities	Significant Deficiency	Finding 3 - Incorrect Account Settlement in Elite	Recommendation Management should reemphasize to staff the importance of calculating prorated rent and verifying that they have been appropriately accounted for in the tenant ledger.	<i>Move Out SOP is being updated and training is scheduled for February 2021.</i>	2/28/2021	12/31/2021	In Progress	BP	
FY 19-20	10/30/20	Audit of Rent Calculation and Collection Processes at Public Housing Communities	Significant Deficiency	Finding 4 - Inconsistent move-out procedures	Recommendation Written procedures should be established specifically for the move-out process that is separate from the eviction process. The procedures should address the processing time required to close-out tenant accounts, collections process, EIV module notification, as well as standardize usage of entering information into Elite for tenant ledgers, tenant notes, and entity alerts.	<i>The Move Out SOP is being updated and training is scheduled for February 2021.</i>	2/28/2021	12/31/2021	In Progress	BP	
FY 19-20	10/30/20	Audit of Rent Calculation and Collection Processes at Public Housing Communities	Observation	Observation 1 - Electronic Documentation in Shared Google Drive.	Recommendation Tenant documents, to include forms and letters should be "backed up" or copied as a pdf to a shared Public Housing folder in the SAHA Google shared drive. This prevents the need to obtain the physical file when it is not possible, and allows for any SAHA staff person to access this document in the future if the creator of the document is no longer a SAHA employee.	<i>Management is not currently expecting to move to a digital file system. Move Out SOP is being updated and training is scheduled for February 2021</i>	2/28/2021	12/31/2021	In Progress	BP	
FY 19-20	10/30/20	Audit of Public Housing Compliance	Significant Deficiency	Finding 6- Security deposit issues	Recommendation Management should reemphasize to staff that a security deposit must be charged and collected.	<i>Monthly Quality Control for Security deposit collection Reports have been occurring since July 2020 for Property manager review. Move Out SOP is being updated and training is scheduled for February 2021.</i>	2/28/2021	12/31/2021	In Progress	BP	Repeated significant deficiency for FY2020-2021 Midyear PH Compliance Audit.

STATUS OF MANAGEMENT CORRECTIVE ACTION ITEMS as of 11/1/21

Audit Plan Year	Final Report Date	Audit Title	Finding Type	Finding Number and Title	Finding / Condition Description and Recommendation	Management's Corrective Action Plan	Original Estimated Completion Date	Revised Estimated Completion Date	Status	Resp. Officer's Initials	Comments
FY 19-20	12/18/20	Audit of Resident and Program Participant Termination Process in Federal Housing Programs	Significant Deficiency	Finding 1 - Outstanding debt owed to SAHA	Recommendation Ensure every effort is made to recoup monies owed to SAHA to include reporting any bad debt to SAHA's third-party collection agency.	<i>Assisted Housing Programs has removed the policy to send bad debt to SAHA's third-party collection agency effective July 1, 2020. The change was made due to the concern that the collection reporting would have on the client's credit history. An applicant will not be housed in the future, as all debts will show and they must make arrangements before continuing in the process. Management is currently reviewing current AHP policies / procedures on recoupment of monies for bad debts owed, including performing collections within SAHA. The Public Housing Move Out SOP is being updated to include specific procedures and timeline for collections in order to provide reinforcement of collection policies and procedures for property managers to abide by in collecting debt. Staff training is scheduled for February 2021. Management has followed up with the appropriate property managers to send the monies to collections in PH, and with appropriate action (depending on whether for participant / owner) for AHP cases.</i>	2/28/2021	12/31/2021	In Progress	BP	6/30 date references Move out SOP est. completion date
FY 19-20	12/18/20	Audit of Resident and Program Participant Termination Process in Federal Housing Programs	Significant Deficiency	Finding 2 - Court fees not charged on Public Housing tenant ledgers	Recommendation Ensure all charges to include judgments and or evictions are documented and applied consistently to each file.	<i>Monthly Quality Control for eviction reports will be run for Property manager review. Move Out SOP is being updated to include move out reason definitions and training is scheduled for February 2021.</i>	2/28/2021	12/31/2021	In Progress	BP	
FY 19-20	12/18/20	Audit of Resident and Program Participant Termination Process in Federal Housing Programs	Significant Deficiency	Finding 3 - Terminations not entered into Enterprise Income Verification (EIV)	Recommendation Ensure this process is part of the termination/move out checklist and create a standard operating procedure to ensure terminations are entered into the EIV DOTM.	<i>A reminder will be issued to AHP and PH staff responsible for entering information into EIV. The AHP Terminations SOP will be updated to include the EIV reporting process. PH Move Out SOP being updated will include the EIV reporting process. Will establish a procedure to ensure EIV/PIC Analyst sends out email to Property Managers when submissions are complete to remind properties to enter termination into EIV. Property Manager will QC information entered. Move Out SOP is being updated and training is scheduled for February 2021.</i>	2/28/2021	12/31/2021	In Progress	BP	
FY 19-20	12/18/20	Audit of Resident and Program Participant Termination Process in Federal Housing Programs	Internal Control Deficiency	Finding 4 - Termination report discrepancy	Recommendation Ensure management confirms all information in Elite is entered properly and any system generated reports reflect accurate information	<i>Move Out SOP is being updated to include move out reason definitions and training is scheduled for February 2021. A reminder will be issued to staff on termination reasons and reporting.</i>	2/28/2021	12/31/2021	In Progress	BP	
FY 19-20	12/18/20	Audit of Resident and Program Participant Termination Process in Federal Housing Programs	Internal Control Deficiency	Finding 5 - Delay in reviewing files for termination	Recommendation Ensure staff and management are aware of the importance of sending files through the termination process in a timely manner. Include a time frame to specify how long both staff and management have to review the file prior to sending the file for review of termination	<i>A reminder will be issued to staff and a report for expired vouchers will be established to notify staff of when to move forward with termination. Move Out SOP is being updated to include move out reason definitions and training is scheduled for February 2021. The Move Out SOP will include clarification on timelines for Public Housing.</i>	2/28/2021	12/31/2021	In Progress	BP	
FY 19-20	12/18/20	Audit of Resident and Program Participant Termination Process in Federal Housing Programs	Internal Control Deficiency	Finding 6 - Notice to Vacate and/or Final Notice to Vacate (FNTV)	Recommendation Ensure procedures are reviewed and reinforced with staff to ensure all required documents are maintained in the program file.	<i>Move Out SOP is being updated and will include timelines for Notice to Vacates. File Order SOP will be updated to clarify the process for termination / evicted files.</i>	7/1/2021	12/31/2021	In Progress	BP	
FY 19-20	12/18/20	Audit of Resident and Program Participant Termination Process in Federal Housing Programs	Internal Control Deficiency	Finding 7 - Missing documentation	Recommendation Ensure procedures are reviewed and reinforced with staff to ensure all required documents are maintained in the program file.	<i>Training will be issued to Assisted Housing Programs staff on termination checklist. AHP Terminations SOP will be updated to include processes for entering Elite notes, reviewing files for proper documentation, and completing the termination checklist. PH Move Out SOP will include and address the process for entering information into Elite and reviewing files for proper documentation. Reminders will be included in training for Public Housing staff and AHP staff.</i>	7/1/2021	12/31/2021	In Progress	BP	
FY 19-20	12/18/20	Audit of Resident and Program Participant Termination Process in Federal Housing Programs	Observation	Observation 1 - No abandonment policy	Recommendation Recommend adding steps to the PH Eviction SOP regarding when to use the abandonment policy vs court eviction process	<i>Move Out SOP is being updated and will include Texas Property Law sections on handling Abandonment of units and related SAHA Policy.</i>	2/28/2021	12/31/2021	In Progress	BP	

STATUS OF MANAGEMENT CORRECTIVE ACTION ITEMS as of 11/1/21

Audit Plan Year	Final Report Date	Audit Title	Finding Type	Finding Number and Title	Finding / Condition Description and Recommendation	Management's Corrective Action Plan	Original Estimated Completion Date	Revised Estimated Completion Date	Status	Resp. Officer's Initials	Comments
FY 19-20	12/18/20	Audit of Resident and Program Participant Termination Process in Federal Housing Programs	Observation	Observation 2 - Inconsistent use of Public Housing termination end date	Recommendation Ensure an SOP is created to assist staff in clarifying which date to use for the end of participation depending on situations for termination.	<i>Move Out SOP is being updated and will include effective dates and timelines.</i>	2/28/2021	12/31/2021	In Progress	BP	
Fiscal Year 2020-2021											
FY 20-21	4/9/21	Public Housing Midyear Modified Compliance Audit	Significant Deficiency	Finding 1- Incorrect security deposit charged and/or collected	Recommendation Management should reemphasize to staff that a security deposit must be collected in full, and applied to the ledger correctly.	<i>Revised response from Management, "Monthly Quality Control for Security deposit collection Reports have been occurring since July 2020 for Property manager review. Move Out SOP is being updated and training is scheduled for June 2021."</i>	6/30/2021	12/31/2021	In Progress	BP	
FY 20-21	4/9/21	Assisted Housing Programs Midyear Modified Compliance Audit	Significant Deficiency	Finding 1- Over or Under payment of Housing Assistance Payment (HAP), Utility Reimbursement (UAP), and Administrative Fees for Port-Out	Recommendation AHP management should reemphasize to staff to verify the correct number of days for prorated amounts, and develop a monitoring process to ensure reimbursement of underpayment of subsidy or recovering of overpaid amounts are made in a timely manner.	<i>Rent Calculation training is scheduled for October 2021 and will stress the importance of verifying the correct number of days for prorated amounts. Management will continue to review internal audit activities to ensure areas of concern are reviewed during monthly audits. Management will also continue to QC new hires at 100%.</i>	10/31/2021	12/31/2021	In Progress	BP	
FY 20-21	7/23/2021	Audit of Vendor Quality	Significant Deficiency	Finding 1 - Personally identifiable information (PII) provided by the vendor for "Financial Viability" retained in file	Recommendations a. Procurement management should take steps to ensure PII is not retained unnecessarily in the department's files, to include providing guidance to vendors on PII; or, if necessary to be retained, then such PII is adequately safeguarded. If PII is included as part of a vendor's submission, notice will be sent to the vendor to inform them that the information has been reviewed (if applicable), removed, and has been properly disposed of. b. Procurement management should reevaluate the current language and request provided in the IFB Section 5.10. It may not be possible for all vendors to provide the specific information requested, and may be misunderstood if the company is small and does not have financial statements or audit reports. If it continues to be a requirement for submissions, Procurement management must ensure there is a consistent review process in place.	<i>Management will review the current language in all solicitation templates in order to have financial information only requested from those vendors, which projects require SAHA to review the financial stability of a company.</i>	12/3/2021		In Progress	MR	
FY 20-21	7/23/2021	Audit of Vendor Quality	Internal Control Deficiency	Finding 2 - Vendor evaluation process for the renewal of contracts	Recommendations a. As the evaluation process has evolved, the scoring matrix has not. Procurement management should develop a comprehensive and reflective scoring matrix for the evaluation process. Evaluations and scores should take into consideration the nature and type of services provided. b. Feedback that is provided by end users of the service is critical for capturing and evaluating performance, and would allow any and all staff who interact with a vendor to be part of the evaluation process. Procurement management should reinforce the usage of the help log system, and ensure that any feedback provided is formally captured in the review and renewal of contracts.	<i>Although the Director of Procurement is responsible for this process, this process is currently being performed by another department. The procurement department will take ownership of this process and use its new procurement solicitation software to capture this information.</i>	12/31/2021		In Progress	MR	

STATUS OF MANAGEMENT CORRECTIVE ACTION ITEMS as of 11/1/21

Audit Plan Year	Final Report Date	Audit Title	Finding Type	Finding Number and Title	Finding / Condition Description and Recommendation	Management's Corrective Action Plan	Original Estimated Completion Date	Revised Estimated Completion Date	Status	Resp. Officer's Initials	Comments
FY 20-21	7/23/2021	Audit of Vendor Quality	Internal Control Deficiency	Finding 3 - Approved subcontractors at the time of contract award	Recommendations At the time of award, Procurement management should review the vendor submissions and determine if the awarded vendors are listed as subcontractors on another awarded vendor's submission. If this is discovered to be true, then the awarded vendor(s) must select an alternative subcontractor that has not been awarded the contract. Any replacement subcontractor must still meet the terms outlined in the contract, meet due diligence verifications, and be approved by SAHA prior to commencing any work.	Management will review all subcontractors as recommended prior to executing any contracts.	12/31/2021		In Progress	MR	



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INTERNAL AUDIT UPDATE

Finance Committee
November 18, 2021

INTERNAL AUDIT Q1 ACTIVITIES IN SUPPORT OF SAHA STRATEGIC OUTCOMES

2

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

- Continuing to work with CDI Family Self-Sufficiency program on escrow review process and streamlining review to meet the changes in the FSS program direction
 - 11 escrows over \$5,000.00 reviewed and approved for graduation from July 2021 to current
 - A total of \$73,297.91
- Audit of Waitlist and Tenant Selection Plans for Third Party Managed Communities
- Audit of the Security Risk Assessment Process
- Audit of New Construction Process
- Audit of Redevelopment and Modernization Process
- Closeout of Modified Operations Compliance Audits and transition to Standard Operations Compliance Audits

STATUS OF 2020-2021 AUDIT PLAN

3

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

- Draft Final Reports have been routed to include management responses and corrective action plans from:
 - ❑ Franklin Management for Sutton Oaks, the Park at Sutton Oaks;
 - ❑ NRP Group for San Juan I, San Juan II, and the Gardens at San Juan Square; and
 - ❑ McCormack Baron Management for Wheatley Senior and East Meadows I

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

- Field work has been completed and has moved into the report phase
- Exit conference to be held with Auditees to prepare management responses and corrective action plans.

STATUS OF 2021-2022 AUDIT PLAN

4

■ **Audit of New Construction Process (Legacy at Alazan)**

- Approved on the FY 2020-2021 plan and carried over to be completed in FY 2021-2022
- Announcement of this audit was sent out 10/29/21
- Kick-off meeting to be scheduled
- Audit will focus on various processes for development and procurement for the Legacy at Alazan community

■ **Audit of Redevelopment and Modernization Process (Victoria Plaza)**

- Announcement of this audit was sent out 10/29/21
- Kick-off meeting to be scheduled
- Audit will focus on various processes for construction and procurement for the Victoria Plaza community

STATUS OF 2021-2022 AUDIT PLAN

5

Compliance Audits

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

- Compliance audits resumed under “Standard Operations” to review processed files
 - Focus on permanent documents, rent determination, and calculation
 - 65 files per month that have been processed the prior month
 - Files reviewed are all digital, however physical file is reviewed for permanent documentation if the digital file is a recertification or interim certification

❑ **Public Housing** *(Ongoing)*

- Compliance audits resumed under “Standard Operations” to review processed files
 - Focus on permanent documents, rent determination, and calculation
 - 10% of occupied units with no less than 10 files are reviewed per community
 - All files are physical, minimal digital review.
 - Completed 13 PH Communities (181 files) and 4 Mixed Income Communities (40 files)

ACTION ITEMS

6

Status of Corrective Action Items resulting from Internal Audits

- Currently, there are twenty (20) open action items
- All Twenty (20) of the action items are expected to be completed this fiscal year

STATUS OF THIRD PARTY AUDITS

7

Audit of the Housing Authority of the City of San Antonio Employees' Money Purchase Pension Plan and Trust (the Plan)

- **Audit completed by RSM US LLP**
- **Final letter and report received on October 6, 2021**
- **No Findings**

QUESTIONS?