

HOUSING AUTHORITY OF THE CITY OF TULSA

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2020



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YEAR ENDED DECEMBER 31, 2020**

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INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Housing Authority of the City of Tulsa
Tulsa, Oklahoma

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit of the Housing Authority of the City of Tulsa (the Authority), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The discretely presented component unit financial statements were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities and discretely presented component unit of the Authority as of December 31, 2020, and the respective changes in financial position and, where applicable, cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 8 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information


Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The financial data schedules, as listed on the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is also presented for purposes of additional analysis and is not a required part of the basic financial statements.

The financial data schedules and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the financial data schedules and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Board of Commissioners
Housing Authority of the City of Tulsa

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 23, 2024, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Baltimore, Maryland
September 23, 2024

**HOUSING AUTHORITY OF THE CITY OF TULSA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2020**

Our discussion and analysis of the Authority's financial performance provides an overview of the Authority's financial activities for the year ended December 31, 2020. Please read it in conjunction with the Authority's financial statements.

FINANCIAL HIGHLIGHTS

- The Authority's net position increased by \$6,450,698 or 10.36% during the year ended December 31, 2020 from \$62,274,683 at December 31, 2019 to \$68,725,381 at December 31, 2020.
- Total operating revenues increased by \$15,159,665 or 23.96% for the year ended December 31, 2020 from \$63,270,175 for the year ended December 31, 2019 to \$78,429,840 for the year ended December 31, 2020.
- Total operating expenses of the Authority increased by \$20,051,731 or 29.42% for the year ended December 31, 2020 from \$68,160,688 for the year ended December 31, 2019 to \$88,212,419 for the year ended December 31, 2020.
- Total nonoperating revenues (expenses), including capital grants, increased by \$11,730,472 or 260.51% for the year ended December 31, 2020 from \$4,502,805 for the year ended December 31, 2019 to \$16,233,277 for the year ended December 31, 2020.

USING THIS ANNUAL REPORT

The following summarizes the content of the Authority's financial statements:

- Management's Discussion and Analysis
- Financial Statements, including the Statement of Net Position on page 9, the Statement of Revenues and Expenses and Changes in Net Position on page 10, and the Statement of Cash Flows on page 11.
- Notes to Financial Statements on page 12.

The primary focus of the Authority's financial statements is on the Authority as a whole. This perspective allows the user to address relevant questions, broaden a basis for comparison, and enhance the Authority's accountability.

The Authority engages in only business type activities. The financial statements are designed to be corporate-like in that all business type activities are consolidated to a total for the entire entity. The Authority's major business activities include the following:

- Rental and management of real estate under low rent public housing and Section 8 contracts.
- Provide rental assistance and Family Self Sufficiency counseling under Section 8 voucher contracts.
- Provide tenant services funded from both low rent public housing contracts and private donations.
- Modernization of low rent public housing property through use of Capital Fund Program grants.
- The operation of a low-income tax credit housing project through Nogales Housing Partners LP, the Authority's discretely presented component unit.
- Provision of down payment assistance to homeowners through the HOME Investment Partnership Program of Housing Partners of Tulsa, a component unit of the Authority.

**HOUSING AUTHORITY OF THE CITY OF TULSA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2020**

STATEMENT OF NET POSITION

The following table reflects the condensed Statement of Net Position compared to prior year.

	<u>12/31/2020</u>	<u>12/31/2019</u>	<u>Total Change</u>	<u>% Change</u>
Cash and Cash Equivalents	\$ 14,031,360	\$ 8,994,941	\$ 5,036,419	55.99%
Investments	3,179,431	8,334,954	(5,155,523)	-61.85%
Other Assets	14,748,704	5,036,091	9,712,613	192.86%
Capital Assets	<u>46,647,581</u>	<u>49,245,788</u>	<u>(2,598,207)</u>	-5.28%
Total Assets	78,607,076	71,611,774	6,995,302	9.77%
Current Liabilities	8,704,077	8,147,588	556,489	6.83%
Other Noncurrent Liabilities	<u>1,177,618</u>	<u>1,189,503</u>	<u>(11,885)</u>	-1.00%
Total Liabilities	9,881,695	9,337,091	544,604	5.83%
Net Position:				
Net Investment in Capital Assets	42,003,479	43,458,359	(1,454,880)	-3.35%
Restricted	3,545,388	1,854,409	1,690,979	91.19%
Unrestricted	<u>23,176,514</u>	<u>16,961,915</u>	<u>6,214,599</u>	36.64%
Total Net Position	<u>68,725,381</u>	<u>62,274,683</u>	<u>6,450,698</u>	10.36%
Total Liabilities and Net Position	<u>\$ 78,607,076</u>	<u>\$ 71,611,774</u>	<u>\$ 6,995,302</u>	9.77%

For more detailed information, see page 9 for the Statement of Net Position.

MAJOR FACTORS AFFECTING THE STATEMENT OF NET POSITION

The net decrease in cash and investments of \$119,104 is primarily due to closing on four RAD operations conversions and using LIPH funds for the first year of HAP.

Capital assets decreased by \$2,598,207. The decrease is primarily due to an increase in accumulated depreciation of \$4,878,284 and the disposal of Apache Manor and Sandy Park.

Other assets increased by \$9,712,613 mainly due to the issuance of notes receivables to Tulsa Housing Endeavors, LP for \$12,357,564.

The decrease in net investment in capital assets is primarily due to current year additions offsetting the change in accumulated depreciation and disposals.

The increase in unrestricted net position of \$6,214,599 is primarily due to the sale of Apache Manor and Sandy Park which resulted in a \$10.2 million gain on sale.

**HOUSING AUTHORITY OF THE CITY OF TULSA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2020**

STATEMENT OF REVENUES AND EXPENSES AND CHANGES IN NET POSITION

The following schedule compares the revenues and expenses for the current and previous fiscal year. As stated before, the Authority engages in only business-type activities.

	<u>12/31/2020</u>	<u>12/31/2019</u>	<u>Total Change</u>	<u>% Change</u>
Revenues:				
Operating Grants and Subsidies	\$ 67,112,863	\$ 52,406,036	\$ 14,706,827	28.06%
Tenant Rental and Other Operating	6,231,666	4,244,679	1,986,987	46.81%
Other	5,085,311	6,619,460	<u>(1,534,149)</u>	-23.18%
Total Operating Revenues	<u>78,429,840</u>	<u>63,270,175</u>	<u>15,159,665</u>	23.96%
Expenses:				
Administrative and General	27,910,255	17,900,498	10,009,757	55.92%
Tenant Services	332,646	546,724	(214,078)	-39.16%
Utilities	4,138,016	4,300,299	(162,283)	-3.77%
Maintenance	8,992,586	9,570,328	(577,742)	-6.04%
Protective Services	780,574	932,679	(152,105)	-16.31%
Housing Assistance Payments	41,180,058	29,636,655	11,543,403	38.95%
Depreciation	4,878,284	5,273,505	<u>(395,221)</u>	-7.49%
Total Operating Expenses	<u>88,212,419</u>	<u>68,160,688</u>	<u>20,051,731</u>	29.42%
Nonoperating Revenues (Expenses):				
Capital Grants and Contributions	6,060,827	4,238,065	1,822,762	43.01%
Interest Income	145,714	537,877	(392,163)	-72.91%
Gain (Loss) on Sale of Fixed Assets	10,203,479	(2,315)	10,205,794	440855.03%
Interest Expense	<u>(176,743)</u>	<u>(270,822)</u>	<u>94,079</u>	34.74%
Total Nonoperating Revenues	<u>16,233,277</u>	<u>4,502,805</u>	<u>11,730,472</u>	260.51%
Change in Net Position	<u>\$ 6,450,698</u>	<u>\$ (387,708)</u>	<u>\$ 6,838,406</u>	1763.80%

MAJOR FACTORS AFFECTING THE STATEMENT OF REVENUES AND EXPENSES AND CHANGES IN NET POSITION

Operating Grants and Subsidies increased by \$14,706,827, primarily due to the new CARES funds received for the Housing Choice Voucher program and Public Housing program, as well as additional funds received for the Choice Neighborhood program.

Tenant Rental and Other Operating income increased by \$1,986,987 primarily due to increased rental activity for the five new blended component units.

Other Income decreased by \$1,534,149, primarily due to contributions received by Affordable Housing Property Solutions, a blended component unit of the Authority, for the Choice Neighborhood program.

Administrative and General expense increased by \$10,009,757, primarily due to increases in salaries and benefits, increases to office expenses to prepare for RAD conversions, and expenses incurred due to COVID-19.

**HOUSING AUTHORITY OF THE CITY OF TULSA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2020**

MAJOR FACTORS AFFECTING THE STATEMENT OF REVENUES AND EXPENSES AND CHANGES IN NET POSITION (CONTINUED)

Housing Assistance Payments (HAP) expense increased by \$11,543,403 primarily due to CARES funding received, as well as initial year HAP for RAD properties.

Protective services expense decreased by \$152,105 primarily due to a new contract with the Sheriff's Office for police patrol over THA's properties.

Gain (Loss) on Sale of Fixed Assets increased by \$10,205,794 due to the sale of Apache Manor and Sand Park which resulted in a \$10.2 million gain on sale.

While the results of operations are a significant measure of the Authority's activities, the analysis of the changes in Unrestricted Net Position provides a clearer change in financial well-being. The increase in unrestricted net position is attributable to operating cash flow, less amounts of increases in restricted net position.

CAPITAL ASSETS AND DEBT ADMINISTRATION

As of year-end, the Authority had \$46,567,760 invested (net) in a variety of capital assets as reflected in the following schedule, which represents a net decrease \$2,598,207 from the end of last year.

	<u>12/31/2020</u>	<u>12/31/2019</u>
Land, Construction in Progress, Buildings, and Improvements	\$ 153,182,290	\$ 164,985,859
Furniture and Equipment	11,225,100	12,048,560
Total Cost of Assets	<u>164,407,390</u>	<u>177,034,419</u>
Accumulated Depreciation	<u>(117,759,809)</u>	<u>(127,788,631)</u>
Net	<u>\$ 46,647,581</u>	<u>\$ 49,245,788</u>

CHANGE IN CAPITAL ASSETS

The following summarizes the changes in capital assets:

Balance - Beginning of Year	\$ 49,245,788
Additions to Capital Assets	4,609,796
Disposal of Capital Assets, Net	(2,329,719)
Depreciation	<u>(4,878,284)</u>
Balance - End of Year	<u>\$ 46,647,581</u>

DEBT OUTSTANDING

As of December 31, 2020, outstanding debt was \$4,498,417 compared to \$4,673,544, at December 31, 2019. This represents a decrease of \$175,127 and is attributable to current year principal payments on the debt.

	Balance <u>12/31/2019</u>	Increase	Decrease	Balance <u>12/31/2020</u>	Current Portion
Inhofe Plaza Debt	<u>\$ 4,673,544</u>	<u>\$ -</u>	<u>\$ (175,127)</u>	<u>\$ 4,498,417</u>	<u>\$ 4,498,417</u>

**HOUSING AUTHORITY OF THE CITY OF TULSA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2020**

ECONOMIC FACTORS

Significant economic factors affecting the Authority are as follows:

- Federal funding of the Department of Housing and Urban Development (or applicable agency)
- Local labor supply and demand, which can affect salary and wage rates
- Local inflationary, recessionary and employment trends, which can affect resident incomes and therefore the amount of rental income
- Inflationary pressure on utility rates, supplies, and other costs

FINANCIAL CONTACT

The individual to be contacted regarding this report is Matt Letzig, Chief Financial Officer of the Housing Authority of the City of Tulsa, Oklahoma, at (918) 581-5702. Specific requests may be submitted to Matt Letzig, CFO, at P.O. Box 6369, Tulsa, Oklahoma, 74148-0369.

HOUSING AUTHORITY OF THE CITY OF TULSA
STATEMENT OF NET POSITION
DECEMBER 31, 2020

	Business-Type Activities	Discretely Presented Component Unit
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents - Unrestricted	\$ 13,164,939	\$ 210,219
Cash and Cash Equivalents - Restricted	866,421	326,553
Investments - Restricted	3,179,431	-
Accounts Receivable, Net	1,009,185	16,072
Prepaid Expenses	411,954	15,450
Total Current Assets	18,631,930	568,294
NONCURRENT ASSETS		
Notes Receivable	13,327,565	-
Other Assets	-	3,156
Nondepreciable Capital Assets	25,973,954	463,247
Depreciable Assets, Net	20,673,627	771,153
Total Noncurrent Assets	59,975,146	1,237,556
Total Assets	\$ 78,607,076	\$ 1,805,850
LIABILITIES AND NET POSITION		
CURRENT LIABILITIES		
Accounts Payable	\$ 1,925,123	\$ 19,345
Accrued Liabilities	1,641,315	1,106,755
Accrued Compensated Absences, Current Portion	180,769	-
Unearned Revenue	29,166	-
Long-Term Debt, Current Portion	4,498,417	-
Tenant Security Deposits	274,856	5,788
Current Liabilities - Other	154,431	-
Total Current Liabilities	8,704,077	1,131,888
NONCURRENT LIABILITIES		
Long-Term Debt, Less Current Portion	-	1,087,001
Accrued Compensated Absences, Less Current Portion	1,057,501	-
Noncurrent Liabilities - Other	120,117	-
Total Noncurrent Liabilities	1,177,618	1,087,001
Total Liabilities	9,881,695	2,218,889
NET POSITION		
Net Investment in Capital Assets	42,003,479	147,399
Restricted Net Position	3,545,388	320,765
Unrestricted Net Position	23,176,514	(881,203)
Total Net Position	68,725,381	(413,039)
Total Liabilities and Net Position	\$ 78,607,076	\$ 1,805,850

See accompanying Notes to Financial Statements.

HOUSING AUTHORITY OF THE CITY OF TULSA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2020

	Business-Type Activities	Discretely Presented Component Unit
OPERATING REVENUES		
Dwelling Rent	\$ 6,231,666	\$ 200,748
Governmental Grants and Subsidy	67,112,863	-
Other Income	5,085,311	12,213
Total Operating Revenues	78,429,840	212,961
OPERATING EXPENSES		
Administrative	13,018,320	59,694
Tenant Services	332,646	-
Utilities	4,138,016	26,937
Maintenance and Operations	8,992,586	59,830
Protective Services	780,574	-
General Expense	14,891,935	39,442
Housing Assistance Payments	41,180,058	-
Depreciation	4,878,284	121,743
Total Operating Expenses	88,212,419	307,646
NET OPERATING LOSS	(9,782,579)	(94,685)
NONOPERATING REVENUES (EXPENSES)		
Investment Income	145,714	3,072
Gain on Sale of Capital Assets	10,203,479	-
Interest Expense	(176,743)	(100,636)
Total Nonoperating Revenues (Expenses)	10,172,450	(97,564)
NET INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	389,871	(192,249)
CAPITAL CONTRIBUTIONS	6,060,827	-
INCREASE (DECREASE) IN NET POSITION	6,450,698	(192,249)
Net Position - Beginning of Year	62,274,683	(220,790)
NET POSITION - END OF YEAR	\$ 68,725,381	\$ (413,039)

See accompanying Notes to Financial Statements.

**HOUSING AUTHORITY OF THE CITY OF TULSA
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2020**

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from Customers	\$ 7,375,983
Governmental Grants and Subsidiary - Operations	68,544,727
Cash Received from Other Sources	5,329,814
Payments to Suppliers for Operations	(16,643,997)
Payments for Housing Operations and Tenant Services	(11,621,575)
Housing Assistance Payments	(41,180,058)
Payments to Employees	(13,344,507)
Net Cash Used by Operating Activities	<u>(1,539,613)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds from Sales and Maturities of Investments	7,129,570
Purchase of Investments	(1,974,047)
Interest Received	145,714
Net Cash Provided by Investing Activities	<u>5,301,237</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Capital Grants	6,060,827
Acquisition of Capital Assets	(4,609,796)
Loss on Disposal of Capital Assets	175,634
Repayment of Long-Term Debt	(175,127)
Payment of Interest	(176,743)
Net Cash Provided by Capital and Related Financing Activities	<u>1,274,795</u>

NET INCREASE IN CASH AND CASH EQUIVALENTS

5,036,419

Cash and Cash Equivalents - Beginning of Year

8,994,941

CASH AND CASH EQUIVALENTS - END OF YEAR

\$ 14,031,360

**RECONCILIATION OF OPERATING LOSS TO NET CASH
USED BY OPERATING ACTIVITIES**

Operating Loss from Operations	\$ (9,782,579)
Adjustments to Reconcile Operating Loss to Net Cash	
Used by Operating Activities:	
Depreciation	4,878,284
Bad Debt Expense	250,245
Effects of Changes in Operating Assets and Liabilities:	
Accounts Receivable	2,339,940
Prepaid Expenses	(189,737)
Accounts Payable	1,048,757
Accrued Liabilities	181,543
Unearned Revenue	12,934
Compensated Absences	112,043
Tenant Security Deposits	(26,938)
Other Current Liabilities	(608,608)
Net Cash Used by Operating Activities	<u><u>\$ (1,539,613)</u></u>

See accompanying Notes to Financial Statements.

HOUSING AUTHORITY OF THE CITY OF TULSA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Housing Authority of the City of Tulsa (THA or the Authority), established by the City of Tulsa in 1966, is a quasi-governmental, public body, corporate and politic, exercising exclusively public and essential government functions, and having all the powers necessary or convenient to carry out and effectuate the purposes and provisions of the Oklahoma Housing Authorities Act (OHAA). THA is governed by a five-member board of commissioners, appointed by the mayor of the City of Tulsa, which establishes policies, approves budgets and provides general direction to the THA President / Chief Executive Officer and Executive Staff.

THA is responsible for promoting safe and sanitary dwelling accommodations to persons of low income at rentals or prices they can afford, funded by grants and subsidies from the U.S. Department of Housing and Urban Development (HUD). THA receives no direct financial support from the City of Tulsa. THA holds the HUD rank of High Performing Agency.

Reporting Entity

The accompanying financial statements present the Authority and its component units, entities for which the Authority government is considered to be financially accountable. Blended component units are, in substance, part of the Authority's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the Authority. The discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is both legally and substantively separate from the Authority.

Tulsa Housing Assistance Corporation (THAC) is a nonprofit organization, formed for the purpose of issuing revenue bonds, the proceeds of which were used to purchase the Murdock Villa apartment complex, located in Tulsa, Oklahoma and consisting of 143 units and operated under Section 8 of the National Housing Act, and to provide financing for other Authority-owned properties to be operated as low-income housing projects. There was no activity during the audit period.

Reporting Entity – Blended Component Units

Housing Partners of Tulsa, Inc. (HPT) is a nonprofit organization, organized by the Authority, to provide a wide range of affordable housing options for low and moderate income for Tulsans and to promote programs leading to self-sufficiency and home ownership.

HOUSING AUTHORITY OF THE CITY OF TULSA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reporting Entity – Blended Component Units (Continued)

HPT also has a contract with the City of Tulsa to administer HOME investment Program funds set aside for the purpose of providing down payment assistance to eligible, potential homeowners. Once eligibility is determined, HPT provides a down payment to the homeowner at closing. Among other requirements, this assistance is not required to be paid back to HPT unless the house is sold within five years of the purchase date. HPT also provides housing and housing related services to eligible participants, funded by grants from HUD.

In 2017, the board of commissioners of the Authority gave HPT the ability to appoint its own board. No Authority board members are now members of HPT's board.

Property One Management Group, LLC is a nonprofit organization, organized by the Authority, to purchase, manage, improve, and sell real estate. There was no activity during the audit period.

Affordable Housing Property Solutions is a nonprofit organization, organized by the Authority, to purchase real estate, participate in RAD conversions and partner with the Housing Authority in development deals as a co-developer.

Parkview Terrace is a single asset entity that was organized to own and manage the public housing property Parkview Terrace after RAD conversion.

Pioneer Plaza is a single asset entity that was organized to own and manage the public housing property Pioneer Plaza after RAD conversion.

East Central Village is a single asset entity that was organized to own and manage the public housing property East Central Village after RAD conversion.

La Fortune Tower is a single asset entity that was organized to own and manage the public housing property LaFortune Tower after RAD conversion.

Nogales Realty, LLC and Newton Plaza, Inc. were formed for the purpose of construction of the Newton Plaza apartment complex located in Tulsa, Oklahoma, consisting of 28 units and operating as a low-income tax credit project. Newton Plaza, Inc. and Nogales Realty, LLC are owned 100% by the Authority and Newton Plaza, Inc. is the general partner of Nogales LP. Newton Plaza's share of Nogales LP is 0.009% of Profit & Losses and 13.827% of Capital.

**HOUSING AUTHORITY OF THE CITY OF TULSA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reporting Entity – Blended Component Units (Continued)

Nogales Realty, LLC and Newton Plaza, Inc. (Continued) The Authority received HOPE VI grants in the amount of \$28.6 million and loaned them to HOPE VI entities in accordance with HUD's HOPE VI grant program for the construction of low rent public housing units. While the loans bear interest, no principal or interest payments are due until 2042-2043. If these notes go unpaid, the Authority does have first right of refusal to acquire the properties. The Authority does not report the HOPE VI financial statements as component units since the Authority is not a majority general partner or owner. Any subsidies the Authority receives are passed directly on to the HOPE VI entities. Furthermore, the potential that the HOPE VI entities will provide either a financial benefit or burden is considered remote. Consequently, the loans receivable and accrued interest amounting to approximately \$970,001 at December 31, 2020 and the public housing operating subsidies received of \$22,972 for year-end December 31, 2020 are not reported as assets by the Authority.

Discretely Presented Component Unit

The financial statements present Nogales Housing Partners LP as a discretely presented component unit because THA does not have the ability to control the operations of the Partnerships (GASB Statement No. 61).

Nogales Housing Partners, LP: Nogales Housing Partners LP, an Oklahoma limited partnership, was formed in 2004 to acquire, construct, develop and operate a 28-unit multifamily apartment complex known as Newton Plaza in Tulsa, Oklahoma, for rental to individuals and families of low income and to public housing tenants (as to 14 of the units). The Project is operated by an independent management company in a manner necessary to qualify for federal low-income housing tax credits as provided for in Section 42 of the Internal Revenue Code (IRC).

Pursuant to the Partnership Agreement of Nogales, the limited partner of Nogales is required to make and has made capital contributions in varying installments totaling approximately \$2,450,000. These limited partner capital contributions are subject to adjustments based on the amount of Low-income Housing Tax Credits allocated to Newton Plaza apartment complex and subject to other adjustments as defined in the Partnership Agreement of Nogales LP.

Nogales LP expects to generate an aggregate of approximately \$2,550,000 of low-income housing tax credits (Tax Credits). Tax Credits become available for use by its partners pro-rata over a ten-year period, and which expired in March 2016. In order to qualify for Tax Credits, Newton Plaza apartment complex must comply with federal and state requirements including, but not limited to, renting to low-income tenants at prescribed rates for at least the first 15 years of operation, and maintaining and operating the apartment complex as low-income housing for another 15 years after that. Because Tax Credits are subject to complying with certain requirements, there can be no assurance that the aggregate amount of Tax Credits will be realized.

A copy of the separately issued audited financial statements of the discretely presented component units can be obtained by contacting the Housing Authority of the City of Tulsa, 415 E. Independence Street, Tulsa, OK 74106.

HOUSING AUTHORITY OF THE CITY OF TULSA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Other Related Entities

Tulsa Housing Endeavors, LP: Tulsa Housing Endeavors, LP, an Oklahoma limited partnership, was formed in 2020 to acquire, construct, develop and operate a 318-unit multifamily apartment complexes known as Sandy Park and Apache Manor in Tulsa, Oklahoma, for rental to individuals and families of low income and rad project-based voucher tenants. The Project is operated by the authority in a manner necessary to qualify for federal low-income housing tax credits as provided for in Section 42 of the Internal Revenue Code (IRC).

Pursuant to the Partnership Agreement of Tulsa Housing Endeavors, the limited partner of Sandy Park and Apache Manor is required to make capital contributions in varying installments totaling approximately \$14,500,179. These limited partner capital contributions are subject to adjustments based on the amount of Low-income Housing Tax Credits allocated to Sandy Park and Apache Manor apartment complexes and subject to other adjustments as defined in the Partnership Agreement of Tulsa Housing Endeavors LP.

Tulsa Housing Endeavors LP expects to generate an aggregate of approximately \$15,649,415 of low-income housing tax credits (Tax Credits). Tax Credits become available for use by its partners pro-rata over a ten-year period beginning in 2021. In order to qualify for Tax Credits, both Apache Manor and Sandy Park must comply with federal and state requirements including, but not limited to, renting to low-income tenants and prescribed rates for at least the first 15 years of operations, and maintaining and operating the apartment complexes as low-income housing for another 15 years after that. Because Tax Credits are subject to complying with certain requirements, there can be no assurance that the aggregate amount of Tax Credits will be realized.

As of December 31, 2020, Apache Manor and Sandy Park apartments, which are owned by Tulsa Housing Endeavors were under construction and were not included in the reporting entity. Subsequent to year end, Tulsa Housing Endeavors had an Inception – December 31, 2021 audit. The financial statements from the audit will be included in the December 31, 2021 reporting entity of Tulsa Housing Authority.

Summary of HUD Programs

The accompanying financial statements include activities of several Housing Programs subsidized by HUD. A summary of each significant HUD program is provided below:

Low-Income Housing Programs: THA owns and manages 13 principal developments (Asset Management Projects). These developments are acquired, developed, and modernized under HUD's Capital Fund Program. Funding of operations is provided by HUD through annual operating subsidies and tenant rentals, determined based on family composition and income.

THA also owns and manages four developments funded by HUD Section 8 Project Based contracts: Meadows, Towne Square, Inhofe Plaza, and Murdoch Villa. Funding of operations is provided by HUD through annual Section 8 operating subsidies and tenant rentals, determined based on family composition and income.

HOUSING AUTHORITY OF THE CITY OF TULSA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Summary of HUD Programs (Continued)

Housing Assistance Program: The housing assistance payments program utilizes approved existing privately owned family rental housing units to provide decent and affordable housing to low-income families. Qualifying families pay rent to the property owners based on family composition and income, and HUD, through THA, pays the difference between the approved fair property rental and tenant rent.

Basis of Accounting

The Authority presents its activities as an enterprise fund. The measurement focus is on the determination of operations, financial position, and cash flows. As a result, the Authority uses the accrual method of accounting, whereby revenues are recorded when earned and expenses are recorded at the time that liabilities are incurred.

The Authority distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses result from providing services to tenants. Operating revenues and expenses consist of rental revenues, other charges collected from tenants, operating grants and subsidies, and expenses associated with operating low-income housing projects, including housing assistance payments. All other revenues and expenses are reported as nonoperating revenues and expenses.

The Authority is required to follow all statements of the Governmental Accounting Standards Board (GASB). GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, was issued to incorporate FASB and AICPA Guidance into GASB authoritative literature.

Use of Estimates

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

Cash and Cash Equivalents

All highly liquid debt instruments purchased with an original maturity of three months or less are considered to be cash equivalents.

Cash balances are maintained at financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 as of December 31, 2020.

HOUSING AUTHORITY OF THE CITY OF TULSA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments

Investments (including restricted investments) consist of U.S. agency securities, certificates of deposit, money market funds, and other time deposits. Investments that are short-term money-market type investments, as defined by the GASB, are recorded at amortized cost, which approximates fair value. All other investments are recorded at fair value.

Capital Assets

Property and equipment are recorded at acquisition cost, and depreciated using the straight-line method over their estimated useful lives, as follows:

Buildings and Improvements	20 to 40 Years
Furniture and Equipment, Including Dwelling Appliances	3 to 15 Years

Capitalization Policy for the Authority is items purchased for betterment, not repairs, in excess of \$5,000 and a useful life of one (1) year will be capitalized.

Maintenance and repairs are charged to expense as incurred, whereas renewals and betterments are generally capitalized.

Upon sale or retirement, the costs are removed from the accounts, and the resulting gain or loss is included in the nonoperating revenues (expenses).

Income Taxes

No provision has been made for federal and state income taxes on the Authority, as the Authority is a tax-exempt organization. Nogales Realty, LLC is a single-member limited liability company owned by the Authority and is considered as part of the Authority for income tax purposes. The Authority does make annual payments in lieu of income taxes to local school districts.

No provision has been made for federal and state income taxes for Newton Plaza, Inc., as amounts are considered immaterial.

HPT, Property One, and THAC are tax-exempt organizations under Section 501(c)(3) of the IRC, and no provision for income taxes is provided for them.

Prepaid Expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Unearned Revenues

Deferred revenues consist of tenant rental revenue, Section 8 subsidies, and other revenue received in advance.

HOUSING AUTHORITY OF THE CITY OF TULSA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences

Vested vacation leave is recorded as an expense as the benefits accrue to employees.

Net Position

Net position is displayed in three components:

Net Investment in Capital Assets – Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets.

Restricted – Net Position whose use by the Authority is subject to externally imposed stipulations that can be fulfilled by actions of the Authority pursuant to those stipulations or that expire by the passage of time. This includes resources restricted for capital acquisition and debt service.

Unrestricted – Net position that is not subject to externally imposed stipulations. Unrestricted net position may be designated for specific purposes by action of management or the Authority board or may otherwise be limited by contractual agreements with outside parties.

Certain assets including cash may be classified as restricted net position on the statement of net position because their use is restricted for specific purposes. It is the Authority's policy to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Restricted net position at December 31, 2020 consists primarily of amounts restricted, as required by HUD, for housing assistance payments, under the Section 8 Housing Choice Voucher Program and amounts restricted for escrows, reserve for replacements, and other purposes, and amounts restricted under HPT's HOME Investment Program and other grants.

**HOUSING AUTHORITY OF THE CITY OF TULSA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 2 CASH AND CASH EQUIVALENTS AND INVESTMENTS

Deposits

Certificates of deposit and other time deposits, considered investments by the Authority and its component units, are collateralized with securities held by the pledging financial institution's trust department or agent in the Authority's or component unit's name. Deposit balances of the Authority, as well as other investment balances, including restricted investments at December 31, 2020 are as follows:

Checking/Savings Accounts	\$ 10,444,654
Mutual Fund Accounts	3,586,706
U.S. Treasury Mutual Funds	3,179,431
Total Cash and Cash Equivalents and Investments	\$ 17,210,791

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the Authority's deposits will not be returned to it. FDIC limits during the period were \$250,000 per fiduciary account per financial institution. As of December 31, 2020, the bank balances were under collateralized by \$444,981.

Credit Risk

This is the risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt. It is the Authority's policy to invest in those securities that are authorized by HUD. Such investments generally consist of obligations of the U.S. government and its agencies and instrumentalities, collateralized or insured certificates of deposit, or other bank deposits, and certain other commercial instruments. As of December 31, 2020, the Authority had investments in agency securities that were rated AAA and AAAM.

Interest Rate Risk

As a means of limiting its exposure to fair value losses arising from rising interest rates, the Authority's investment policy limits its investment portfolio to maturities not to exceed five years at time of purchase.

As of December 31, 2020, the maturities of the Authority's restricted investments, are as follows:

	Carrying Amounts	Investment Maturities (In Years)	
		Less than 1	1-5
Mutual Fund Accounts	3,586,706	3,586,706	-
U.S. Treasury Mutual Funds	3,179,431	3,179,431	-
Total	\$ 6,766,137	\$ 6,766,137	\$ -

**HOUSING AUTHORITY OF THE CITY OF TULSA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 2 CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Interest Rate Risk (Continued)

Restricted cash and investments consist of the following at December 31, 2020:

Reserve for Replacement	\$ 3,179,431
Family Self Sufficiency	225,608
Housing Choice Voucher Program Reserves	327,903
Tenant Security Deposits	312,910
Total	<u>\$ 4,045,852</u>

Fair Value Measurements

The Authority categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted market prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. As of December 31, 2020, fair value of investments are as follows:

	12/31/2020	Fair Value Measurements Using		
		Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level:				
Mutual Fund Accounts	\$ 3,586,706	\$ 3,586,706	\$ -	\$ -
U.S. Treasury Mutual Funds	3,179,431	3,179,431	-	-
Total Investments by Fair Value Level	<u>\$ 6,766,137</u>	<u>\$ 6,766,137</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE 3 RESERVES

Housing Choice Voucher – HUD Held Reserve

In 2011, HUD released PIH Notice 2011-67 (HA) Implementation of New Cash Management Requirements for the Housing Choice Voucher Program. HUD is required to control disbursements of funds to PHAs in such a way as to ensure that PHAs do not receive federal funds before they are needed. The process of disbursing only the funds required for current HAP costs resulted in the re-establishment of HUD-held program reserves, whereby excess HAP funds will remain obligated but undisbursed at HUD rather than held by the PHAs. As of December 31, 2020, the Authority's HUD-Held Reserve totaled approximately \$2,985,983. This amount is not reported in the financial statements.

**HOUSING AUTHORITY OF THE CITY OF TULSA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 3 RESERVES (CONTINUED)

Long-Term Financial Plans

THA is continuing to find strategic ways to improve affordable housing throughout the City of Tulsa. In 2017, THA applied for a Choice Neighborhoods grant, through HUD, in the amount of \$30,000,000. THA received notice of receiving the grant in 2018. Work began in 2019 on a total redevelopment of the Eugene Fields community through this grant, which included a THA property, Riverview. THA applied for the Rental Assistance Demonstration program, through HUD, in 2017 and received approval notice to move forward with the program in August 2018. Planning and implementation of the program began in 2018 and will continue over the next few years. During this time, the Agency will also continue to acquire and develop more properties that will yield unrestricted profits in the years to come.

NOTE 4 ACCOUNTS RECEIVABLE – HUD AND OTHER GOVERNMENTAL ENTITIES

Accounts receivable from HUD and other governmental entities consisted of the following as of December 31, 2020:

Accounts Receivable	
Accounts Receivable - HUD:	
Low Rent Public Housing	\$ 3,003
Blended Component Unit	26,570
Housing Choice Voucher Program	304,603
Moderate Rehab	22,696
Accounts Receivable - Other Governmental Entities	34,693
Accounts Receivable - Tenants, Net of Allowance of \$246,922	416,081
Fraud Recovery, Net of Allowance of \$376,647	5,276
Accounts Receivable - Miscellaneous	6,573
Accrued Interest Receivable	189,690
Total	\$ 1,009,185

NOTE 5 NOTES RECEIVABLE

Notes receivable at December 31, 2020 consisted of the following:

Notes Receivable					
Program Due To	Description	Loan Date	Interest Rate	Due Date	Balance at 12/31/2020
COCC	Nogales LP - HOPE VI Program Income Loan	10/31/2005	4.83%	12/31/2035	\$ 85,449
COCC	Nogales LP - HOPE VI Loan	10/31/2005	4.83%	12/31/2035	434,552
COCC	Nogales LP - HOME Loan	10/31/2005	4.83%	12/31/2035	300,000
COCC	Nogales LP - CDBG Loan	10/31/2005	4.83%	12/31/2035	150,000
LIPH - AMP 5	Tulsa Housing Endeavors, LP - Sellers Note	7/1/2020	3.40%	7/1/2062	5,590,000
LIPH - AMP 10	Tulsa Housing Endeavors, LP - Sellers Note	7/1/2020	3.40%	7/1/2062	5,300,000
LIPH - AMP 5	Tulsa Housing Endeavors, LP - Site Reserve Loan	7/1/2020	3.40%	7/1/2062	994,500
LIPH - AMP 10	Tulsa Housing Endeavors, LP - Site Reserve Loan	7/1/2020	3.40%	7/1/2062	473,064
Long-Term Notes Receivable					\$ 13,327,565

HOUSING AUTHORITY OF THE CITY OF TULSA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 6 CAPITAL ASSETS

Activity in property and equipment, for both the Authority and its discretely presented component unit, is as follows for the year ended December 31, 2020:

The Authority

	12/31/19	Additions	Disposals	Transfers	12/31/20
Land (Not Depreciated)	\$ 25,105,784	\$ -	\$ -	\$ -	\$ 25,105,784
Construction in Progress (Not Depreciated)	3,149,797	909,320	(41,150)	(3,149,797)	868,170
Buildings and Improvements	136,730,278	3,700,476	(16,354,855)	3,132,437	127,208,336
Furniture and Equipment	12,048,560	-	(840,820)	17,360	11,225,100
Total Depreciable Assets	148,778,838	3,700,476	(17,195,675)	3,149,797	138,433,436
Less: Accumulated Depreciation	(127,788,631)	(4,878,284)	14,907,106	-	(117,759,809)
Net Property and Equipment	<u>\$ 49,245,788</u>	<u>\$ (268,488)</u>	<u>\$ (2,329,719)</u>	<u>\$ -</u>	<u>\$ 46,647,581</u>

Discretely Presented Component Units

	12/31/19	Additions	Disposals	Transfers	12/31/20
Land (Not Depreciated)	\$ 463,247	\$ -	\$ -	\$ -	\$ 463,247
Construction in Progress (Not Depreciated)	-	-	-	-	-
Buildings and Improvements	2,744,049	-	-	-	2,744,049
Furniture and Equipment	35,127	-	-	-	35,127
Total Depreciable Assets	2,779,176	-	-	-	2,779,176
Less: Accumulated Depreciation	(1,886,279)	(121,743)	(1)	-	(2,008,023)
Net Property and Equipment	<u>\$ 1,356,144</u>	<u>\$ (121,743)</u>	<u>\$ (1)</u>	<u>\$ -</u>	<u>\$ 1,234,400</u>

NOTE 7 LONG-TERM DEBT

Business-Type Activities

Inhofe Mortgage Note Payable

On April 10, 2007, the Authority entered into a mortgage with the Bank of Oklahoma in the amount of \$6,000,000 bearing interest at 6.5%. The note is due in monthly installments of \$38,300, including interest, with the final installment due April 2017. In April 2017, the Authority extended the mortgage with Bank of Oklahoma by 36 months with a beginning balance of \$5,085,361. The extended note is due in monthly installments of \$34,284, including interest at an interest rate of 5.18%. The final installment is due April 10, 2021. The note is collateralized by a mortgage on Inhofe Plaza Apartments, which was acquired by the Authority during the year ended June 30, 2007. The balance as of December 31, 2020 was \$4,498,417.

Activity in debt is as follows for the year ended December 31, 2020:

Balance, Beginning of Year	\$ 4,673,544
Principal Repayments	(175,127)
Total	<u>\$ 4,498,417</u>

HOUSING AUTHORITY OF THE CITY OF TULSA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 7 LONG-TERM DEBT (CONTINUED)

Discretely Presented Component Unit

Nogales Housing Partners, LP

HOPE VI Program Income Loan

Under the terms of a loan agreement with the Authority, the Authority agreed to loan the Partnership up to \$1,618,128 for construction financing. Advances under the loan bear interest at the greater of 4.83% or the long-term Applicable Federal Rate (AFR) at the time of each disbursement of funds under the loan agreement. Interest is compounded annually.

Annual payments equal to 50% of "Net Cash Flow," as that term is defined in the Partnership Agreement, are required, with remaining balances due December 31, 2035.

The source of these funds is program income from the Authority's HOPE VI grant program, and this loan is referred to as the Program Income Loan. Outstanding borrowings under the loan agreement are collateralized by a first mortgage on the Project. This loan was primarily a Construction Loan and has been repaid, except for the remaining balance at December 31, 2020 of \$85,449.

HOPE VI Loan

Under the terms of another loan agreement with the Authority, the Authority agreed to loan the Partnership up to \$434,552 for construction and permanent financing. Advances under the loan bear interest at the greater of 4.83% or the long-term AFR at the time of each disbursement of funds under the loan agreements. Interest is compounded annually. Annual payments equal to 50% of "Net Cash Flow," as that term is defined in the Partnership Agreement, are required, with remaining balances due December 31, 2035. The source of these funds is HOPE VI grant funds of the Authority, and this loan is referred to as the HOPE VI loan. Outstanding borrowings under the loan agreement are collateralized by a second Mortgage on the project.

Other Loans

Under the terms of the other loan agreements with the Authority, the Authority agreed to loan the Partnership \$450,000. Advances under the loans bear interest at the greater of 4.83% or the long-term AFR at the time of each disbursement of funds under the loan agreement. Interest is compounded annually. There are no payments due until maturity of the loans on December 31, 2035. The sources of these funds are federal grant funds of the Authority.

Outstanding borrowings under the loan agreements are collateralized by the third and fourth mortgages on the Project. These loans are described as the HOME loan and CDBG loan in the preceding schedule in note 5.

Under the terms of a loan agreement with the Bank of Oklahoma (BOK), BOK agreed to loan the Partnership \$117,000. Advances under this loan bear interest at the greater of 4.83% or the long-term AFR at the time of each disbursement of funds under the loan agreement. Interest is compounded annually. There are no payments due until maturity of the loans on December 31, 2035. Outstanding borrowings under the loan agreement are collateralized by a fifth mortgage on the Project.

**HOUSING AUTHORITY OF THE CITY OF TULSA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 7 LONG-TERM DEBT (CONTINUED)

Future Maturities Schedule

Future debt service of long-term debt is as follows:

	Inhofe		Nogales LP	
	Principal	Interest	Principal	Interest
2021	\$ 4,498,417	\$ 80,147	\$ -	\$ -
2022	-	-	-	-
2023	-	-	-	-
2024	-	-	-	-
2025	-	-	-	-
2026-2029	-	-	-	-
2030-2034	-	-	-	-
2035-2039	-	-	1,087,001	1,097,206
2040-2044	-	-	-	-
2045-2049	-	-	-	-
2050-2054	-	-	-	-
2055-2059	-	-	-	-
2060-2064	-	-	-	-
Total	<u>\$ 4,498,417</u>	<u>\$ 80,147</u>	<u>\$ 1,087,001</u>	<u>\$ 1,097,206</u>

NOTE 8 OTHER NONCURRENT LIABILITIES

Other noncurrent liabilities and their activities consist of the following:

	Balance 12/31/2019	Increases	Decreases	Balance 12/31/2020	Current Portion of Balance
	Compensated Absences			\$ 1,126,227	
FSS Escrow Liabilities	398,773	87,684	(211,909)	274,548	154,431
Total	<u>\$ 1,525,000</u>	<u>\$ 374,822</u>	<u>\$ (387,004)</u>	<u>\$ 1,512,818</u>	<u>\$ 335,200</u>

NOTE 9 RETIREMENT PLAN

GASB Statement No. 45 *Accounting and Financial Reporting for Past Employment Benefits Other Than Pensions* became effective in the year ended June 30, 2010 for the Authority. The Authority has no benefit plans as contemplated by GASB Statement No. 45.

The Authority sponsors a defined contribution plan covering all full-time employees who have six months of service and are age twelve or older through the Housing Authority of the City of Tulsa Deferred Income Retirement Plan. Participants may contribute to the plan in amounts not to exceed IRS limitations. The Authority automatically makes a contribution of 11% for each employee, unless the employee chose to be grandfathered into the old plan. In that case, the Authority makes matching contributions equal to the participant's contribution plus 2%, but only on participant contributions of at least 3% and up to 6%. Participants are fully vested in their contributions plus actual earnings thereon. Employer contributions are vested ratably over five years of credited service.

Participant and Authority contributions during the fiscal year ended December 31, 2020 totaled approximately \$690,546 and \$1,006,804, respectively.

HOUSING AUTHORITY OF THE CITY OF TULSA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 10 COMMITMENTS AND CONTINGENCIES

The Authority is a defendant in several claims and lawsuits; however, the Authority's management and legal counsel are of the opinion that the ultimate outcome of all such litigation will not have a material effect on the future operations or financial position of the Authority.

The activities of the Authority are currently funded in large part by the federal government and future operations of the Authority and its component unit are reliant on continuation of this funding from the federal government.

Amounts received or receivable from HUD and other government agencies are subject to audit and adjustment. Any disallowed expenses may constitute a liability of the Authority. The amount of expenses that may be disallowed, if any, cannot be determined at this time although the Authority expects such amounts to be immaterial.

NOTE 11 BLENDED COMPONENT UNIT FINANCIAL INFORMATION

GASB statement No. 61 modifies certain requirements for inclusion of blended component units in the financial reporting entity, and amends the criteria for blending component units in certain circumstances, as well as requiring certain disclosures.

As a result of applying GASB statement No. 61, the following combining financial information for the Authority and its blended component units is presented.

**HOUSING AUTHORITY OF THE CITY OF TULSA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 11 BLENDED COMPONENT UNIT FINANCIAL INFORMATION (CONTINUED)

Combining Schedule of Net Position

	Authority	Nogales Reality	Affordable Housing Property Solutions	Parkview Terrace	Pioneer Plaza	East Central Village	LaFortune Tower	Housing Partners Tulsa	Total
ASSETS									
CURRENT ASSETS									
Cash and Cash Equivalents	\$ 11,560,945	\$ 552,076	\$ 921,272	\$ 72,705	\$ 231,096	\$ 194,913	\$ 141,475	\$ 356,878	\$ 14,031,360
Investments	1,205,384	-	-	780,288	120,264	243,556	829,939	-	3,179,431
Accounts Receivable, Net	939,227	-	-	3,795	7,975	1,120	3,447	53,621	1,009,185
Prepaid Expenses	402,720	-	-	-	-	-	-	9,234	411,954
Total Current Assets	14,108,276	552,076	921,272	856,788	359,335	439,589	974,861	419,733	18,631,930
NONCURRENT ASSETS									
Notes Receivable	13,327,565	-	-	-	-	-	-	-	13,327,565
Capital Assets, Net	46,195,066	-	-	446,015	-	-	-	6,500	46,647,581
Total Noncurrent Assets	59,522,631	-	-	446,015	-	-	-	6,500	59,975,146
Total Assets	\$ 73,630,907	\$ 552,076	\$ 921,272	\$ 1,302,803	\$ 359,335	\$ 439,589	\$ 974,861	\$ 426,233	\$ 78,607,076
LIABILITIES AND NET POSITION									
CURRENT LIABILITIES									
Accounts Payable	\$ 1,167,373	\$ -	\$ 152	\$ 346,790	\$ 190,384	\$ 94,238	\$ 100,349	\$ 25,837	\$ 1,925,123
Accrued Liabilities	981,020	-	-	24,559	13,995	12,192	22,143	4,810	1,058,719
Accrued Salaries/Payroll Withholding	527,406	-	2,629	35,421	3,094	15,186	(2,280)	1,140	582,596
Accrued Compensated Absences, Current Portion	130,076	-	-	5,929	5,523	1,984	37,257	-	180,769
Unearned Revenues	29,166	-	-	-	-	-	-	-	29,166
Long-Term Debt, Current Portion	4,498,417	-	-	-	-	-	-	-	4,498,417
Tenant Security Deposits	274,856	-	-	-	-	-	-	-	274,856
Other Current Liabilities	154,431	-	-	-	-	-	-	-	154,431
Total Current Liabilities	7,762,745	-	2,781	412,699	212,996	123,600	157,469	31,787	8,704,077
OTHER NONCURRENT LIABILITIES									
	1,169,860	-	-	1,658	344	1,710	4,046	-	1,177,618
Total Liabilities	8,932,605	-	2,781	414,357	213,340	125,310	161,515	31,787	9,881,695
NET POSITION									
Net Investment in Capital Assets	41,550,964	-	-	40,980	115,757	111,602	184,176	-	42,003,479
Restricted	1,571,341	-	-	780,288	120,264	243,656	829,839	-	3,545,388
Unrestricted	21,575,997	552,076	918,491	67,178	(90,026)	(40,979)	(200,669)	394,446	23,176,514
Total Net Position	64,698,302	552,076	918,491	888,446	145,995	314,279	813,346	394,446	68,725,381
Total Liabilities and Net Position	\$ 73,630,907	\$ 552,076	\$ 921,272	\$ 1,302,803	\$ 359,335	\$ 439,589	\$ 974,861	\$ 426,233	\$ 78,607,076

**HOUSING AUTHORITY OF THE CITY OF TULSA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 11 BLENDED COMPONENT UNIT FINANCIAL INFORMATION (CONTINUED)

Combining Schedule of Revenues, Expenses, and Changes in Net Position

	Authority	Nogales Reality	Affordable Housing Property Solutions	Parkview Terrace	Pioneer Plaza	East Central Village	LaFortune Tower	Housing Partners Tulsa	Total
OPERATING REVENUES									
Direct HUD Contributions and Grants:									
Public Housing Operating Subsidies	\$ 14,654,568	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,654,568
Section 8 Grants and Subsidies:									
Vouchers	33,805,889	-	-	-	-	-	-	-	33,805,889
Multifamily Rental Assistance	3,744,255	-	-	-	-	-	-	-	3,744,255
Moderate Rehabilitation	368,227	-	-	-	-	-	-	-	368,227
Other	11,380,854	-	-	-	-	-	-	-	11,380,854
Other Governmental Grants and Subsidies	295,207	-	2,762,200	13,106	-	13,106	-	75,451	3,159,070
Dwelling Rent	1,590,282	-	-	1,636,157	1,073,384	924,711	1,007,132	-	6,231,666
Other	607,798	-	6,733,199	189,869	53,231	(160,531)	587,076	(2,925,331)	5,085,311
Total Operating Revenues	66,447,080	-	9,495,399	1,839,132	1,126,615	777,286	1,594,208	(2,849,880)	78,429,840
OPERATING EXPENSES									
Housing Assistance Payments	33,020,382	-	8,159,676	-	-	-	-	-	41,180,058
Ordinary Maintenance and Operations	8,230,499	-	-	284,773	146,761	105,599	224,954	-	8,992,586
Administration	11,399,602	-	446,501	278,591	398,387	161,240	273,576	60,423	13,018,320
Utilities	3,539,733	-	-	216,679	136,388	90,994	154,222	-	4,138,016
Protective Services	585,794	-	-	28,026	113,488	28,026	25,240	-	780,574
Tenant Services	219,796	-	13,064	12,014	371	24,145	13,095	50,161	332,646
General Expenses	14,243,641	118,847	3,812	131,353	185,227	53,296	90,364	65,395	14,891,935
Depreciation	4,878,284	-	-	-	-	-	-	-	4,878,284
Total Operating Expenses	76,117,731	118,847	8,623,053	951,436	980,622	463,300	781,451	175,979	88,212,419
OPERATING INCOME (LOSS)	(9,670,651)	(118,847)	872,346	887,696	145,993	313,986	812,757	(3,025,859)	(9,782,579)
NONOPERATING REVENUES (EXPENSES)	10,110,014	-	46,145	750	2	293	589	14,657	10,172,450
CHANGE IN NET POSITION BEFORE CAPITAL GRANTS	439,363	(118,847)	918,491	888,446	145,995	314,279	813,346	(3,011,202)	389,871
Capital Grants and Contributions	6,060,827	-	-	-	-	-	-	-	6,060,827
CHANGE IN NET POSITION	6,500,190	(118,847)	918,491	888,446	145,995	314,279	813,346	(3,011,202)	6,450,698
Net Position - Beginning of Year	58,198,112	670,923	-	-	-	-	-	3,405,648	62,274,683
NET POSITION - END OF YEAR	<u>\$ 64,698,302</u>	<u>\$ 552,076</u>	<u>\$ 918,491</u>	<u>\$ 888,446</u>	<u>\$ 145,995</u>	<u>\$ 314,279</u>	<u>\$ 813,346</u>	<u>\$ 394,446</u>	<u>\$ 68,725,381</u>

**HOUSING AUTHORITY OF THE CITY OF TULSA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 11 BLENDED COMPONENT UNIT FINANCIAL INFORMATION (CONTINUED)

Combining Schedule of Cash Flows

	Authority	Nogales Reality	Affordable Housing Property Solutions	Parkview Terrace	Pioneer Plaza	East Central Village	LaFortune Tower	Housing Partners Tulsa	Total
Net Cash Provided (Used) by Operating Activities	\$ (3,875,220)	\$ (117,351)	\$ 882,769	\$ 852,243	\$ 351,358	\$ 438,176	\$ 970,825	\$ (1,042,413)	\$ (1,539,613)
Net Cash Provided (Used) by Investing Activities	7,142,995	114,503	1,495	(779,538)	(120,262)	(243,263)	(829,350)	14,657	5,301,237
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>1,237,787</u>	<u>-</u>	<u>37,008</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,274,795</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	4,505,562	(2,848)	921,272	72,705	231,096	194,913	141,475	(1,027,756)	5,036,419
Cash and Cash Equivalents - Beginning of Year	<u>7,055,383</u>	<u>554,924</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,384,634</u>	<u>8,994,941</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 11,560,945</u>	<u>\$ 552,076</u>	<u>\$ 921,272</u>	<u>\$ 72,705</u>	<u>\$ 231,096</u>	<u>\$ 194,913</u>	<u>\$ 141,475</u>	<u>\$ 356,878</u>	<u>\$ 14,031,360</u>

HOUSING AUTHORITY OF THE CITY OF TULSA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 12 SUBSEQUENT EVENTS

There have been a significant number of subsequent events that have taken place since December 31, 2020 at the Authority.

In 2021, Inhofe Plaza Apartments were sold, marking a significant transaction for the year. Additionally, Murdock Villa Apartments underwent a HUD 223(f) refinance. Furthermore, the initial 65 homes of the Scattered Sites were sold, contributing to the overall strategic real estate activities for the year. Additionally, Country Club Gardens Apartments successfully closed on a RAD conversion, transitioning from Public Housing to Section 8 Project Based Vouchers, which would enhance the affordability and sustainability of the housing units.

In 2022, the Authority was awarded a substantial \$50,000,000 FY 2021 Choice Neighborhoods Implementation Grant, which would support significant community development initiatives. The Meadows Apartments were sold, and the remaining 152 homes of the Scattered Sites were also sold.

In 2023, Towne Square Apartments were sold. Mohawk Manor Apartments and Seminole Hills Apartments both closed on RAD conversions from Public Housing to Section 8 Project Based Vouchers. Comanche Park Apartments completed demolition as part of the Authority's FY 2021 Choice Neighborhoods Implementation Grant, paving the way for future development. Additionally, Sunset Apartments were acquired and demolished, and the organization was awarded an additional \$5,000,000 in Choice Neighborhoods funding for the FY 2017 Choice Neighborhoods Implementation Grant, supporting ongoing community revitalization efforts.

SUPPLEMENTARY INFORMATION

**HOUSING AUTHORITY OF THE CITY OF TULSA
ENTITY-WIDE BALANCE SHEET SUMMARY
DECEMBER 31, 2020**

Line Item #	Accounts Description	Business Activities	Central Office Cost Center	Community Dev Block Grant 14.218	Low Rent Public Hsg 14.850	PH Cares	Moderate Rehab 14.856	Section 8 Rental Assistance 14.195	HOME 14.239	HCAP 14.169	ROSS 14.870	Housing Choice Vouchers 14.871	HCV Cares	Choice Neighborhood Implementation 14.889	Blended Component Unit	Elimination	Total	Discretely Presented Component Unit	
ASSETS																			
CURRENT ASSETS																			
Cash:																			
111	Unrestricted	\$ 2,067,680	\$ 1,429,756	\$ -	\$ 5,044,726	\$ -	\$ 499,184	\$ 1,460,788	\$ -	\$ -	\$ -	\$ 192,390	\$ -	\$ -	\$ 2,470,415	\$ -	\$ 13,164,939	\$ 210,219	
113	Other Restricted	-	-	-	-	-	-	-	-	-	-	447,675	-	-	-	-	447,675	326,553	
114	Tenant Security Deposits	-	-	-	190,058	-	-	122,852	-	-	-	-	-	-	-	-	312,910	-	
115	Cash - Restricted for Payment of Current Liability	-	-	-	-	-	-	-	-	-	-	105,836	-	-	-	-	105,836	-	
	Total Cash	2,067,680	1,429,756	-	5,234,784	-	499,184	1,583,640	-	-	-	745,901	-	-	2,470,415	-	14,031,360	536,772	
Accounts and Notes Receivable:																			
122	Accounts Receivable - HUD	-	-	-	3,003	-	22,696	-	-	-	-	304,603	-	-	26,570	-	356,872	-	
124	Accounts Receivable - Other Government	-	-	-	-	-	-	-	-	-	-	-	-	-	34,693	-	34,693	-	
125	Accounts Receivable - Miscellaneous	-	964	-	465	-	-	5,104	-	-	-	40	-	-	-	-	6,573	13,187	
126	Accounts Receivable - Tenants Rents	-	-	-	370,820	-	-	121,418	-	-	-	-	-	-	-	-	655,005	10,420	
126.1	Allowance for Doubtful Accounts - Tenants	-	-	-	(61,758)	-	-	(23,094)	-	-	-	-	-	-	(154,072)	-	(238,924)	(7,535)	
128	Accounts Receivable - Fraud Recovery	-	-	-	4,435	-	-	6,513	-	-	-	370,975	-	-	-	-	381,923	-	
128.1	Allowance for Doubtful Accounts - Fraud	-	-	-	(2,595)	-	-	(3,809)	-	-	-	(370,243)	-	-	-	-	(376,647)	-	
129	Accrued Interest Receivable	-	-	-	181,774	-	7,916	-	-	-	-	-	-	-	-	-	189,690	-	
	Total Receivables, Net	-	964	-	496,144	-	30,612	106,132	-	-	-	305,375	-	-	69,958	-	1,009,185	16,072	
131	Investments - Unrestricted	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
132	Investments - Restricted	-	-	-	-	-	-	1,205,384	-	-	-	-	-	-	-	-	3,179,431	-	
142	Prepaid Expenses and Other Assets	-	8,347	-	337,512	-	1,079	23,999	-	-	-	31,783	-	-	-	-	411,954	15,450	
143	Inventories	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
143.1	Allowance for Obsolete Inventories	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
144	Interprogram Due from Assets Held for Sale	-	96,754	-	-	-	-	-	-	-	-	-	-	-	-	(96,754)	-	-	
145	Total Other Current Assets	-	105,101	-	337,512	-	1,079	1,229,383	-	-	-	31,783	-	-	-	(96,754)	3,591,385	15,450	
	Total Current Assets	2,067,680	1,535,821	-	6,068,440	-	530,875	2,919,155	-	-	-	1,083,059	-	-	4,523,654	(96,754)	18,631,930	568,294	
NONCURRENT ASSETS																			
Capital Assets:																			
161	Land	530,550	3,345,801	-	20,839,374	-	-	350,478	-	-	-	33,081	-	-	6,500	-	25,105,784	463,247	
162	Buildings	468,590	5,792,036	-	96,324,399	-	17,336	24,605,975	-	-	-	-	-	-	-	-	127,208,336	2,744,049	
163	Furniture and Equipment, Dwellings	-	-	-	-	-	2,610	212,532	-	-	-	-	-	-	-	-	615,142	-	
164	Furniture and Equipment, Administration	-	3,699,660	-	6,637,536	-	3,246	38,408	-	-	-	231,108	-	-	-	-	10,609,958	35,127	
166	Accumulated Depreciation	(430,274)	(7,957,081)	-	(91,591,470)	-	(21,774)	(17,516,042)	-	-	-	(243,168)	-	-	-	-	(117,759,809)	(2,008,023)	
167	Construction in Progress	-	16,369	-	346,611	-	-	59,175	-	-	-	-	-	-	446,015	-	868,170	-	
	Total Capital Assets, Net	568,866	4,896,785	-	32,556,450	-	1,418	8,150,526	-	-	-	21,021	-	-	452,515	-	46,647,581	1,234,400	
171	Notes Receivable - Noncurrent	-	970,001	-	12,357,564	-	-	-	-	-	-	-	-	-	-	-	13,327,565	-	
174	Other Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,156	
178	Investment in Joint Ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Total Noncurrent Assets	568,866	5,866,786	-	44,914,014	-	1,418	8,150,526	-	-	-	21,021	-	-	452,515	-	59,975,146	1,237,556	
	Total Assets	\$ 2,636,546	\$ 7,402,607	\$ -	\$ 50,982,454	\$ -	\$ 532,293	\$ 11,069,681	\$ -	\$ -	\$ -	\$ 1,104,080	\$ -	\$ -	\$ 4,976,169	\$ (96,754)	\$ 78,607,076	\$ 1,805,850	

HOUSING AUTHORITY OF THE CITY OF TULSA
ENTITY-WIDE BALANCE SHEET SUMMARY (CONTINUED)
DECEMBER 31, 2020

Line Item #	Business Accounts Description	Central Office Cost Center	Community Dev Block Grant 14.218	Low Rent Public Hsg 14.850	PH Cares	Moderate Rehab 14.856	Section 8 Rental Assistance 14.195	HOME 14.239	HCAP 14.169	ROSS 14.870	Housing Choice Vouchers 14.871	HCV Cares	Choice Neighborhood Implementation 14.889	Blended Component Unit	Elimination	Total	Discretely Presented Component Unit
LIABILITIES AND NET POSITION																	
CURRENT LIABILITIES																	
312	Accounts Payable < 90 Days	\$ 130	\$ 52,868	\$ -	\$ 1,077,541	\$ -	\$ -	\$ 29,642	\$ -	\$ -	\$ 7,192	\$ -	\$ -	\$ 757,750	\$ -	\$ 1,925,123	\$ 19,345
313	Accounts Payable > 90 Days Past Due	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
321	Accrued Salaries/Payroll Withholding	-	186,202	-	224,898	-	14	65,847	-	-	50,445	-	-	55,190	-	582,596	-
322	Accrued Compensated Absences	-	104,910	-	-	-	20	6,552	-	-	18,594	-	-	50,693	-	180,769	-
325	Accrued Interest Payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,097,206
331	Accounts Payable - HUD PHA Programs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
333	Accounts Payable - Other Government	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
341	Tenant Security Deposits	-	-	-	152,004	-	-	122,852	-	-	-	-	-	-	-	274,856	5,788
342	Unearned Revenue	-	1,510	-	-	-	-	27,656	-	-	-	-	-	-	-	29,166	-
343	Current Portion of Long-Term Debt - Capital Projects	-	-	-	-	-	-	4,498,417	-	-	-	-	-	-	-	4,498,417	-
345	Other Current Liabilities	-	15,112	-	33,483	-	-	-	-	-	105,836	-	-	-	-	154,431	-
346	Accrued Liabilities - Other	2,575	60,800	-	607,893	-	543	261,898	-	-	47,311	-	-	77,699	-	1,058,719	9,549
347	Interprogram (Due to)	71	-	-	-	-	-	96,683	-	-	-	-	-	-	(96,754)	-	-
	Total Current Liabilities	2,776	421,402	-	2,095,819	-	577	5,109,547	-	-	229,378	-	-	941,332	(96,754)	8,704,077	1,131,888
NONCURRENT LIABILITIES																	
351	Long-Term Debt, Net of Current - Capital Projects	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,087,001
353	Noncurrent Liabilities - Other	-	-	-	345	-	-	-	-	-	119,772	-	-	-	-	120,117	-
354	Accrued Compensated Absences - Long Term	-	597,771	-	187,131	-	115	37,331	-	-	227,395	-	-	7,758	-	1,057,501	-
	Total Noncurrent Liabilities	-	597,771	-	187,476	-	115	37,331	-	-	347,167	-	-	7,758	-	1,177,618	1,087,001
	Total Liabilities	2,776	1,019,173	-	2,283,295	-	692	5,146,878	-	-	576,545	-	-	949,090	(96,754)	9,881,695	2,218,889
NET POSITION																	
508.4	Net Investment in Capital Assets	568,866	4,896,785	-	32,410,765	-	1,418	3,652,109	-	-	21,021	-	-	452,515	-	42,003,479	147,399
511.4	Restricted	-	-	-	38,054	-	-	1,205,384	-	-	327,903	-	-	1,974,047	-	3,545,388	320,765
512.4	Unrestricted	2,064,904	1,486,649	-	16,250,340	-	530,183	1,085,310	-	-	178,611	-	-	1,600,517	-	23,176,514	(881,203)
	Total Net Position	2,633,770	6,383,434	-	48,699,159	-	531,601	5,922,803	-	-	527,538	-	-	4,027,079	-	68,725,381	(413,039)
	Total Liabilities and Net Position	\$ 2,636,546	\$ 7,402,607	\$ -	\$ 50,982,454	\$ -	\$ 532,293	\$ 11,069,681	\$ -	\$ -	\$ 1,104,080	\$ -	\$ -	\$ 4,976,169	\$ (96,754)	\$ 78,607,076	\$ 1,805,850

**HOUSING AUTHORITY OF THE CITY OF TULSA
ENTITY-WIDE REVENUE AND EXPENSE SUMMARY
YEAR ENDED DECEMBER 31, 2020**

Line Item #	Accounts Description	Business Activities	Central Office Cost Center	Community Dev Block Grant 14.218	Low Rent Public Hsg 14.850	PH Cares	Moderate Rehab 14.856	Section 8 Rental Assistance 14.195	HOME 14.239	HCAP 14.169	ROSS 14.870	Housing Choice Vouchers 14.871	HCV Cares	Choice Neighborhood Implementation 14.889	Blended Component Unit	Elimination	Total	Discretely Presented Component Unit	
REVENUE																			
70300	Net Tenant Rental Revenue	\$ -	\$ -	\$ -	\$ 940,407	\$ -	\$ -	\$ 507,619	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 815,851	\$ -	\$ 2,263,877	\$ 200,418	
70400	Tenant Revenue - Other	-	-	-	99,006	-	-	43,250	-	-	-	-	-	-	3,825,533	-	3,967,789	330	
70500	Total Tenant Revenue	-	-	-	1,039,413	-	-	550,869	-	-	-	-	-	-	4,641,384	-	6,231,666	200,748	
70600	HUD PHA Operating Grants	-	438,432	-	13,359,214	1,295,354	368,227	3,744,255	-	-	215,612	32,664,161	1,141,728	10,726,810	-	-	63,953,793	-	
70610	Capital Grants	-	-	-	6,060,827	-	-	-	-	-	-	-	-	-	-	-	6,060,827	-	
70710	Management Fee	-	2,703,463	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,703,463)	-	
70720	Asset Management Fee	-	49,025	-	-	-	-	-	-	-	-	-	-	-	-	-	(49,025)	-	
70730	Bookkeeping Fee	-	538,425	-	-	-	-	-	-	-	-	-	-	-	-	-	(538,425)	-	
70740	Front Line Service Fee	-	1,771,216	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,771,216)	-	
70750	Other Fees	-	48,091	-	-	-	-	-	-	-	-	-	-	-	-	-	(48,091)	-	
70800	Other Government Grants	-	48,022	24,237	66,407	-	-	-	111,171	45,370	-	-	-	-	2,863,863	-	3,159,070	-	
71100	Investment Income - Unrestricted	3,400	36,954	-	15,897	-	74	17,520	-	-	-	54,083	-	-	17,786	-	145,714	3,072	
71400	Fraud Recovery	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	12,823	-	
71500	Other Revenue	10,837	237,157	143	216,395	-	-	38,699	64,004	24,122	-	3,618	-	-	4,477,513	-	5,072,488	12,213	
71600	Gain or Loss on Sale of Capital Assets	-	-	-	10,158,829	-	-	-	-	-	-	-	-	-	44,650	-	10,203,479	-	
72000	Investment Income - Restricted	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Total Revenue	14,237	5,870,785	24,380	30,916,982	1,295,354	368,301	4,351,343	175,175	69,492	215,612	32,734,685	1,141,728	10,726,810	12,045,196	(5,110,220)	94,839,860	216,033	
EXPENSES																			
Administrative:																			
91100	Administrative Salaries	202,576	3,869,286	16,261	910,655	-	23,267	335,766	4,481	55,231	111,233	1,628,491	-	352,086	409,684	-	7,919,017	15,522	
91200	Auditing Fees	-	7,750	-	-	-	2,500	-	-	-	42,202	2,730	-	-	-	-	55,182	9,600	
91300	Management Fee	-	-	-	1,466,714	-	5,640	314,491	-	-	-	714,880	-	-	180,463	(2,703,463)	(21,275)	8,584	
91310	Bookkeeping Fee	-	-	-	125,925	-	3,525	-	-	-	-	408,975	-	-	-	-	(538,425)	-	
91400	Advertising and Marketing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
91500	Employee Benefit Contributions - Administrative	-	924,905	6,000	398,715	-	-	137,729	-	14,261	-	700,493	-	97,043	139,372	-	2,418,518	5,025	
91600	Office Expenses	1	137,483	-	554,571	-	3,333	95,695	-	-	19,086	165,565	-	-	596,581	(48,091)	1,524,224	-	
91700	Legal Expense	-	113,435	-	84,355	-	-	78,660	-	-	-	2,660	-	-	50	-	279,160	6	
91800	Travel	-	14,228	-	-	-	-	-	-	-	-	-	-	-	-	-	14,228	-	
91900	Other	-	-	-	21,095	-	-	199,646	-	-	-	318,687	-	-	289,838	-	829,266	17,496	
	Total Administrative	202,577	5,067,087	22,261	3,562,030	-	38,265	1,161,987	4,481	69,492	172,521	3,939,751	-	449,129	1,618,718	(3,289,979)	13,018,320	56,233	
92000	Asset Management Fee	-	-	2,119	-	-	-	-	-	-	34,350	-	-	-	12,556	(49,025)	-	3,461	
Tenant Services:																			
92100	Salaries	-	33,247	-	137,744	-	-	2,411	-	-	6,009	-	-	-	45,149	-	224,560	-	
92300	Employee Benefit Contributions	-	370	-	28,322	-	-	663	-	-	2,371	-	-	-	3,280	-	35,006	-	
92400	Other	-	-	-	19,102	-	-	2,113	-	-	-	-	-	-	51,865	-	73,080	-	
	Total Tenant Services	-	33,617	-	185,168	-	-	5,187	-	-	8,380	-	-	-	100,294	-	332,646	-	
Utilities:																			
93100	Water	-	5,254	-	351,773	-	-	220,553	-	-	-	-	-	757	110,771	-	689,108	6,753	
93200	Electricity	-	21,309	-	350,591	-	-	427,519	-	-	-	-	-	1,042	176,067	-	976,528	3,186	
93300	Gas	-	3,197	-	161,846	-	2	80,286	-	-	-	86	-	587	31,107	-	277,111	450	
93400	Fuel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
93600	Sewer	-	-	-	916,318	52,876	-	329,332	-	-	-	-	-	694	208,315	-	1,507,535	-	
93800	Other Utilities Expense	604	15,043	-	500,622	-	352	84,415	-	-	-	14,474	-	201	72,023	-	687,734	16,548	
	Total Utilities	604	44,803	-	2,281,150	52,876	354	1,142,105	-	-	-	14,560	-	3,281	598,283	-	4,138,016	26,937	
Ordinary Maintenance and Operations:																			
94100	Labor	-	381,399	-	880,879	262,478	-	487,081	-	-	361	978	-	-	204,550	(329,476)	1,888,250	13,103	
94200	Materials and Other	-	68,645	-	1,128,566	-	-	446,679	-	-	-	1,435	-	-	189,069	-	1,834,394	16,677	
94300	Contracts	-	130,472	-	3,356,839	980,000	-	1,301,333	-	-	-	-	-	-	258,977	(1,441,740)	4,585,881	30,050	
94500	Employee Benefits Contribution	-	106,630	-	292,310	-	-	162,926	-	-	-	12,704	-	-	109,491	-	684,061	-	
	Total Ordinary Maintenance and Operations	-	687,146	-	5,658,594	1,242,478	-	2,398,019	-	-	361	15,117	-	-	762,087	(1,771,216)	8,992,586	59,830	

**HOUSING AUTHORITY OF THE CITY OF TULSA
 ENTITY-WIDE REVENUE AND EXPENSE SUMMARY (CONTINUED)
 YEAR ENDED DECEMBER 31, 2020**

Line Item #	Accounts Description	Business Activities	Central Office Cost Center	Community Dev Block Grant 14.218	Low Rent Public Housing 14.850	PH Cares	Moderate Rehab 14.856	Section 8 Rental Assistance 14.195	HOME 14.239	HCAP 14.169	ROSS 14.870	Housing Choice Vouchers 14.871	HCV Cares	Choice Neighborhood Implementation 14.889	Blended Component Unit	Elimination	Total	Discretely Presented Component Unit	
EXPENSES (CONTINUED)																			
Protective Services:																			
95100	Labor	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
95200	Other Contract Costs	-	-	-	321,725	-	-	264,069	-	-	-	-	-	-	-	-	780,574	-	-
95000	Total Protective Services	-	-	-	321,725	-	-	264,069	-	-	-	-	-	-	-	-	780,574	-	-
Insurance Premiums:																			
96110	Property Insurance	-	17,609	-	371,064	-	15	98,611	-	-	-	480	-	-	113,790	-	601,569	16,986	-
96120	Liability Insurance	-	43,197	-	104,121	-	859	36,701	-	-	-	2,156	-	-	34,130	-	221,164	7,018	-
96130	Workmen's Compensation	-	173,030	-	102,472	-	-	29,124	-	-	-	47,969	-	-	32,885	-	385,480	695	-
96140	All Other Insurance	-	43,402	-	29,527	-	-	15,197	-	-	-	239	-	-	9,864	-	98,229	1,219	-
96100	Total Insurance Premiums	-	277,238	-	607,184	-	874	179,633	-	-	-	50,844	-	-	190,669	-	1,306,442	25,918	-
General Expenses:																			
96200	Other General Expenses	-	999	-	877,716	-	-	1,172	170,694	-	-	5,819	1,141,728	10,274,400	184,242	-	12,656,770	-	-
96210	Compensated Absences	-	126,060	-	62,827	-	56	32,536	-	-	-	-	-	-	65,659	-	287,138	-	-
96300	Payments in Lieu of Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	11,215
96400	Bad Debt - Tenant Rents	-	-	-	102,820	-	-	83,621	-	-	-	-	-	-	63,804	-	250,245	2,309	-
	Total General Expenses	-	127,059	-	1,043,363	-	56	117,329	170,694	-	-	5,819	1,141,728	10,274,400	313,705	-	13,194,153	13,524	-
96710	Interest of Mortgage or Bonds Payable	-	-	-	-	-	-	176,743	-	-	-	-	-	-	-	-	176,743	100,636	-
96700	Total Interest Expense	-	-	-	-	-	-	176,743	-	-	-	-	-	-	-	-	176,743	100,636	-
	Total Operating Expenses	203,181	6,236,950	24,380	13,659,214	1,295,354	39,549	5,445,072	175,175	69,492	215,612	4,026,091	1,141,728	10,726,810	3,791,092	(5,110,220)	41,939,480	286,539	-
EXCESS OF OPERATING REVENUE OVER OPERATING EXPENSES																			
		(188,944)	(366,165)	-	17,257,768	-	328,752	(1,093,729)	-	-	-	28,708,594	-	-	8,254,104	-	52,900,380	(70,506)	-
97100	Extraordinary Maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
97200	Casualty Losses - Noncapitalized	-	-	-	207,420	-	-	40,000	-	-	-	-	-	-	143,920	-	391,340	-	-
97300	Housing Assistance Payments	-	-	-	4,110,935	-	117,803	-	-	-	-	28,791,644	-	-	8,159,676	-	41,180,058	-	-
97350	HAP Portability - In	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
97400	Depreciation Expense	1,948	391,122	-	3,587,285	-	6	897,697	-	-	-	226	-	-	-	-	4,878,284	121,743	-
	Total Expenses	205,129	6,628,072	24,380	21,564,854	1,295,354	157,358	6,382,769	175,175	69,492	215,612	32,817,961	1,141,728	10,726,810	12,094,688	(5,110,220)	88,389,162	408,282	-
Other Financing Sources (Uses):																			
10010	Operating Transfer In	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10020	Operating Transfer Out	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10091	Inter Program Excess Cash Transfer In	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10092	Inter Program Excess Cash Transfer Out	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10093	Transfers between Program and Project - In	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10094	Transfers between Program and Project - Out	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENSES																			
		\$ (190,892)	\$ (757,287)	\$ -	\$ 9,352,128	\$ -	\$ 210,943	\$ (2,031,426)	\$ -	\$ -	\$ -	\$ (83,276)	\$ -	\$ -	\$ (49,492)	\$ -	\$ 6,450,698	\$ (192,249)	\$ -
Memo Account Information																			
11020	Required Annual Debt Principal Payments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 156,712	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 156,712	\$ -	\$ -
11030	Beginning Equity	2,824,662	7,140,721	-	39,347,031	-	510,128	7,954,229	-	-	-	421,341	-	-	4,076,571	-	62,274,683	(220,790)	-
11040	Prior Period Adjustments, Equity Transfers and Correction	-	-	-	-	-	(189,470)	-	-	-	-	189,470	-	-	-	-	-	-	-
11170	Administrative Fee Equity	-	-	-	-	-	-	-	-	-	-	199,632	-	-	-	-	199,632	-	-
11180	Housing Assistance Payments Equity	-	-	-	-	-	-	-	-	-	-	327,903	-	-	-	-	327,903	-	-
11190	Unit Months Available	-	-	-	22,762	-	492	6,318	-	-	-	68,589	-	-	-	-	98,161	336	-
11210	Unit Months Leased	-	-	-	17,762	-	478	6,147	-	-	-	55,542	-	-	-	-	79,929	333	-

SINGLE AUDIT REPORT



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Commissioners
Housing Authority of the City of Tulsa
Tulsa, Oklahoma

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the discretely presented component unit of the Housing Authority of the City of Tulsa (the Authority), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated September 23, 2024.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We identified a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2020-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

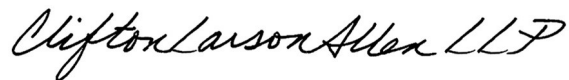
As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and is described in the accompanying schedule of findings and questioned costs as item 2020-001.

Tulsa Housing Authority's Response to Findings

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

Purpose of this Report

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



CliftonLarsonAllen LLP

Baltimore, Maryland
September 23, 2024



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Commissioners
Housing Authority of the City of Tulsa
Tulsa, Oklahoma

Report on Compliance for Each Major Federal Program

We have audited the Housing Authority of the City of Tulsa (the Authority) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended December 31, 2020. The Authority's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for the Authority's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on the Major Federal Program

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each major federal programs for the year ended December 31, 2020.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as items 2020-002 and 2020-003. Our opinion on each major federal program is not modified with respect to this matter.

The Authority's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Authority's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify certain deficiencies in internal control over compliance, described in the accompanying schedule of findings and questioned costs as items 2020-002 and 2020-003, that we consider to be significant deficiencies.

The Authority's response to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The Authority's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Board of Commissioners
Housing Authority of the City of Tulsa

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Baltimore, Maryland
September 23, 2024

**HOUSING AUTHORITY OF THE CITY OF TULSA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2020**

Federal Grantor/Pass through Grantor/ Program or Cluster Type	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	2020 Federal Expenditures
Department of Housing and Urban				
Development Direct Programs				
Housing Choice Voucher Program	14.871	-	\$ -	\$ 32,664,161
COVID-19 Housing Choice Voucher CARES Act Funding	14.HCC	-	-	1,141,728
Total Housing Choice Voucher Program				<u>33,805,889</u>
Public and Indian Housing	14.850	-	-	11,962,918
COVID-19 Public and Indian Housing CARES Act Funding	14.PHC	-	-	1,295,354
Total Public and Indian Housing				<u>13,258,272</u>
Public Housing Capital Fund	14.872	-	-	7,895,717
Section 8 Project Based Cluster:				
Section 8 Housing Assistance Payments	14.195	-	-	3,744,255
Section 8 Moderate Rehabilitation	14.856	-	-	368,227
Total Section 8 Project Based Cluster				<u>4,112,482</u>
Resident Opportunity and Supportive Services	14.870	-	-	215,612
Housing Counseling Program	14.169	-	-	69,492
HOME Investment Partnership Program	14.239	-	-	111,171
Community Development Block Grant	14.218	-	-	24,237
Choice Neighborhood Initiative	14.889	-	-	10,726,810
Total Department of Housing and Urban Development				<u>70,219,682</u>
Department of the Treasury				
Indirect Programs:				
County of Tulsa				
COVID-19 Coronavirus Relief Fund	21.019	Unknown	-	2,762,200
Total Expenditures of Federal Awards				<u>\$ 72,981,882</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

HOUSING AUTHORITY OF THE CITY OF TULSA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
DECEMBER 31, 2020

NOTE 1 BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal awards activity of the Authority under programs of the federal government for the year ended December 31, 2020. The information in this schedule is presented in accordance with the requirements of 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Authority.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 3 SUB-RECIPIENTS

The Authority provided no federal awards to sub-recipients during the fiscal year ended December 31, 2020.

NOTE 4 NONCASH FEDERAL ASSISTANCE

The Authority did not receive any noncash federal assistance for the year ended December 31, 2020.

The Authority has no loans, loan guarantees, or federally restricted endowment funds required to be disclosed for the fiscal year ended December 31, 2020.

NOTE 5 INDIRECT COST RATE

The Authority has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**HOUSING AUTHORITY OF THE CITY OF TULSA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2020**

Section I – Summary of Auditors’ Results

Financial Statements

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? X yes no
 - Significant deficiency(ies) identified? yes X none reported
3. Noncompliance material to financial statements noted? yes X no

Federal Awards

1. Internal control over major federal programs:
- Material weakness(es) identified? yes X no
 - Significant deficiency(ies) identified? X yes none reported
2. Type of auditors’ report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? X yes no

Identification of Major Federal Programs

CFDA Number(s)	Name of Federal Program or Cluster
14.871	Housing Choice Voucher Program
14.872	Public Housing Capital Fund Program
21.019	Coronavirus Relief Fund

Dollar threshold used to distinguish between Type A and Type B programs: \$ 2,189,456

Auditee qualified as low-risk auditee? yes X no

**HOUSING AUTHORITY OF THE CITY OF TULSA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2020**

Section II – Financial Statement Findings

2020 – 001

Type of Finding: Material Weakness in Internal Control Over Financial Reporting

Condition: The Authority did not submit the December 31, 2020 audited financial statements to the Real Estate Assessment Center (REAC) or the Federal Audit Clearinghouse(FAC) by the extended due date of March 31, 2022. In addition, there were material adjustments that were needed to properly record transactions in the financial statements including a significant disposal of capital assets and numerous adjustments to reconcile accounts to underlying supporting schedules. These material adjustments resulted in discrepancies between the general ledger and financial data schedule and the client being able to provide a crosswalk between the financial data schedule and the general ledger. Audit procedures discovered a federal award that required a significant change to the Schedule of Expenditures of Federal Awards and an additional program being tested.

Criteria or Specific Requirement: The Internal Control-Integrated Framework (COSO Report) requires adequate internal controls over financial reporting to ensure that transactions are properly recorded and accounted for to permit the preparation of reliable financial statements and demonstrate compliance with laws, regulations, and other compliance requirements. Internal controls should be in place to provide reasonable assurance that financial statements are prepared in accordance with U.S. GAAP.

Context: Client delays in providing requested audit documentation prevented the timely completion of the audit. In addition, significant adjusting journal entries were needed to be recorded to properly state the accounting records. In accordance with HUD's Uniform Financial Reporting Standards rule, a PHA is required to annually submit its audited financial statements, prepared in accordance with generally accepted accounting principles (GAAP), in the electronic format specified by HUD. The audited submission is due 9 months after a PHA's year-end (24 CFR section 5.801). Recipients of Federal Funds must submit the Single Audit reporting package, as required by the U.S. Office of Management and Budget (OMB) Subpart F 2 CFR § 200.501 – Audit Requirements 30 days after report issuance or 9 months after year-end. HUD and OMB each extended the due dates of their respective required submissions by six months due to COVID-19.

Effect: There was a significant delay in the issuance of the audited financial statements which prevented the timely submission of the reporting packages required by HUD and OMB. The lack of controls in place over the financial reporting function increases the risk of misstatements, fraud, or errors occurring and not being detected and corrected. Inefficient controls over the financial reporting and close process could result in inaccurate account balances, a significant number of audit adjustments or a lack of timely financial information. Inaccurate reporting to HUD could adversely affect the Agency's funding.

Cause: The audit was delayed primarily due to converting both housing and financial software, effects on the Authority caused by COVID-19, and loss of accounting staff.

Repeat Finding: Yes

**HOUSING AUTHORITY OF THE CITY OF TULSA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2020**

Recommendation: The Authority should evaluate its financial reporting processes and controls, including the leveraging and expertise of its internal staff, to determine whether additional controls over the preparation of annual financial statements can be implemented to provide reasonable assurance that financial statements can be prepared timely and submitted to REAC and FAC in accordance with deadlines.

Views of Responsible Officials and Planned Corrective Actions: There is no disagreement with the audit finding.

Section III – Findings and Questioned Costs – Major Federal Programs

Finding 2020-002

Federal Agency:	U.S. Department of Housing and Urban Development
Federal Program Title:	Housing Choice Voucher Program
CFDA Number:	14.871
Award Period:	1/1/2020-12/31/2020
Type of Finding:	Significant Deficiency in Internal Control Over Compliance, Other Matters

Condition: During our testing we noted instances where the Authority did not follow the internal controls in place to ensure compliance with Annual HQS Inspections requirements.

Criteria or Specific Requirement: 24 CFR Sections 982.158(d) and 982.405(b) state that the PHA must inspect the unit leased to a family at least biennially to determine if the unit meets Housing Quality Standards (HQS) and the PHA must conduct quality control re-inspections. The PHA must prepare a unit inspection report.

Questioned Costs: Unknown

Content: Testing of tenant files found exceptions with four out of forty files as noted below:

- Four out of forty files tested did not have a timely HQS inspection

Cause: The Authority did not sufficiently monitor controls to ensure all inspections were performed timely.

Effect: The Authority is not in compliance with HUD regulations.

Repeat Finding: No

Recommendation: We recommend that the Authority should review their HQS inspection policies to ensure that all inspections are performed timely and that all necessary documentation is maintained for each inspection.

Views of Response Officials: There is no disagreement with the audit finding.

**HOUSING AUTHORITY OF THE CITY OF TULSA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2020**

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Finding 2020-003

Federal Agency:	U.S. Department of Housing and Urban Development
Federal Program Title:	Public and Indian Housing
CFDA Number:	14.850
Award Period:	1/1/2020-12/31/2020
Type of Finding:	Significant Deficiency in Internal Control Over Compliance, Other Matters

Condition: During our testing we noted instances where the Authority did not follow the internal controls in place to ensure compliance with Eligibility requirements.

Criteria or Specific Requirement: 24 CFR Section 960.259 states that for both family income examinations and reexaminations, obtain and document in the family file third-party verification of: (1) reported family annual income; (2) the value of assets; (3) expenses related to deductions from annual income; and (4) other factors that affect the determination of adjusted income or income-based rent. Per THA's ACOP, documentation for eligibility should include a summary of the pertinent contents (public housing worksheet) which is to be signed and dated by the staff member who examined the verification (pg 20).

Questioned Costs: Unknown

Content: Testing of tenant files found exceptions with four of ten files as noted below:

- One out of ten files tested did not have proper support for assets or expenses, and therefore had incorrectly calculated rent due to the missing information.
- Four out of ten files tested did not have a signed general release form maintained in the tenant file.

Cause: During the previous fiscal year, the Authority had a system conversion. Some of the information was not brought through correctly, causing differences between the rent in the tenants' files and what was included in the HUD-50058 forms in the system. The Authority did not sufficiently monitor controls to ensure compliance with the file checklist requirements.

Effect: The Authority is not providing accurate data to HUD to ensure the proper accounting of tenant information and the Authority is not in compliance with HUD regulations.

Repeat Finding: Yes

Recommendation: We recommend that management review their procedures for retrieving tenant information and establish a method that ensures compliance.

Views of Response Officials: There is no disagreement with the audit finding.