



# FINANCE COMMITTEE MEETING

## FEBRUARY 16, 2022



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**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.

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**SAN ANTONIO HOUSING AUTHORITY**

**\*FINANCE COMMITTEE MEETING**

**OR SPECIAL BOARD MEETING**

**Call In Phone Number: (346) 248-7799**

**Meeting ID: 93839434337# Passcode: 654170#**

**818 S. Flores St., San Antonio, TX 78204**

**1:00 p.m., Wednesday, February 16, 2022**

At least four Commissioners will 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. The Presiding officer will also be present at this location.

**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.

**INDIVIDUAL ITEMS**

3. Consideration and appropriate action regarding Resolution 6214, certifying that the San Antonio Housing Authority's Investment Policy and Investment strategies have been reviewed in accordance with the requirements set forth in Section 2256.005 (e) of the Texas Public Funds Investment Act (Diana Kollodziej Fiedler, Chief Financial Officer)

## **DISCUSSION ITEMS**

4. Update and discussion regarding the Quarterly Financial Report (Diana Kollodziej Fiedler, Chief Financial Officer)
5. Update and discussion regarding the Quarterly Internal Audit Update (Aiyana Longoria, Director of Internal Audit)
6. 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."

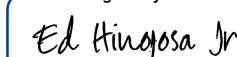
"Pursuant to § 30.07, Penal Code, (trespass by holder license holder with an openly carried handgun), a person licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not attend this meeting with a handgun that is carried openly."

## SAN ANTONIO HOUSING AUTHORITY

February 16, 2022

BOARD OF COMMISSIONERS  
Finance Committee**RESOLUTION 6214, CERTIFYING THAT THE SAN ANTONIO HOUSING AUTHORITY'S INVESTMENT POLICY AND INVESTMENT STRATEGIES HAVE BEEN REVIEWED IN ACCORDANCE WITH THE REQUIREMENTS SET FORTH IN SECTION 2256.005 (e) OF THE TEXAS PUBLIC FUNDS INVESTMENT ACT**

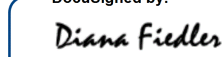
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**Ed Hinojosa, Jr.**  
**President and CEO**

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**Diana Fiedler**  
**Chief Financial Officer****REQUESTED ACTION:**

Consideration and appropriate action regarding Resolution 6214, certifying that the San Antonio Housing Authority's Investment Policy and Investment strategies have been reviewed in accordance with the requirements set forth in Section 2256.005 (e) of the Texas Public Funds Investment Act.

**FINANCIAL IMPACT:**

None.

**SUMMARY:**

The purpose of the review is to ensure SAHA remains in compliance with requirements set forth in Section 2256.005 (e) of the Texas Public Funds Investment Act (PFIA).

Section 2256.005 (e) of the Texas Public Funds Investment Act requires that the governing body of each covered entity review its Investment Policy and Investment Strategies not less than annually and adopt a written instrument by rule, order, ordinance, or resolution stating such.

The Investment Policy denotes the allowed investment activities, which must conform to all federal, state, and local statutes governing the investment of public and non-public funds. The policy contains relevant information to guide responsible personnel regarding authorized investment activities.

The only proposed changes to the Investment Policy are to replace the Director of Finance and Accounting title with Chief Financial Officer as the Director position is currently vacant.

**STRATEGIC OUTCOMES:**

Supports all strategic outcomes.

**ATTACHMENTS:**

Resolution 6214  
2022 Investment Policy

## **CERTIFICATE FOR RESOLUTION 6214**

The undersigned officer of the Housing Authority of the City of San Antonio, Texas, a Texas housing authority created pursuant to the laws of the State of Texas ("SAHA"), hereby certifies as follows:

1. In accordance with Chapter 551, Texas Government Code, as amended (the "Open Meetings Act"), and the bylaws of SAHA, the Board of Commissioners of SAHA (the "Board") held a meeting on March 2, 2022, (the "Meeting") of the duly constituted officers and members of the Board, at which a duly constituted quorum was present. Whereupon among other business transacted at the Meeting, a written

**RESOLUTION 6214, CERTIFYING THAT THE SAN ANTONIO HOUSING  
AUTHORITY'S INVESTMENT POLICY AND INVESTMENT STRATEGIES HAVE  
BEEN REVIEWED IN ACCORDANCE WITH THE REQUIREMENTS SET FORTH IN  
SECTION 2256.005 (e) OF THE TEXAS PUBLIC FUNDS INVESTMENT ACT**

(the "Resolution") was duly introduced for the consideration of the Board and discussed. It was then duly moved and seconded that the Resolution be adopted; and, after due discussion, said motion, carrying with it the adoption of the Resolution, prevailed and carried by a majority vote of the Board.

2. A true, full, and correct copy of the Resolution adopted at the Meeting is attached to and follows this Certificate; the Resolution has been duly recorded in the Board's minutes of the Meeting; each of the officers and members of the Board was duly and sufficiently notified officially and personally, in advance, of the time, place, and purpose of the Meeting; and the Meeting was held and conducted in accordance with the Open Meetings Act and the Bylaws of SAHA.

**SIGNED AND SEALED** on March 2, 2022.



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Ed Hinojosa, Jr.  
President and CEO

**San Antonio Housing Authority  
Resolution 6214**

**RESOLUTION 6214, CERTIFYING THAT THE SAN ANTONIO HOUSING AUTHORITY'S INVESTMENT POLICY AND INVESTMENT STRATEGIES HAVE BEEN REVIEWED IN ACCORDANCE WITH THE REQUIREMENTS SET FORTH IN SECTION 2256.005 (e) OF THE TEXAS PUBLIC FUNDS INVESTMENT ACT**

**WHEREAS**, the State of Texas has passed legislation requiring written Investment Policies for all public agencies; and

**WHEREAS**, the State requires the governing body of an investing entity review its Investment Policy and Investment Strategies not less than annually and adopt a resolution stating such; and

**WHEREAS**, staff of the Authority has previously prepared the Investment Policy to meet the requirements of the State of Texas Law; and

**WHEREAS**, the only proposed change to the Investment Policy is to replace the Director of Finance and Accounting title with Chief Financial Officer, as the Director position is currently vacant.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Commissioners of San Antonio Housing Authority, hereby:

Approves Resolution 6214, certifying the Investment Policy and Investment Strategies have been reviewed.

**Passed and approved the 2nd day of March 2022.**

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**Ana M. "Cha" Guzman  
Chair, Board of Commissioners**

**Attested and approved as to form:**

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**Ed Hinojosa, Jr.  
President and CEO**

## **INVESTMENT POLICY**

### **February 16, 2022**

#### **1.0 POLICY:**

It is the policy of the Housing Authority of the City of San Antonio, Texas to invest all funds in a manner that will provide the highest investment return with the maximum security while assuring sufficient liquidity to meet the daily cash flow demands of the Housing Authority. Investment activities must conform to all federal, state and local statutes governing the investment of public and non-public funds.

#### **2.0 SCOPE:**

This investment policy applies to all financial assets of the Housing Authority and related entities. These funds are accounted for in the Housing Authority Annual Audit Reports and include:

- 2.1 Operating Funds and Reserves for Public Housing, Section 8, and all programs
- 2.2 Development Reserves, Bond Proceeds, and Escrow Accounts
- 2.3 Any newly acquired or special funds
- 2.4 Non-Profit and Partnership Funds

#### **3.0 OBJECTIVE:**

As required by the Act, the investment of funds shall be governed by the following investment objectives, in order of preference:

- 3.1 Preservation and safety of principal: Investment decisions of the Authority shall be undertaken in a manner that seeks to ensure the preservation and safety of capital in the overall portfolio. To obtain this goal, adequate diversification is required to assure that potential losses on individual investments do not exceed the income generated from the remainder of the portfolio. There shall be a requirement for settlement of all transactions, except investment pool funds and mutual funds, on a delivery versus payment basis.
- 3.2 Liquidity: The investment portfolio will remain sufficiently liquid to enable the Authority to meet all operating requirements that might be reasonably anticipated. Investment in securities with an active secondary market are preferred investments.

- 3.3 Yield and Return on Investment: The San Antonio Housing Authority investment portfolio shall be designed with the objective of attaining a rate of return throughout budgetary and economic cycles, commensurate with the Authority's investment risk constraints and cash flow characteristics of the portfolio.
- 3.4 Legal Limitations: Direct specific investment parameters for the investment of public funds in Texas are found in the Public Funds Investment Act, Chapter 2256, Texas Government Code and the U. S. Department of Housing and Urban Development Public and Indian Housing Notice 95-27 issued May 11, 1995.
- 3.5 Administrative Cost: In choosing an investment, the San Antonio Housing Authority shall consider the administrative work involved, particularly with regards to investments of short duration.

#### 4.0 PRUDENCE:

The standard of prudence to be used in the investment function shall be the "prudent person" standard and shall be applied in the context of managing the overall portfolio. Prudence shall be measured by considering the investment of all funds or funds under the entity's control over which the officer had responsibility rather than a consideration as to the prudence of a single investment.

This standard states: "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the expected income to be derived." The investment officer and those delegated with investment authority under this policy, when acting in accordance with the written procedures and this policy in accord with the Prudent Person Rule, shall be relieved of personal responsibility and liability in the management of the portfolio, provided that deviations from expectations for a specific security's credit risk or market price change or portfolio shifts are reported in a timely manner and that appropriate action is taken to control adverse market effects.

#### 5.0 DELEGATION OF AUTHORITY:

The Board of Commissioners of the Housing Authority of the City of San Antonio retains the ultimate responsibility as fiduciaries over the assets of the organization. The Board hereby delegates to the CEO and the CEO's designated staff the day-to-day responsibility of managing the Housing Authority's investment activities. The CEO will report the investment activities to the Board of Commissioners on at least a quarterly basis as required by the Public Funds Investment Act.

The CEO, with assistance from the CEO's designated staff, will establish the system of procedures and controls to regulate the investment activities. No officer or designee may engage in an investment transaction except as provided under the terms of this policy and



the procedures established and approved by the President and CEO. The CEO designates the Chief Financial Officer as responsible for considering the quality and capability of staff, investment advisors, and consultants involved in investment management and procedures. The Chief Financial Officer will also oversee all investment activities and assure that appropriate internal controls are in place and being followed.

The CEO also designates the ~~Director of Finance and Accounting~~ Chief Financial Officer as the Investment Officer of the Housing Authority to be responsible for the day to day operating decisions related to investment decisions and activities. In addition, the Investment Officer shall be responsible for all transactions undertaken and together with the ~~Chief Financial Officer~~ CEO, shall establish a system of procedures and controls to regulate the activities of subordinate officials and staff. The CEO, ~~Chief Financial Officer~~ and ~~Director of Finance and Accounting~~ Chief Financial Officer shall be authorized to make investment decisions and place investment orders. All participants in the investment process shall act responsibly as custodians of the public trust.

## 6.0 ETHICS AND CONFLICTS OF INTEREST:

Officers, employees, board members, and investment officials involved in the investment process shall refrain from personal business activity that could conflict, or could reasonably be perceived as a conflict, with the proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Officers, employees, board members, and investment officials shall disclose to the President and CEO, in writing, any material financial interests in financial institutions that conduct business with this Authority. Officers, employees, board members, and investment officials shall further disclose any large personal financial investment positions that could be related to the investment activities of the Housing Authority, particularly with regard to the time of purchases and sale of investments. All Federal, State of Texas, and Housing Authority Ethics Policies shall be strictly followed.

## 7.0 AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS:

The Investment Officer shall maintain a list of all financial institutions authorized to provide investment services for the Housing Authority.

7.1 All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must supply the Investment Officer with annual financial statements and certification in writing that the financial institution or the broker/dealer has read and will follow all Federal and State of Texas laws and regulations regarding investments made by the San Antonio Housing Authority.

7.2 An annual review of the financial statements will be completed by the Investment Officer.

7.3 A current audited financial statement is required to be on file for each financial institution and broker/dealer with which the Housing Authority transacts business.

7.4 The board or designated investment committee of the San Antonio Housing Authority shall, at least annually, review, revise, and adopt a list of qualified brokers that are authorized to engage in investment transactions with the San Antonio Housing Authority.

#### 8.0 AUTHORIZED AND SUITABLE INVESTMENTS:

8.1 HUD Funds: The San Antonio Housing Authority is required to invest HUD sourced funds in investments approved by the U.S. Department of Housing and Urban Development. These investments must be fully collateralized. ATTACHMENT A is applicable to HUD funds and contains a listing and description of approved investments.

8.2 Non-HUD Funds: Funds in excess of HUD funds, unrestricted funds, reserves, partnership funds, bond proceeds, foundation funds, and other funds are not subject to ATTACHMENT A; however, these funds shall be invested in accordance with the Public Funds Investment Act.

#### 9.0 COLLATERALIZATION:

Full collateralization is required for all Housing Authority investments. In order to protect the Housing Authority assets collateralization of one-hundred percent (100%) is required at all times. All collateral shall conform to those investment instruments listed in ATTACHMENT A of the Public Funds Investment Act.

Collateral will always be held by an independent third party with whom the financial institution or broker/dealer has a current custodial agreement. A clearly marked evidence of ownership or safekeeping receipt must be available to the Housing Authority.

Collateral substitution may be allowed when the substituted collateral is on the approved list of investments listed in ATTACHMENT A or the Public Funds Investment Act.

#### 10.0 DIVERSIFICATION:

The San Antonio Housing Authority will diversify its investments by security type and institution. With the exception of U.S. Treasury securities and authorized investment pools, no more than 50% of the San Antonio Housing Authority total investment portfolio will be invested in a single security type or in securities issued by a single financial institution or broker/dealer.

#### 11.0 MAXIMUM MATURITIES:

11.1 Operating Funds: To the extent possible the San Antonio Housing Authority will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the Authority will not directly invest in securities maturing more than three years (3) from the date of purchase. This maximum maturity policy applies to all operating funds.

11.2 Non-operating or excess funds: Funds in excess of operating needs, unrestricted funds, foundation funds, bond proceeds, reserves, escrow funds, and other funds not required for operations may be held in securities without regard to the three year (3) limitation referenced in Section 11.1. The Investment Officer shall assure that sufficient liquidity exists at all times to meeting operating commitments.

## 12.0 INTERNAL CONTROL:

The Investment Officer shall establish an annual process of independent review as part of the annual audit. This review will provide internal control by assuring compliance with policies and procedures.

## 13.0 PERFORMANCE STANDARDS AND REPORTING:

As required by Section 2256 of the Public Funds Act, at least quarterly, the Investment Officer or designee will prepare an investment report for the Housing Authority Board of Commissioners. The report shall contain the name of the financial institution or broker/dealer holding the investment, the investment position, the cost of the investment, the fair market value, the purchase date, maturity date, and any interest accrued. Investment performance will be measured by standards set by the U.S. Department of Housing and Urban Development.

## 14.0 INVESTMENT POLICY ADOPTION:

The San Antonio Housing Authority investment policy shall be adopted by resolution of the Board of Commissioners. The policy shall be reviewed on a periodic basis and revised by the Investment Officer as necessary. It is the intent of the Housing Authority that if any changes of federal or State of Texas laws affect this policy, the new law or change becomes effective as stated and this policy is automatically conformed to existing law.

## 15.0 EXEMPTION:

Any investment currently held that does not meet the guidelines of this policy shall be exempted from the requirements contained herein. At maturity or liquidation, such funds shall be reinvested only as provided by this policy.

## ATTACHMENT A

### INVESTMENT INSTRUMENTS APPROVED BY HUD

1. DIRECT OBLIGATION OF THE FEDERAL GOVERNMENT BACKED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES
  - a. U.S. Treasury Bills
  - b. U. S. Treasury Notes and Bonds
    - (1) U.S. Treasury Notes
    - (2) U.S. Treasury Bonds
2. OBLIGATIONS OF FEDERAL GOVERNMENT AGENCIES
  - a. Federal Financing Bank (FFB)
  - b. Government National Mortgage Association (GNMA). Mortgage-Backed Securities (GNMA I and GNMA II)
  - c. GNMA Participation Certifies
  - d. Maritime Administration Merchant Marine Bonds, Notes, and Obligations
  - e. Small Business Administration (SBA). Small Business Investment Corporation (SBIC) Debentures
  - f. Tennessee Valley Authority (TVA) Power Bonds and Notes

3. SECURITIES OF GOVERNMENT-SPONSORED AGENCIES

- a. Farm Credit Consolidated System-Wide Discount Notes
- b. Federal Farm Credit Banks Consolidated System-Wide Bonds
- c. Federal Home Loan Banks Consolidated Obligations

These securities are the secured joint and several obligations of the Federal Home Loan Banks comprised of:

- (1) Bonds
  - (2) Notes
  - (3) Discount Notes
- d. FHLMC Mortgage Participation Certificates (PC) (Guaranteed)
  - e. FHLMC Collateralized Mortgage Obligations (CMOs)
  - f. Federal National Mortgage Association (FNMA) Debentures
  - g. FNMA Notes
  - h. FNMA Short-Term Discount Notes
  - i. FNMA Capital Debentures
  - j. Student Loan Marketing Associations (SLMA) Obligations

SLMA issues obligations comprises of guaranteed student loans as follows:

- (1) Floating Rate and Master Notes

(2) The Series E and F Floating Rate Notes

(3) Zero Coupon Notes

4. DEMAND AND SAVINGS DEPOSITS

5. MONEY-MARKET DEPOSIT ACCOUNT

6. MUNICIPAL DEPOSITORY FUND

7. SUPER NOW ACCOUNTS

8. CERTIFICATES OF DEPOSIT

- a. Certificates of Deposit are permitted at depository institutions that are insured by an agency of the Federal Government. Caution must be exercised for certificates exceeding the \$250,000 insurance limit or when the term is longer than 30-90 days. The new FDIC limit of \$250,000 is in effect through December 2013. Although the certificates' rate of return may be attractive for larger amounts and longer terms, U. S. treasury Securities offer superior safety and liquidity for the same amounts and terms. Certificates shall be in the HA's name. In addition a General Depository Agreement must be executed by each financial institution that issues a Certificate of Deposit.
- b. Certificate amounts above \$250,000 are permitted provided that the excess is 100 percent collateralized by clearly identified (not pooled) U.S. Government securities. Possession of the collateral securities and a continuous perfected security interest may be the only sure protection against loss in case of bank failure.
- c. Brokered deposits should be avoided because it is impossible to get \$100,000 federal insurance on a number of deposits placed by brokers.

9. REPURCHASE AGREEMENTS

Repurchase (repos) agreements for a term not to exceed 30 days may be entered into with Federally insured depository institution to purchase and sale of securities identified under subparagraphs b, c and d. A repurchase agreement is an agreement negotiated with a bank

usually for a short period (1 to 7 days) where in securities approved for investment are purchased from that bank at a stated price with the bank agreeing to repurchase them on a specified date for a specified amount. The minimum may vary, although it is usually \$100,000. There are three main types: (1) fixed term, where both parties are bound to the negotiated time period; (2) demand, where the agreement stays in effect until terminated by either party, and; (3) day-to-day, where daily renewal is by mutual consent and 24-hour notice is required for termination. The HA should review existing and future repos for compliance with the following certifications. Prior approval by HUD is not necessary, however, the repos seller depository or its agency must provide a written certification to HUD, Assistant Secretary for Public and Indian Housing (Office of Finance and Budget), the Area Office, and to the HA.

- a. that the depository's repo program complies with applicable Federal and State statutes and regulations and that the program does not involve sales or loans of Federal securities by securities dealer that are not regulated or that report to the Federal Reserve Board;
- b. that the depository owns the underlying Federal securities (approved for repurchase under HUD guidelines) when the repo interest is sold and that the value of the securities is equal to or greater than the amount the HA pays for the repo;
- c. that the HA has possession of the securities (or the HA will take possession of the securities on behalf of the HA) as a bailee (evidenced by a safe keeping receipt and a written bailment for hire contract), from the time the repo interest is sold to the HA and will be (or is expected to be) maintained for the full term of the repo;
- d. that the repo agreement and any related documents identify specific Federal securities related to the specific repo purchased by the HA;
- e. that the repo interest does not represent any interest in a pool or fund of Federal securities for which registration under the Investment Company Act of 1940 may be required;
- f. that the HA will have a continuous perfected security interest in the underlying Federal securities under State or Federal law for the full term of the repo (disclosing the method by which perfection has or will be accomplished, i.e., by possession, filing, registration of book-entry securities) and/or Federal preemption of State law by Federal regulation;
- g. that the depository or a reporting dealer selling the repo has not received any adverse financial report from a credit reporting agency, State or Federal regulatory agency; and

- h. that the depository will not substitute other securities as collateral, except to increase the value of the repo security to match the repo's purchase price.

10. SWEEP ACCOUNTS

11. SEPARATE TRADING OF REGISTERED INTEREST AND PRINCIPAL OF SECURITIES (STRIPS)

12. MUTUAL FUNDS

A Mutual Fund (Fund) is an investment company that makes investments on behalf of individuals and institutions. The Fund pools the money of the investors and buys various securities that are consistent with the Fund's objective.

- a. Mutual Fund Criteria: The Fund shall be organized as a no-load, open-end, diversified management company and its shares shall be registered under the Securities Act of 1933. The Fund shall be under the control of the Securities Exchange Act of 1934, Investment Adviser Act of 1940 and the Investment Company Act of 1940. The investment objective of the Fund shall be to obtain as much income as possible consistent with the preservation, conservation and stability of capital. The mutual fund objective cannot be changed without the prior approval of fund shareholders.
- b. The securities purchased by the Fund shall be on the HUD-approved list of investment securities. The fund will not engage in options or financial futures. The HA shall limit the amount of funds invested in the Fund to no more than 20 percent of the HA's available investment funds. The Fund shall disclose clearly the basis of earnings and how they are distributed. The HA shall obtain a statement of potential default and risk. The HA's invested funds shall be accessible to the HA daily. It shall be demonstrated that any limitations on withdrawals will not impair the HA's day-to-day cash management needs.
- c. The management fee shall be fixed at a reasonable amount. The Fund shall disclose the relationships of the investment advisor, manager, trustee, custodian and transfer agent. The Fund shall clearly state all services (such as wire transfers and check writing privileges) and charges.
- d. Investment in the Fund shall be authorized by a Board Resolution. A certified copy of the resolution shall accompany the initial application for the Fund.

13. EFFECT OF LOSS OF REQUIRED RATING



An investment that requires a minimum rating under this section does not qualify as an authorized investment during the period the investment does not have the minimum rating. Management has the authority to waive the minimum portfolio credit quality if the quality decline is due to a downgrade or default of U.S. Government securities. The San Antonio Housing Authority shall take all prudent measures that are consistent with its investment policy to liquidate an investment that does not have the minimum rating.

## SAN ANTONIO HOUSING AUTHORITY

February 16, 2022

## MEMORANDUM

**To:** Finance Committee

**From:** Ed Hinojosa, Jr, 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

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EHJ

**SUMMARY:****Financial Performance Highlights**

The Quarterly Financial Report for the San Antonio Housing Authority for the six months ending December 31, 2021 is attached. The Financial Performance Report provides separate condensed statements of revenue and expenses, one for SAHA's core business activities of housing, management, and resident services ("Operations"), and another for the Capital Fund and Real Estate Services lines of business ("Capital"). The results for the six months ending December 31, 2021 reflect a Surplus Before Non-Cash Items of \$2.4 million for Operations (\$4.4 million above budget) and \$8.1 million for Capital (\$0.3 million below budget).

Total Operating Revenue for the Operations segment was approximately \$5.1 million below budget due primarily to unfavorable variances of \$5.8 million in Housing Assistance Payment (HAP) Revenue and \$3.3 million in Tenant Revenue offset by favorable variances of \$3.6 million in Grants revenue and \$0.4 million in Miscellaneous Revenue. The \$5.8 million unfavorable variance in Section 8 HAP Revenue was offset by the favorable variance in Section 8 HAP Expense of \$5.8 million. Tenant Revenue was below budget by \$3.3 million due primarily to unfavorable variance of \$2.6 million in the Beacon portfolio and \$0.7 million in Public Housing. Grants revenue was above budget by \$3.6 million mainly due to a favorable variance of \$1.0 million in Section 8 administrative fees for the new Emergency Housing Voucher program (EHV) and \$2.5 million in Public Housing related to \$1.2 million of operating subsidy and \$1.4 million of Tax Increment Reinvestment Zone Financing funds from the City of San Antonio for the Labor Street project. The \$0.4 million in additional Miscellaneous Revenue was related to ground lease payments for the Legacy at Alazan project as well as some insurance dividends.

Total Operating Expenses ended the period \$9.0 million below budget for Operations largely due to favorable variances of \$5.8 million in HAP Expense, \$2.7 million in Salaries and Benefits, and \$1.8 million in Other Expenses offset by an unfavorable variance of \$1.1 million in Ordinary Maintenance and Operations. The Staffing vacancies and positions placed on hold have led to the majority of segments reporting favorably for Salaries and Benefits. The Other Expenses line item ended the period \$1.8 million below budget primarily due to favorable variances in technology/licensing fees, training, and consulting fees.

**SAN ANTONIO HOUSING AUTHORITY****February 16, 2022**

Total Operating Revenue for the Capital segment was approximately \$0.8 million below budget due primarily to an unfavorable variance of \$1.7 in Grants revenue, partially offset by a favorable variance of \$0.9 million in Miscellaneous Revenue. The \$1.7 million unfavorable variance in Grants revenue resulted primarily from the timing of Capital Fund grant expenditures. The \$0.9 million favorable variance in Miscellaneous Revenue resulted from \$0.9 million in bond issuer fees.

The Comparative Balance Sheet reflects an overall increase in Total Net Position of \$1.6 million from December 31, 2020 to December 31, 2021. Total Assets increased by \$44.4 million due to the additions of \$43.4 million in Fixed Assets and \$1.1 million in Current Assets offset by a decrease of \$0.2 million in Other Non-Current Assets. The \$1.1 million increase in Current Assets resulted largely from the proceeds of the new EPC loan of \$7.9 million of which \$1.6 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 \$43.4 million upswing in Fixed Assets was due to the addition of buildings and land of \$54.3 million as well as an increase of \$8.9 million related to capital projects offset by the recording of depreciation. The increase in buildings was attributable to Beacon's purchase of the Costa Valencia property and the capitalization of 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 decrease of \$0.2 million in Other Non-Current Assets was due to the general partner investment in the Legacy at Alazan project.

Total Liabilities increased by \$41.6 million due mainly to an increase of \$27.7 million in deferred revenue, \$4.0 million arose from Section 8 programs and \$23.7 million 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 \$7.7 million of new debt related to 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.

As of the writing of this memo, unfortunately, there has been no Senate action on this appropriation bill.

**Build Back Better Act**

Negotiations over the Build Back Better Act continue as the White House develops a new strategy to pass the items in the bill as standalone parts. SAHA joined other large PHAs in

**SAN ANTONIO HOUSING AUTHORITY**

**February 16, 2022**

supporting the housing portion of the bill through a letter organized by the Council of Large Public Housing Authorities (CLPHA). SAHA will continue to monitor for updates, and share our challenges with our elected representatives.

**PROPOSED ACTION:**

None.

**FINANCIAL IMPACT:**

None.

**STRATEGIC OUTCOME:**

Supports all strategic outcomes.

**ATTACHMENTS:**

Financial Performance Report  
Cash and Investment Summary  
Grants Report  
Presentation

**San Antonio Housing Authority**  
**Financial Performance Report**  
**As of December 31, 2021**  
**(UNAUDITED)**

**Condensed Statement of Revenue and Expenses - Operations**

(For the Six Months Ended 12/31/2021)

	<b>OPERATIONS ACTUAL 12/31/2021</b>	<b>OPERATIONS BUDGET 12/31/2021</b>	<b>OPERATIONS Variance</b>	<b>Highlights Section</b>
<b>Operating Revenue</b>				
Tenant Revenue	\$ 19,949,865	\$ 23,251,914	\$ (3,302,049)	I(a)(1)
Grants	22,777,799	19,219,420	3,558,379	I(a)(2)
HAP Revenue	45,678,569	51,488,711	(5,810,142)	I(a)(3)
Miscellaneous Revenue	1,020,562	579,249	441,313	
<b>Total Operating Revenue</b>	<b>\$ 89,426,795</b>	<b>\$ 94,539,294</b>	<b>\$ (5,112,499)</b>	
<b>Operating Expenses</b>				
Salaries and Benefits	\$ 18,355,888	\$ 21,024,595	\$ (2,668,707)	I(b)(1)
Ordinary Maintenance and Operations	9,055,751	7,974,225	1,081,526	I(b)(2)
Utilities	4,573,067	4,457,580	115,487	
Other Expenses	4,955,083	6,706,190	(1,751,107)	I(b)(3)
HAP Expense	45,549,586	51,338,306	(5,788,720)	I(a)(3)
<b>Total Operating Expenses</b>	<b>\$ 82,489,375</b>	<b>\$ 91,500,896</b>	<b>\$ (9,011,521)</b>	
<b>Net Operating Income</b>	<b>\$ 6,937,420</b>	<b>\$ 3,038,398</b>	<b>\$ 3,899,022</b>	
<b>Non-Operating Income (Expenses)</b>				
Interest Expense	\$ (2,384,225)	\$ (2,734,899)	\$ 350,674	I(c)(1)
Interest Income	281,996	151,636	130,360	
Other Income (Expenses)	(2,396,927)	(2,399,786)	2,859	
<b>Total Non-Operating Income (Expenses)</b>	<b>\$ (4,499,156)</b>	<b>\$ (4,983,049)</b>	<b>\$ 483,893</b>	
<b>Surplus (Deficit) Before Non-Cash Items</b>	<b>\$ 2,438,264</b>	<b>\$ (1,944,651)</b>	<b>\$ 4,382,915</b>	
<b>Non-Cash Items</b>				
Depreciation and Amortization	\$ (7,042,689)	\$ (7,831,874)	\$ 789,185	
Non-Operating Income (Expense)	(1,384,660)	5,381,485	(6,766,145)	
<b>Total Non-Cash Items</b>	<b>\$ (8,427,349)</b>	<b>\$ (2,450,389)</b>	<b>\$ (5,976,960)</b>	
<b>Change in Net Position</b>	<b>\$ (5,989,085)</b>	<b>\$ (4,395,040)</b>	<b>\$ (1,594,045)</b>	I(c)(1)

**San Antonio Housing Authority  
Financial Performance Report  
As of December 31, 2021  
(UNAUDITED)**

**Condensed Statement of Revenue and Expenses - Capital Activities**  
(For the Six Months Ended 12/31/2021)

	<b>CAPITAL ACTUAL 12/31/2021</b>	<b>CAPITAL BUDGET 12/31/2021</b>	<b>CAPITAL Variance</b>	<b>Highlights Section</b>
<b>Operating Revenue</b>				
Grants	\$ 5,199,915	\$ 6,921,825	\$ (1,721,910)	II(a)(1)
Miscellaneous Revenue	3,982,319	3,060,997	921,322	II(a)(2)
<b>Total Operating Revenue</b>	<b>\$ 9,182,234</b>	<b>\$ 9,982,822</b>	<b>\$ (800,588)</b>	
<b>Operating Expenses</b>				
Salaries and Benefits	\$ 611,229	\$ 557,074	\$ 54,155	
Ordinary Maintenance and Operations	69,167	54,346	14,821	
Utilities	1,233	1,944	(711)	
Other Expenses	395,544	633,690	(238,146)	II(b)(1)
<b>Total Operating Expenses</b>	<b>\$ 1,077,173</b>	<b>\$ 1,247,054</b>	<b>\$ (169,881)</b>	
<b>Net Operating Income</b>	<b>\$ 8,105,061</b>	<b>\$ 8,735,768</b>	<b>\$ (630,707)</b>	
<b>Non-Operating Income (Expenses)</b>				
Interest Expense	\$ (207,307)	\$ (208,148)	\$ 841	
Interest Income	316,132	182,480	133,652	II(c)(1)
Other Income (Expenses)	(70,072)	(245,685)	175,613	II(c)(1)
<b>Total Non-Operating Income (Expenses)</b>	<b>\$ 38,753</b>	<b>\$ (271,353)</b>	<b>\$ 310,106</b>	
<b>Surplus (Deficit) Before Non-Cash Items</b>	<b>\$ 8,143,814</b>	<b>\$ 8,464,415</b>	<b>\$ (320,601)</b>	
<b>Non-Cash Items</b>				
Depreciation and Amortization	\$ (6,283)	\$ (6,261)	\$ (22)	
Non-Operating Income (Expense)	1,331,352	(3,213,288)	4,544,640	
<b>Total Non-Cash Items</b>	<b>\$ 1,325,069</b>	<b>\$ (3,219,549)</b>	<b>\$ 4,544,618</b>	
<b>Change in Net Position</b>	<b>\$ 9,468,883</b>	<b>\$ 5,244,866</b>	<b>\$ 4,224,017</b>	II(c)(1)

\*Capital Fund column includes Capital Fund and Real Estate Services

**San Antonio Housing Authority  
Financial Performance Report  
As of December 31, 2021  
(UNAUDITED)**

**Comparative Balance Sheet**

	<b>12/31/2021</b>	<b>12/31/2020</b>	<b>Increase (Decrease)</b>	<b>Highlights Section</b>
<b>Assets</b>				
Current Assets	\$ 113,819,268	\$ 112,708,120	\$ 1,111,148	0 99
Fixed Assets	314,479,132	271,035,284	43,443,848	16 03
Other Non-Current Assets	66,820,102	67,006,338	(186,236)	-0 28
<b>Total Assets</b>	<b>\$ 495,118,502</b>	<b>\$ 450,749,742</b>	<b>\$ 44,368,760</b>	<b>9 84</b>
				III(a)
<b>Deferred Outflows of Resources</b>				
Deferred Charges on Refunding	\$ 326,054	\$ 440,264	\$ (114,210)	-25 94
Deferred Swap Outflows	1,893,931	3,022,359	(1,128,428)	-37 34
<b>Total Deferred Outflows of Resources</b>	<b>\$ 2,219,985</b>	<b>\$ 3,462,623</b>	<b>\$ (1,242,638)</b>	<b>-35 89</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 497,338,487</b>	<b>\$ 454,212,365</b>	<b>\$ 43,126,122</b>	<b>9 49</b>
<b>Liabilities</b>				
Current Liabilities	\$ 30,901,771	\$ 18,720,831	\$ 12,180,940	65 07
Non-Current Liabilities	153,031,154	123,642,024	29,389,130	23 77
<b>Total Liabilities</b>	<b>\$ 183,932,925</b>	<b>\$ 142,362,855</b>	<b>\$ 41,570,070</b>	<b>29 20</b>
				III(b)
<b>Net Position</b>				
Net Investment in Capital Assets	\$ 200,213,533	\$ 170,162,355	\$ 30,051,178	17 66
Restricted Net Position	44,598,545	44,346,103	252,442	0 57
Unrestricted Net Position	68,593,484	97,341,052	(28,747,568)	-29 53
<b>Total Net Position</b>	<b>\$ 313,405,562</b>	<b>\$ 311,849,510</b>	<b>\$ 1,556,052</b>	<b>0 50</b>
				III(c)
<b>Total Liabilities and Net Position</b>	<b>\$ 497,338,487</b>	<b>\$ 454,212,365</b>	<b>\$ 43,126,122</b>	<b>9 49</b>

**San Antonio Housing Authority  
Financial Performance Report  
As of December 31, 2021  
(UNAUDITED)**

**HIGHLIGHTS**

For the six months ended December 31, 2021, the Operations segment generated a surplus before non-cash items of \$2.4 million, which was \$4.4 million above budget. Total Operating Revenue was below budget by \$5.1 million, or 5.41 percent, and Total Operating Expenses were below budget by \$9.0 million, or 9.85 percent.

For the six months ended December 31, 2021, the Capital segment produced a surplus before non-cash items of \$8.1 million, which was \$0.3 million below budget. Total Operating Revenue was below budget by \$0.8 million, or 8.02 percent, and Total Operating Expenses were below budget by \$0.2 million, or 13.62 percent.

Total Assets and Deferred Outflows of Resources increased by \$43.1 million, or 9.49 percent. Total Liabilities increased by \$41.6 million, or 29.20 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 \$5.1 million and Total Operating Expenses were below budget by \$9.0 million.

**(a) Operating Revenue**

- (1) Tenant revenue was below budget by \$3.3 million due to an unfavorable variance in the Beacon sector of \$2.6 million and \$0.7 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 \$3.6 million primarily due favorable variances of \$1.0 million in Section 8 administrative fees partially due to the new Emergency Housing Voucher program (EHV) and \$2.5 million in Public Housing. Of the \$2.5 million, \$1.1 million consisted of operating subsidy and \$1.4 million of Tax Increment Reinvestment Zone Financing funds from the City of San Antonio for the Labor Street project.
- (3) Section 8 Housing Assistance Payment (HAP) Revenue ended the period with an unfavorable variance of \$5.8 million which was offset in the HAP Expense account by a favorable variance of \$5.8 million.

**(b) Operating Expenses**

- (1) The Salaries and Benefits expense line item ended the period \$2.7 million below budget. The Staffing vacancies and positions placed on hold have led to the majority of segments reporting favorably for Salaries and Benefits. The Beacon and Public Housing segments were the primary contributors to the favorable variance.



**San Antonio Housing Authority  
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- (2) Ordinary Maintenance and Operations expense line item ended the period \$1.1 million above budget primarily due to unfavorable variances in Public Housing from plumbing maintenance, other contract costs and solid waste disposal.
- (3) The Other Expenses line item ended the period \$1.8 million below budget primarily due to favorable variances in Beacon, Central Office, Section 8 and Public Housing segments. Favorable expenses arose from technology/licensing fees, training and consulting fees.

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

- (1) Change in Net Position ended the period \$1.6 million below budget. Net Operating Income was above budget by \$3.9 million. Interest Expense was above budget by \$0.4 million primarily due to the closing costs related to the Labor Street transaction.

**II. Income Statement (Capital)**

Total Operating Revenue was below budget by \$0.8 million and Total Operating Expenses were below budget by \$0.2 million.

(a) **Operating Revenue**

- (1) Grant revenue was below budget by \$1.7 million primarily due to the timing of Capital Fund grant expenditures.
- (2) Miscellaneous Revenue was above budget by \$0.9 million due to a favorable variance of \$0.9 million in bond issuer fees.

(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 incurred.

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

- (1) Change in Net Position ended the period with a \$4.2 million favorable variance. Net Operating Income was below budget by \$0.6 million. However, Other Income (Expenses) was favorable by \$0.2 million attributable to timing of expensing the Capital Funds management fee and Interest Income was favorable by \$0.1 million.

**San Antonio Housing Authority  
Financial Performance Report  
As of December 31, 2021  
(UNAUDITED)**

**III. Balance Sheet**

Total Assets and Deferred Outflows of Resources increased by \$43.1 million, Total Liabilities increased by \$41.6 million, and Total Net Position increased by \$1.6 million.

- (a) Total Assets increased by \$44.4 million, or 9.84 percent, due to increases of \$43.4 million in Fixed Assets and \$1.1 million in Current Assets offset by a decrease of \$0.2 million in Other Non-Current Assets. The \$43.4 million increase in Fixed Assets resulted primarily from an increase of \$54.3 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 \$8.9 million in construction in progress related to ongoing modernization projects. The \$1.1 million increase in Current Assets arose primarily from the receipt of \$7.9 million in loan funds for the new EPC loan, of which \$1.6 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 payments of capital projects for both Public Housing and Beacon sector properties. There was a decrease in Other Non-Current Assets of \$0.2 million primarily from the general partner investment in the Legacy at Alazan project.
- (b) Total Liabilities increased by \$41.6 million, or 29.20 percent, due primarily to an increase of \$27.7 million in unearned revenue, of which \$23.7 million resulted 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 was a \$4.0 million increase in unearned revenue for Section 8 programs (funds were advanced and were pending expenditure). Other significant increases were \$7.7 million of new debt related to Labor debt and 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 \$1.6 million, or 0.50 percent, as a result of the changes described above.

**San Antonio Housing Authority  
Financial Performance Report  
As of December 31, 2021  
(UNAUDITED)**

**IV. MTW Expenditures**

<b>Projects</b>	<b>Cumulative Expenditure Balance as of 12/31/21</b>
Program Administration and Implementation of MTW Initiatives	\$ 759,360
Capital Planning	180,333
Expansion of Public Housing WIFI	935,695
Highland Park Property Support	424,109
Preservation and Expansion of Affordable and Public Housing:	
East Meadows Development	4
Development of Labor Street Multifamily Property	192,033
<b>Total</b>	<b>\$ 2,491,534</b>

## Summary of Major Changes in Cash and Investment Balance

For the Quarterly Period Ending December 31, 2021

The overall cash and investment balance decreased by \$1.2 million over the previous quarter primarily due to payments to vendors for ongoing capital projects at various Beacon and Public Housing properties. The activity noted above, was partially offset by the receipt of developer fees and cash flow distributions from various tax credit partnerships.

Due to the economic impact of the COVID-19 pandemic, our depository interest rate has fallen to 0.01%. To maximize the interest earned on deposits, available cash is invested in U.S. Treasury bills with a maturity of 6 months. All investments were made per the agency's investment policy and did not have an impact on the overall change in cash & investments.

### Cash

#### Unrestricted Cash

- **Public Housing** - There is a net cash decrease of approximately \$6.1 million over the previous quarter primarily due to the investment of \$3 million in an unrestricted T-bill, and settlement of intercompany balances in connection with general operating expenses and ongoing capital project work at various Public Housing properties. **For information on the investments see Investments- Unrestricted Investments at Various Banks- Public Housing on the report.**
- **Properties under SAHFC** - There is a net cash decrease of approximately \$3.2 million primarily due to the investment of \$3.5 million in an unrestricted T-bill. **For information on the investments see Investments- Unrestricted Investments at Various Banks- Properties under SAHFC on the report.**
- **Other Beacon Properties Cash** - There is a net cash decrease of approximately \$5.3 million primarily due to the investment of \$5.5 million in two unrestricted T-bills. **For information on the investments see Investments- Unrestricted Investments at Various Banks- Properties Unrestricted Investments on the report.**
- **Other Unrestricted Cash** - There is a net cash decrease of approximately \$2.8 million primarily due to the investment of \$3.5 million in an unrestricted T-bill and cash disbursements made to vendors in connection with ongoing capital projects. The activities above were partially offset by the receipt of developer fees and cash flow distributions from various tax credit partnerships. **For information on the investments see Investments- Unrestricted Investments at Various Banks- Development Activities under SAHFC on the report.**

#### Restricted Cash

- **Public Housing** - There is a net cash decrease of approximately \$18 million primarily due to the investment of \$16.5 million in two T-bills, and the outgoing transfer for the settlement of intercompany balances in connection with capital work at one Public Housing property. **For information on the investments see Investments- Unrestricted Investments at Various Banks and Restricted Investments at Various Banks- Public Housing on the report.**
- **Properties under SAHFC** - There is a net cash decrease of approximately \$6.3 million due to the investment of \$6 million in an T-bill, and the outgoing transfers for the settlement of intercompany balances in connection with capital projects at various Beacon communities. **For information on the investments see Investments- Unrestricted Investments at Various Banks and Restricted Investments at Various Banks- Properties under SAHFC on the report.**

**San Antonio Housing Authority**  
**Cash and Investment Summary**  
**December 31, 2021**

	Balance 9/30/2021	Deposits	Withdrawals	Balance 12/31/2021
<b>Cash</b>				
<b>Unrestricted Cash:</b>				
Central Office Cost Center (1)	9,465,843	2,995,986	2,842,951	9,618,877
Public Housing (1)	7,461,532	11,772,255	17,904,797	1,328,989
Section 8 (1)	2,683,416	3,032,171	2,233,323	3,482,265
Community Development Initiatives	187,244	2,498,574	2,459,256	226,562
Central Office- Health Insurance (2)	3,026,016	1,703,324	2,112,266	2,617,075
Homeownership	69,043	6,295	3,362	71,976
Project Based Properties (1)	2,505,220	4,239,030	4,703,274	2,040,977
Properties under SAHFC (3) (4)	5,945,166	8,466,626	11,672,254	2,739,539
Education Investment Foundation	9,087	3,758	3,507	9,339
Capital Fund Program (1)	-	1,447,522	1,447,522	-
Development Activities under SAHFC	1,614,607	2,078,297	1,645,725	2,047,178
Other Beacon Properties Cash	8,586,265	5,111,482	10,391,003	3,306,743
Other Unrestricted Cash	4,289,076	54,088,492	56,905,574	1,471,995
<b>Sub-Total:</b>	<b>45,842,516</b>	<b>97,443,813</b>	<b>114,324,813</b>	<b>28,961,516</b>
<b>Restricted Cash:</b>				
Central Office Cost Center	892,824	-	245,406	647,418
Public Housing	21,070,277	141,173	18,099,402	3,112,047
Section 8	7,045,038	27,627,389	26,996,876	7,675,551
Project Based Properties	3,270,787	198,810	1,683,576	1,786,022
Properties under SAHFC	13,686,663	293,217	6,610,475	7,369,406
Education Investment Foundation	49,246	5,600	3,007	51,839
Capital Fund Program	3,525,810	280	643,814	2,882,275
Development Activities under SAHFC	2,019,428	24,652	44,604	1,999,476
Non-Profit-Other Restricted	641,932	73,611	5,487	710,056
Other Restricted Cash	1,097,758	46,797	34,196	1,110,359
Endowment Trust	527,321	12	13,570	513,763
<b>Sub-Total:</b>	<b>53,827,085</b>	<b>28,411,541</b>	<b>54,380,413</b>	<b>27,858,212</b>
<b>Total Unrestricted &amp; Restricted Cash:</b>	<b>99,669,600</b>	<b>125,855,353</b>	<b>168,705,226</b>	<b>56,819,728</b>
<b>Investments</b>				
<b>Unrestricted Investments at Various Banks:</b>				
Public Housing (1)	-	9,720,564	4,668	9,715,896
Properties Unrestricted Investments	-	7,000,406	3,362	6,997,044
Properties under SAHFC	-	4,700,273	2,257	4,698,016
Development Activities under SAHFC	-	5,000,290	2,401	4,997,889
<b>Restricted Investments at Various Banks:</b>				
Central Office Cost Center	75,986	151,599	151,338	76,247
Public Housing	-	9,780,568	4,697	9,775,871
Properties under SAHFC	-	4,800,279	2,305	4,797,973
Other Restricted Investments	1,386,046	2,096,763	1,392,567	2,090,242
<b>Sub-Total:</b>	<b>1,462,032</b>	<b>43,250,743</b>	<b>1,563,597</b>	<b>43,149,178</b>
<b>Total Cash &amp; Investments:</b>	<b>\$ 101,131,633</b>	<b>\$ 169,106,096</b>	<b>\$ 170,268,823</b>	<b>\$ 99,968,906</b>

- (1) Cash and Investments related to federal programs
- (2) Cash and Investments related to self insurance program
- (3) Includes \$782 Thousand in funds earmarked for capital projects at three Beacon communities
- (4) Includes \$1 Million in cash from acquired tax credit partnerships internally restricted by the Limited Partnership Agreements

**San Antonio Housing Authority  
Cash Held for Tax Credit Partnerships  
December 31, 2021**

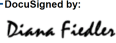
	9/30/2021	Deposits	Withdrawals	12/31/2021
Cash from Tax-Credit Partnerships	2,264,738	3,395,477	1,835,344	3,824,872
<b>Total Cash Held for Partnerships Managed by SAHA:</b>	<b>\$ 2,264,738</b>	<b>\$ 3,395,477</b>	<b>\$ 1,835,344</b>	<b>\$ 3,824,872</b>

**San Antonio Housing Authority  
Collateralization  
December 31, 2021**


	Total Deposits	Deposits Covered by FDIC	Deposits Covered by Collateral	Pledged Collateral
Frost National Bank	\$ 50,117,183	\$ 500,000	\$ 50,117,183	\$ 173,109,967
Lument Capital, LLC	\$ 1,211,763	\$ 738,472	\$ -	\$ -
US Bank	\$ 820,549	\$ -	\$ -	\$ -
Bank of New York - Woodhill	\$ 599,379	\$ -	\$ -	\$ -
Bank of New York - Sendero	\$ 296,120	\$ -	\$ -	\$ -
Bank of New York - Converse Ranch II	\$ 224,537	\$ -	\$ -	\$ -
Wells Fargo - Rosemont at Highland Park	\$ 195,084	\$ -	\$ -	\$ -
Walker & Dunlop - Converse Ranch I	\$ 481,432	\$ 295,132	\$ -	\$ -
Walker & Dunlop - Bella Claire	\$ 86,129	\$ 86,129	\$ -	\$ -
Walker & Dunlop - SAHFC	\$ 443,795	\$ 443,795	\$ -	\$ -
Berkadia Commercial Mortgage, LLC	\$ 151,417	\$ 151,417	\$ -	\$ -
<b>Total Collateralized deposits:</b>	<b>\$ 54,627,389</b>	<b>\$ 2,214,946</b>	<b>\$ 50,117,183</b>	<b>\$ 173,109,967</b>

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:  
 1/25/2022  
 Diana K. Fiedler, CPA, CGMA  
 Investment Officer, Chief Financial Officer

GRANTS REPORT AS OF December 31, 2021

<div><div><div>CAPITAL GRANTS</div></div><div><div><div>CAPITAL GRANTS</div><div><div>Unmet expenditure deadline approaching within 6 Months</div><div>Unmet obligation deadline approaching within 12 Months</div><div>Grant expenditure is not progressing as planned</div></div></div></div></div>										
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
<b>Capital Fund Program (CFP)</b> Capital Projects at various PH Properties										
<b>TX59P006501-10</b> *Major Project: Marie McGuire	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)
<b>TX59P006501-11</b> *Major Projects: Blanco, Marie McGuire, Westway	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)
<b>TX59P006501-12</b> *Major Projects: Fair Avenue, South San, Sun Park	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)
<b>TX59P006501-13</b> *Major Projects: Lewis Chatham, Jewett Circle, Westway	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)
<b>TX59P006501-14</b> *Major Projects: Westway, Charles Andrews, Cassiano Homes	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)
<b>TX59P006501-15</b> *Major Projects: Charles Andrews, HB Gonzalez	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)
<b>TX59P006501-16</b> *Major Projects: Westway, WC White	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)
<b>TX59P006501-17</b> *Major Projects: Victoria Plaza, Villa Tranchese	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)
<b>TX59P006501-18</b> *Major Projects: Victoria Plaza, Fair Avenue	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)
<b>TX59P006501-19</b> *Major Projects: Victoria Plaza, Fair Avenue	10/15/22	10/15/24	\$ 11,636,649.90	\$ 12,929,611.00	\$ 12,929,611.00	\$ -	100%	\$ 12,187,778.78	94%	\$ 11,401,932.96 (5)
<b>TX59P006501-20</b> *Major Projects: Madonna, L.C. Rutledge	09/25/23	09/25/25	\$ 11,827,386.00	\$ 13,141,540.00	\$ 11,508,395.59	\$ 1,633,144.41	88%	\$ 7,076,653.53	54%	\$ 6,324,196.56 (6)
<b>TX59P006501-21</b> *Major Projects: Mirasol, Francis Furey	02/22/23	02/22/25	\$ 11,865,870.90	\$ 13,184,301.00	\$ 2,687,098.50	\$ 10,497,202.50	20%	\$ 2,687,098.50	20%	\$ 2,679,254.90 (7)
<b>TX59E006501-18</b> *Major Projects: Riverside, Villa Veramendi	08/12/21	08/12/22	\$ 225,000.00	\$ 250,000.00	\$ 250,000.00	\$ -	100%	\$ -	0%	\$ -
<b>TX59L006501-20</b> *Major Projects: Lincoln Heights, Mission Park, Riverside	05/10/23	05/10/25	\$ 4,374,949.50	\$ 4,861,055.00	\$ -	\$ 4,861,055.00	0%	\$ -	0%	\$ - (8)
<b>Urban Revitalization Program (Hope 6) (URP)</b> Choice Neighborhood Grant										
<b>TX6J006CNG112</b> *Implementation grant for Wheatley Neighborhood	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)

(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 December 31, 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	
<b>Resident Opportunities &amp; Self Sufficiency (ROSS)</b> Funding for Family Self Sufficiency (FSS) Coordinators								
ROSS191334 *2018 ROSS Service Coordinators	05/13/19	05/12/22	\$ 508,761.00	\$ 370,352.40	73%	\$ 138,408.60	\$ 352,234.93	(9)
FSS21TX4127-01-00 *PH & HCV Combined FSS 2020	01/01/21	12/31/21	\$ 936,002.00	\$ 893,656.91	95%	\$ 42,345.09	\$ 788,627.14	(10)
<b>Jobs Plus</b> Funding for PHAs to develop locally-based approaches to increase earnings and advance employment outcomes for Public Housing residents								
TX006FJP6JPH20 *Jobs Plus - Lincoln Heights	05/14/21	09/30/28	\$ 2,300,000.00	\$ 12,103.57	1%	\$ 2,287,896.43	\$ 1,693.11	(11)

NON-HUD - PROGRAM GRANTS							
Grant Number	Performance Date	Award Amount	Cumulative Expended	Expended Percentage	Remaining to Expend	Reimbursement Received	
<b>Alamo Colleges</b> Health Professions Opportunity Grant (HPOG)							
HPOG Grant 2020	09/30/20 - 09/29/21	\$ 62,046.00	\$ 59,773.11	96%	\$ 2,272.89	\$ 60,276.53	(12)
<b>VIA Metropolitan Transit Authority</b> Capital Assistance Program For Elderly Persons and Persons With Disabilities							
TX-2021-010-00 *VIA Grant 2021	09/25/2020 - 09/30/2022	\$ 70,900.00	\$ -	0%	\$ 70,900.00	\$ -	(13)

(9) Grant expenditures are approximately \$68k short of the projected average cumulative expended amount or expended percentage of 86%.  
(10) Grant ended on 12/31/21 and \$ 42,345.09 will remain unexpended.  
(11) Grant expenditures are approximately \$194k short of the projected average cumulative expended amount or expended percentage of 9%.  
(12) This grant ended on 09/29/2021 and \$2,272.89 remained unexpended. The difference of \$503.42 between Reimbursement Received and Cumulative Expended was reimbursement for the prior year increment.  
(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 December 31, 2021

LIST OF GRANT APPLICATIONS						
Grant Name	Award Amount	Date Submitted	Match Amount	Term of the Grant	Application Status	Description
FY21 ROSS SC Program Renewal	\$621,051	09/17/21	N/A	N/A	Awarded 01/05/22	HUD ROSS Service Coordinator
FY21 Family Self-Sufficiency Renewal	\$1,064,316	09/01/21	N/A	N/A	Awarded 01/03/2022	HUD Family Self-Sufficiency
Omron Foundation Inc. Grant	\$56,293	10/21/21	N/A	N/A	Pending	Omron Foundation Grant for Urban Street Farm Accessibility



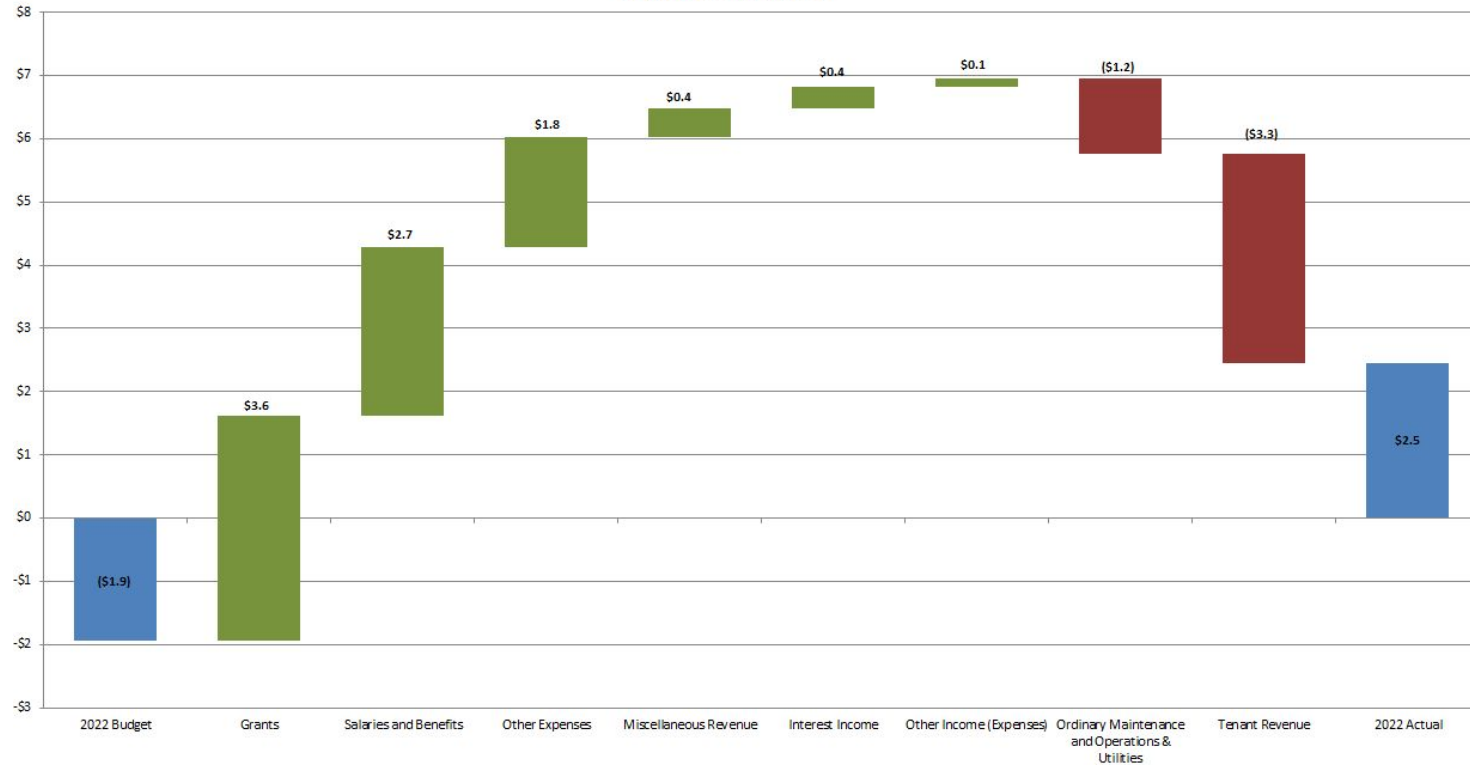
# **FINANCIAL PERFORMANCE REPORT**

## **February 16, 2022**

# RESULTS OF OPERATIONS

For the Six Months Ending December 31, 2021

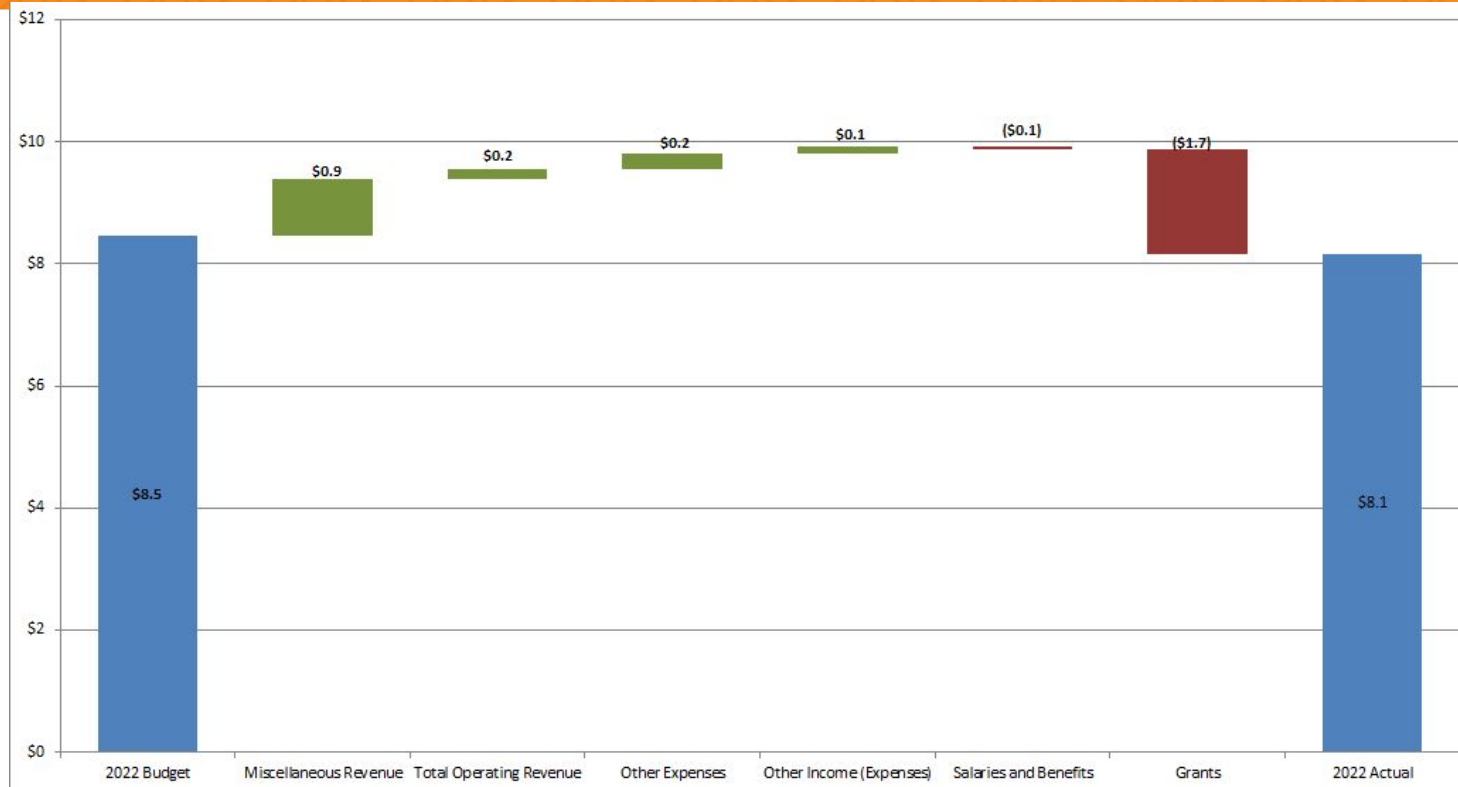
2



# RESULTS OF CAPITAL ACTIVITIES

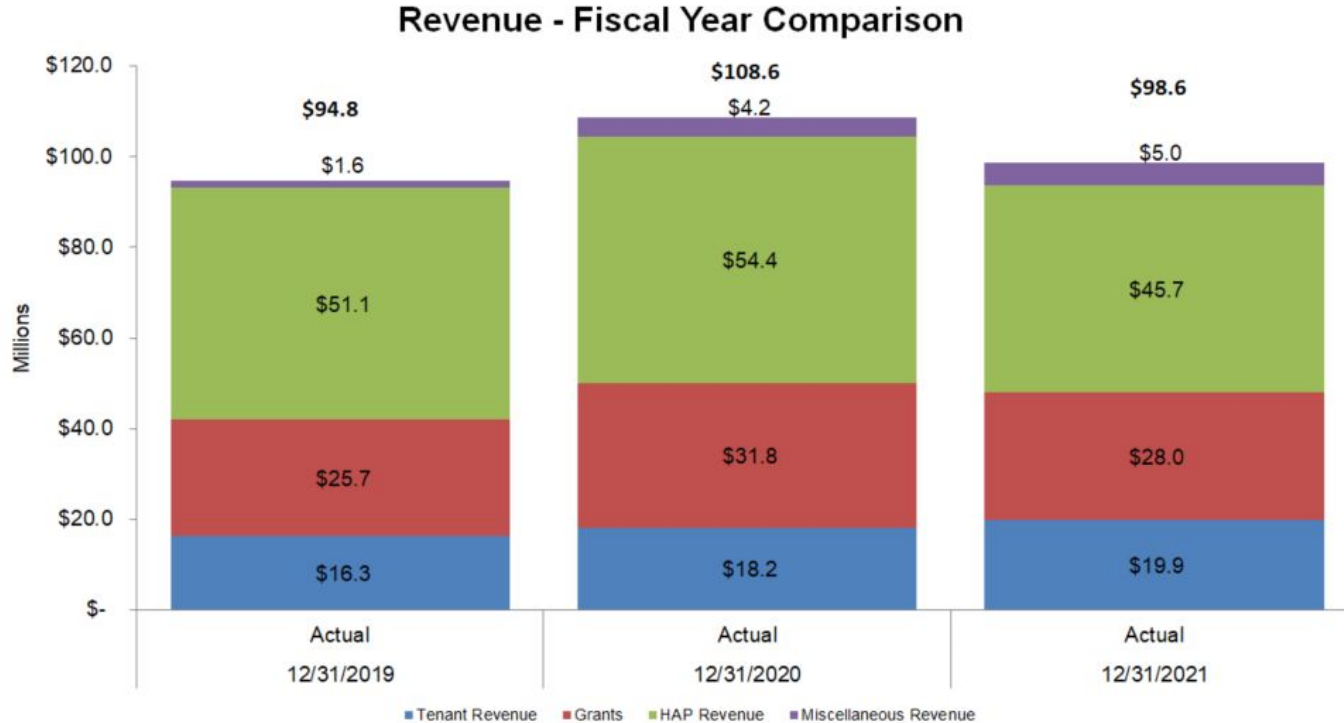
For the Six Months Ending December 31, 2021

3



# REVENUE - FISCAL YEAR COMPARISON

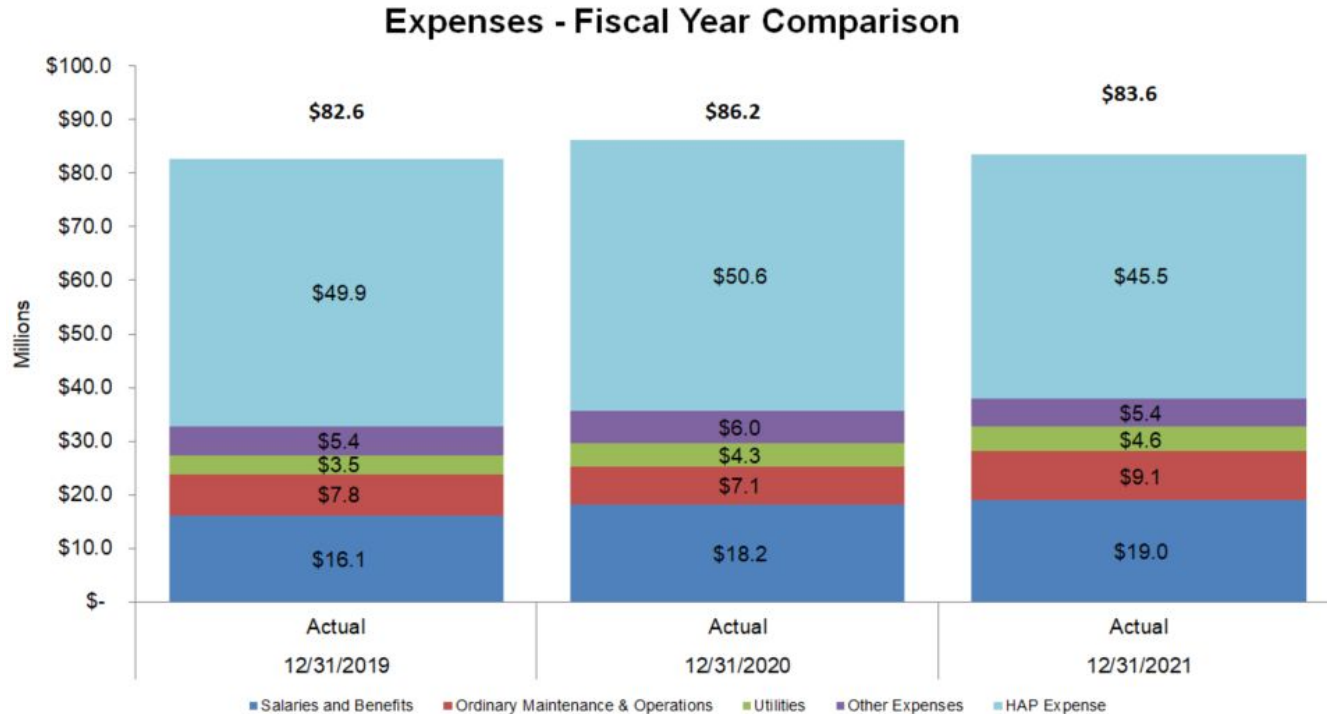
4



Total Revenue was approximately 10% lower compared to the previous year with HAP Revenue as the primary contributor.

# EXPENSES - FISCAL YEAR COMPARISON

5

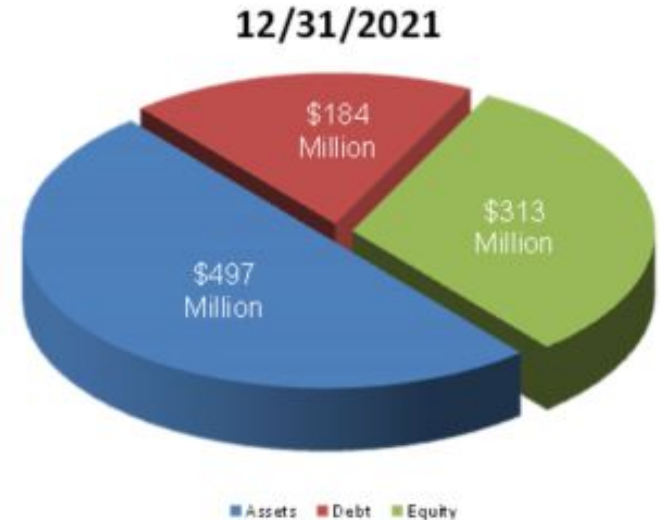


Total Expenses were 3% lower compared to the previous year caused primarily by lower HAP Expenses.

# FINANCIAL RATIOS

6

## Financial Strength



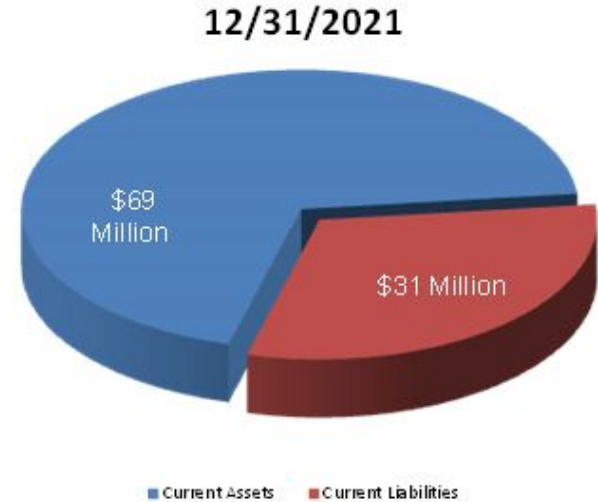
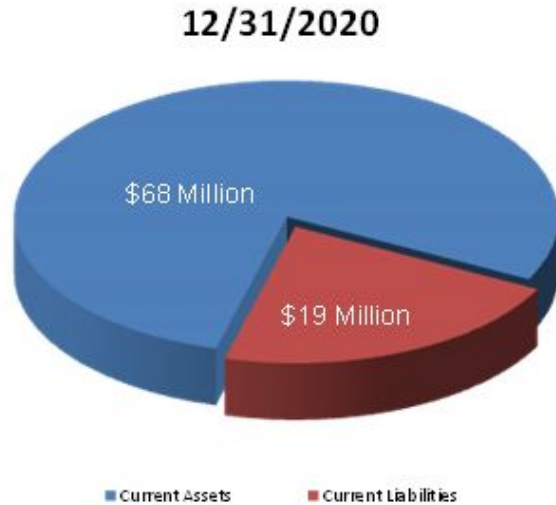
The debt-to-equity ratio increased from 0.38 to 0.42 due primarily to the addition of mortgage debt related to the acquisition of various partnerships.

# FINANCIAL RATIOS

Continued...

7

## Financial Liquidity



The current ratio is 2.23 and remains an indicator of SAHA's strong capacity to meet its short-term financial commitments.



# QUESTIONS?



**SAHA** | SAN ANTONIO  
HOUSING AUTHORITY  
Opportunity Lives Here

# INTERNAL AUDIT UPDATE

Presentation to Finance Committee  
February 16, 2022

# INTERNAL AUDIT Q3 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
  - 16 escrows over \$5,000.00 reviewed, and approved for graduation from July 2021 to current
    - A total of \$137,638.24
- Audit of the Security Risk Assessment Process
- Audit of New Construction Process
- Audit of Redevelopment and Modernization Process
- Standard Operations Compliance Audits of Public Housing and Assisted Housing Programs

# STATUS OF 2020-2021 AUDIT PLAN

3

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

- Final Report was issued on December 10, 2021. Management Companies responded to the findings, and they were successfully closed out.
- Significant Deficiencies:
  - ☐ Denied, but qualified to move in (applicable to NRP only)
  - ☐ Accepted, but not qualified to move in (applicable to NRP only)
  - ☐ Missing denial letter (applicable to MBM only)
  - ☐ Missing income and/or asset verification (applicable to NRP, MBM, and Franklin)
  - ☐ Missing Waiting List (applicable to MBM only)
- Other Internal Control Deficiency:
  - ☐ Missing or incorrect essential documentation (applicable to NRP, MBM, and Franklin)

## ■ Audit of the Security Risk Assessment Process

- The Draft Final Report has been completed and pending review and meeting with the CEO and Executive Leadership.

# STATUS OF 2021-2022 AUDIT PLAN

4

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

- Auditors have met with Development Services and Neighborhood Revitalization, Construction Services and Sustainability, and Procurement staff.
- All documents requested for review have been submitted to Internal Audit and are currently under review.
- Audit will focus on various processes for development, procurement, and leasing/releasing for the Legacy at Alazan community.

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

- Auditors have met with Construction Services and Sustainability, Public Housing, and Procurement staff.
- All documents requested for review have been submitted to Internal Audit and are currently under review.
- Audit will focus on various processes for construction, procurement, and leasing/releasing for the Victoria Plaza community.

# DEVELOPMENT OF THE 2022-2023 AUDIT PLAN

5

## ■ Risk Assessment

- Internal Audit will work with department Directors to identify current business processes.
  - Processes will be placed in a survey format focusing on the following key variables:
    - ☐ Public Disclosure
    - ☐ Management or Commissioner Interest
    - ☐ Internal or External Compliance Requirements
  - The Key Variables provide a score to each process for risk, and those with a higher risk are then assessed to develop the audit plan.
- 
- The risk assessment will be started in March, and the proposed plan will be brought to the Committee for review and approval in May.



# STATUS OF 2021-2022 AUDIT PLAN

6

## Compliance Audits

### ❑ **Assisted Housing Programs** (*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 the 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 reviewed per community
  - All files are physical with minimal digital review.
  - Completed 27 PH Communities (350 files) and 4 Mixed Income Communities (40 files)

# ACTION ITEMS

7

## Status of Corrective Action Items resulting from Internal Audits

- Currently, there are thirteen (13) open action items
- All thirteen (13) of the action items are expected to be completed this fiscal year
  - 12 are pending the review and approval of an SOP



# STATUS OF THIRD PARTY AUDITS

8

## No Third Party Audits

# QUESTIONS?

STATUS OF MANAGEMENT CORRECTIVE ACTION ITEMS as of 2/1/22

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
<b><i>Fiscal Year 2016-2017</i></b>											
FY 16-17	4/16/19	Audit of Tenant Participation Funds at Parkview Apartments	Significant Deficiency	Finding 3 - Check Disbursements	<b>Recommendation</b> 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	3/31/2021	<b><i>In Progress</i></b>	BP	CDI Managment is currently exploring best practices and seeking addional services for guidance and redevelopment.
<b><i>Fiscal Year 2019-2020</i></b>											
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	<b>Recommendation</b> 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	3/31/2022	<b><i>In Progress</i></b>	BP	Draft Move Out SOP is currently under review for approval.
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	<b>Recommendation</b> 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	3/31/2022	<b><i>In Progress</i></b>	BP	Draft Move Out SOP is currently under review for approval.
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.	<b>Recommendation</b> 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	3/31/2022	<b><i>In Progress</i></b>	BP	Draft Move Out SOP is currently under review for approval.

STATUS OF MANAGEMENT CORRECTIVE ACTION ITEMS as of 2/1/22

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	<b>Recommendation</b> 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	3/31/2022	<b>In Progress</b>	BP	Draft Move Out SOP is currently under review for approval.
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	<b>Recommendation</b> 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	3/31/2022	<b>In Progress</b>	BP	Draft Move Out SOP is currently under review for approval.
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)	<b>Recommendation</b> 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	3/31/2022	<b>In Progress</b>	BP	Draft Move Out SOP is currently under review for approval.
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	<b>Recommendation</b> 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	3/31/2022	<b>In Progress</b>	BP	Draft Move Out SOP is currently under review for approval.
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	<b>Recommendation</b> 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	3/31/2022	<b>In Progress</b>	BP	Draft Move Out SOP is currently under review for approval.
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)	<b>Recommendation</b> 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	3/31/2022	<b>In Progress</b>	BP	Draft Move Out SOP is currently under review for approval.

STATUS OF MANAGEMENT CORRECTIVE ACTION ITEMS as of 2/1/22

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 1 - No abandonment policy	<b>Recommendation</b> Recommend adding steps to the PH Eviction SOP regarding when to use the abandonment policy vs court eviction proces	<i>Move Out SOP is being updated and will include Texas Property Law sections on handling Abandonment of units and related SAHA Policy.</i>	2/28/2021	3/31/2022	<b>In Progress</b>	BP	Draft Move Out SOP is currently under review for approval.
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	<b>Recommendation</b> 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	3/31/2022	<b>In Progress</b>	BP	Draft Move Out SOP is currently under review for approval.
<b><i>Fiscal Year 2020-2021</i></b>											
FY 20-21	4/9/21	Public Housing Midyear Modified Compliance Audit	Significant Deficiency	Finding 1- Incorrect security deposit charged and/or collected	<b>Recommendation</b> Management should reemphasize to staff that a security deposit must be collected in full, and applied to the ledger correctly.	<i>Revised reponse from Managment, "Monthly Quality Control for Security deposit collection Reports have been occurring since July 2020 for Property manager review. Move Out SOP is being updated and training is scheduled for June 2021."</i>	6/30/2021	3/31/2022	<b>In Progress</b>	BP	Draft Move Out SOP is currently under review for approval.