

**HOUSING AUTHORITY OF THE CITY OF DURHAM**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

**WITH  
REPORT OF INDEPENDENT AUDITORS**

**HOUSING AUTHORITY OF THE CITY OF DURHAM**  
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**YEAR ENDED DECEMBER 31, 2019**

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**REPORT OF INDEPENDENT AUDITORS**

To the Board of Commissioners of the  
Housing Authority of the City of Durham:

**Report on the Financial Statements**

We have audited the accompanying financial statements of the business-type activities (primary government) and the discretely presented component units of the Housing Authority of the City of Durham (the "Authority") as of and for the year ended December 31, 2019, and the related notes to the 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 did not audit the financial statements of Damar Court, LLC and Morreene Road, LLC, which represent 85%, 65% and 69% of the assets, net position and revenues, respectively, of the discretely presented component units. Those statements, which were prepared in accordance with the accounting standards issued by the Financial Accounting Standards Board, were audited by other auditors whose reports have been furnished to us. We have applied audit procedures on the conversion adjustments to the financial statements of Damar Court, LLC and Morreene Road, LLC to present the financial statements in accordance with the accounting standards issued by the Governmental Accounting Standards Board. Our opinion, insofar as it relates to the amounts included for Damar Court, LLC and Morreene Road, LLC, prior to these conversion adjustments, is based solely on the reports of the other auditors. 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. The financial statements of the discretely presented component units were not audited in accordance with *Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

## **Auditors' Responsibility (continued)**

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 auditors consider 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.

## **Opinion**

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the net position of the business-type activities (primary government) and the discretely presented component units of the Authority as of December 31, 2019, and the changes in their net position and, where applicable, their 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 be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the 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 financial statements, and other knowledge we obtained during our audit of the 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 schedule of expenditures of federal awards is presented for the purpose of additional analysis as required by Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and is not a required part of the financial statements. The accompanying financial data schedule is also not a required part of the financial statements and is presented for the purposes of additional analysis as required by the U.S. Department of Housing and Urban Development.

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**Other Matters (continued)**

The schedule of expenditures of federal awards and financial data schedule are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the 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 schedule of expenditures of federal awards and financial data schedule are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated June 8, 2021, 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 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 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.



June 8, 2021  
Toms River, New Jersey

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

## **Management's Discussion and Analysis**

December 31, 2019

### **Overview of the Financial Statements**

Management of the Housing Authority of the City of Durham, North Carolina (the "Authority") is pleased to offer readers of the Authority's financial statements this narrative overview and analysis of its basic financial statements for the fiscal year ended December 31, 2019, which have been prepared in accordance with United States Generally Accepted Accounting Principles ("GAAP"). GAAP requires the inclusion of three basic financial statements: the Statement of Net Position ("balance sheet"); the Statement of Revenues, Expenses and Changes in Net Position ("income statement"); and the Statement of Cash Flows. In addition, GAAP requires the inclusion of Management's Discussion and Analysis ("MD&A") as required supplementary information.

This MD&A is intended to serve as an introduction to the Authority's basic financial statements and financial performance for the years ended December 31, 2019, with comparative data from the year ended December 31, 2018. We suggest reading this in conjunction with the Authority's basic financial statements, which immediately follow this section.

### **Financial Highlights**

- Assets of the Authority exceeded liabilities ("net position") at December 31, 2019 and 2018 by \$38.7 million and \$40.2 million, respectively. Of this amount, \$26.8 million and \$27.0 million, respectively, ("unrestricted net position") may be used to meet the Authority's on-going obligations.
- Net capital assets decreased by \$1.2 million from \$12.9 million in 2018 to \$11.7 million in 2019.
- Total operating revenues increased from \$41.7 million in 2018 to \$40.5 million in 2019. This was primarily due to increases in other revenues. Total operating grants and subsidies decreased by \$1.3 million for 2019 due to the increase in receipt of other governmental grants.
- Total operating expenses increased from \$36.7 million in 2018 to \$38.3 million in 2019. The total change was about \$1.1 million. HAP expenses increased from \$21.4 million in 2018 to \$21.8 million in 2019 due to increase in units leased and increase in average HAP cost.
- The Authority had an operating income of \$5.0 million in 2018 compared to operating income of \$2.2 million in 2019.

**Financial Analysis**  
**Statement of Net Position**

The Statement of Net Position presents the assets, liabilities and net position of the Authority at the end of the fiscal year. The purpose of the statement of net position is to give readers a snapshot of the fiscal condition of the Authority as of a certain point in time. It presents end-of-year data for assets, liabilities, deferred inflows of resources and net position (assets minus liabilities). Also shown is the sum of total liabilities and total net position, which equals total assets.

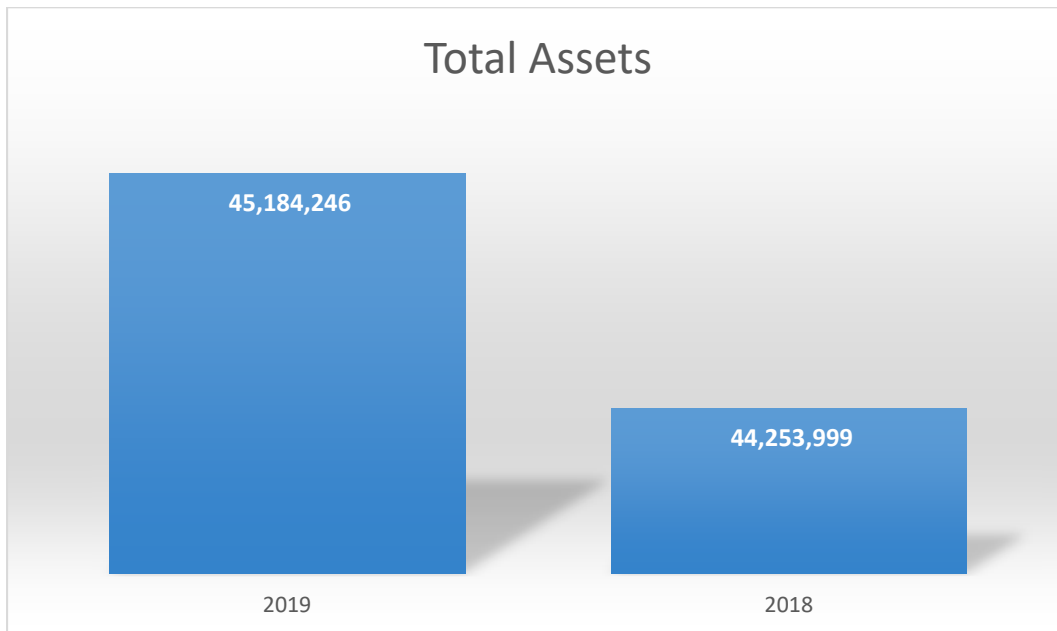
***Summary Statement of Net Position***

	December 31		\$ Change
	2019	2018	2019 2018
<b><i>Assets</i></b>			
Current Assets	9,376,464	6,772,286	2,604,178
Noncurrent Assets	24,120,830	24,576,965	(456,135)
Capital Assets	11,686,952	12,904,748	(1,217,796)
Total Assets	<u>45,184,246</u>	<u>44,253,999</u>	<u>930,247</u>
<b><i>Liabilities</i></b>			
Current Liabilities	4,679,197	2,130,742	2,548,455
Noncurrent Liabilities	1,805,539	1,924,053	(118,514)
Total Liabilities	<u>6,484,736</u>	<u>4,054,795</u>	<u>2,429,941</u>
<b><i>Net Position</i></b>			
Net Investment in Capital Assets	11,032,871	11,702,320	(669,449)
Restricted:			-
HOPE VI Loan Reserves	-	-	-
Replacement Reserves	379,942	298,719	81,223
Operating Reserves	54,481	856,706	(802,225)
Housing Assistance Payments	478,827	294,343	184,484
Unrestricted	<u>26,753,389</u>	<u>27,047,116</u>	<u>(293,727)</u>
Total Net Position	<u>38,699,510</u>	<u>40,199,204</u>	<u>(1,499,694)</u>
Total Liabilities and Net Position	<u>45,184,246</u>	<u>44,253,999</u>	<u>930,247</u>



**Financial Analysis**  
**Statement of Net Position**

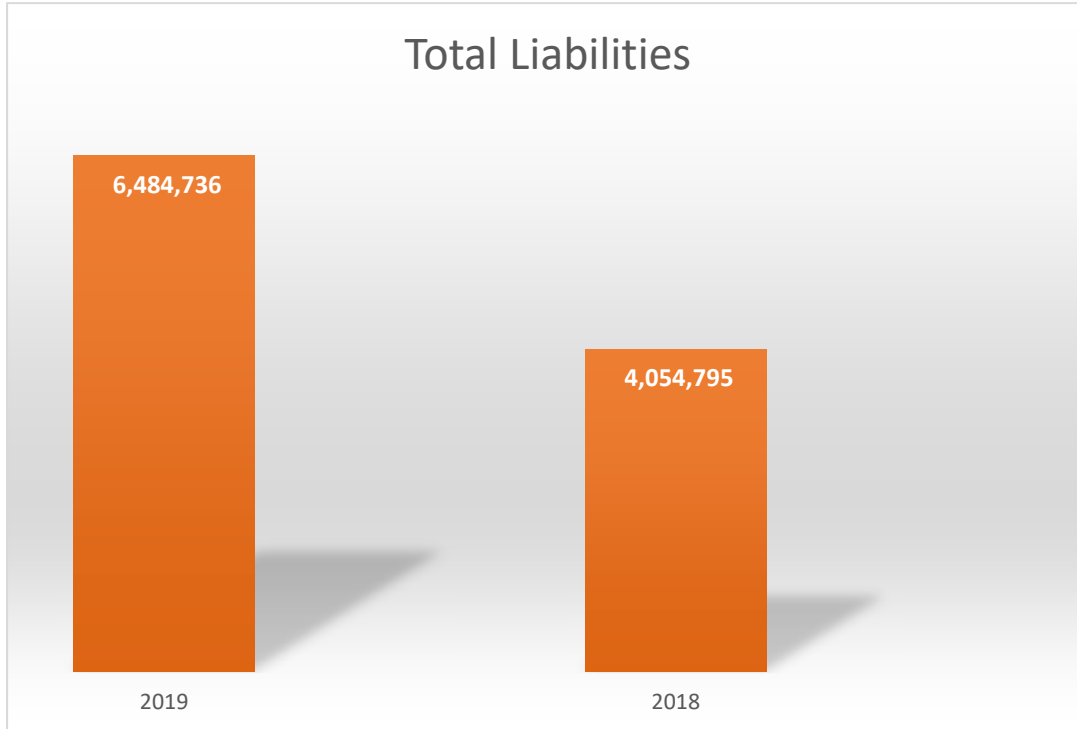
Total assets of the Authority at December 31, 2019 were \$45.2 million compared to \$44.3 million at December 31, 2018. This represents an increase of \$930 thousand from December 2018 to December 2019.



The increase in total assets for the Authority in 2019 was comprised of an increase in current assets of \$2.6 million, which was offset by a decrease in noncurrent assets by \$456 thousand, and a decrease in capital assets \$1.2 million. These changes are attributed primarily to the Authority converting to RAD in the prior year and the decrease in spending due to the completion of the conversion.

**Financial Analysis**  
**Statement of Net Position**

Total liabilities of the Authority at December 31, 2019 were \$6.5 million compared to \$4.1 million at December 31, 2018. This represents an increase of \$2.4 million from December 2018 to December 2019.



*Figure 2: Total Liabilities*

The increase in total liabilities for the Authority was comprised of an increase in current liabilities of \$2.5 million and a decrease in noncurrent liabilities of \$119 thousand. Current liabilities include accounts payable, accrued expenses, unearned revenues, funds held for others in the form of tenant security deposits, other liabilities, and the current portion of long-term debt. Most of the decrease can be attributed to the payment of some of the OIG Repayments which totaled \$3.4 million in liabilities in the prior year. These payments are repayments made to the Office of the Inspector General for ineligible procurements.

## Financial Analysis

### Statement of Net Position

Net Position of the Authority at December 31, 2019 was \$38.7 million compared to \$40.2 million at December 31, 2018. This represents an increase of \$1.5 million from December 2018 to December 2019.

Net position represents the Authority's equity and is divided up into three categories. The first category, *Net Investment in Capital Assets*, represents the Authority's investment in capital assets including land, buildings, construction in progress, and equipment, net of any related capital debt outstanding. The decrease was due to depreciation expense in the current year and to the repayment of long term debt.

The second category is *Restricted Net Position* which are assets that have some external limitations on the way in which they may be used. The Authority had a decrease in *Restricted Net Position* of \$537 thousand that was primarily the result of changes to operating reserve.

The final category is *Unrestricted Net Position* which are assets available for use on any lawful and prudent purpose of the Authority. This category decreased by \$294 thousand due primarily to the change in net position in the prior year.

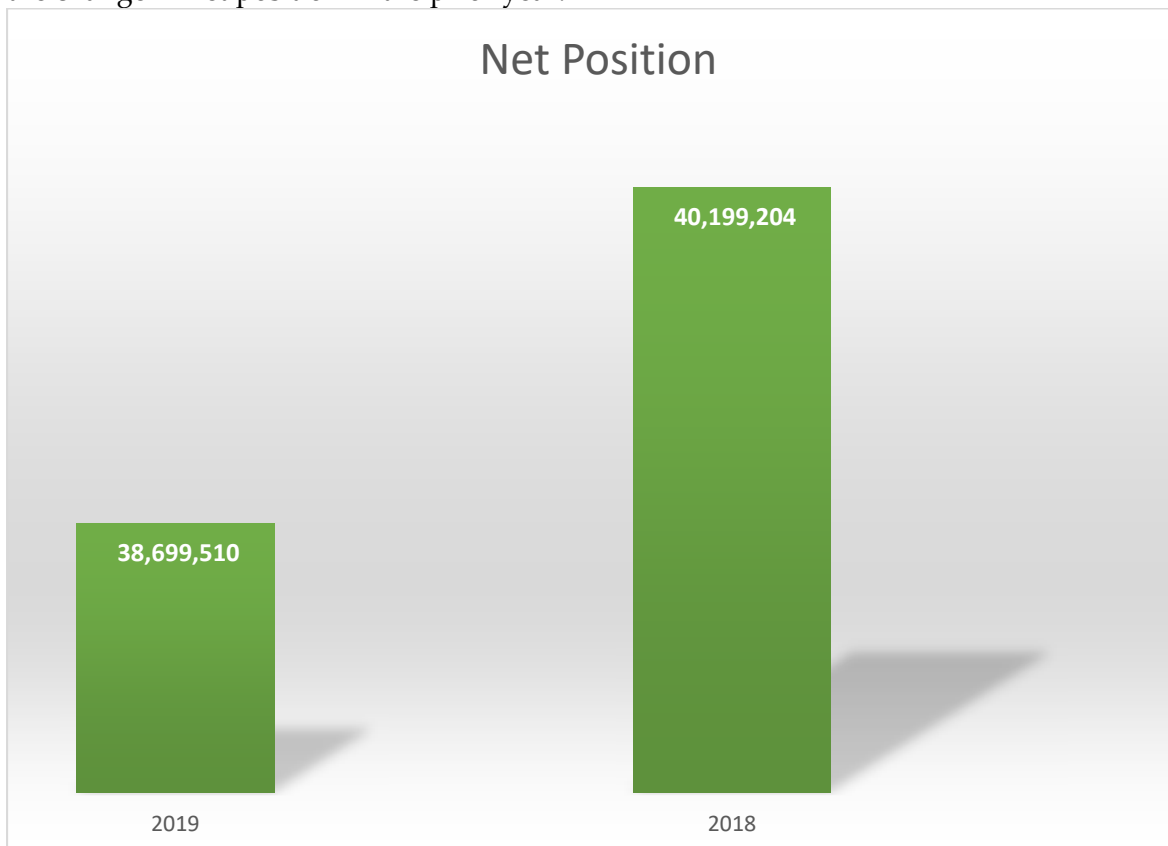


Figure 3: Net Position

## Financial Analysis

### Statement of Revenues, Expenses, and Changes in Net Position

The statement of revenues, expenses and changes in net position is designed to present the revenues and expenses earned by the Authority, both operating and non-operating. Generally, operating revenues are amounts received for providing housing to the Authority's tenants and operating expenses are those expenses incurred to maintain the housing units and provide other services to those tenants. Non-operating revenues and expenses are funds received or spent for which goods and services are not provided.

#### Summary of Statement of Revenues, Expenses and Changes in Net Position

	Year Ended December 31		\$ Change	% Change
	2019	2018	2019 2018	2019 2018
<b>Operating Revenues</b>				
Tenant Rent	4,015,341	3,859,742	155,599	4%
Operating Grants and Subsidies	34,855,944	36,153,008	(1,297,064)	-4%
Other Revenues	1,595,627	1,697,250	(101,623)	-6%
<b>Total Operating Revenues</b>	<b>40,466,912</b>	<b>41,710,000</b>	<b>(1,243,088)</b>	<b>-3%</b>
<b>Operating Expenses</b>				
Administration	5,404,313	5,472,274	(67,961)	-1%
Tenant Services	790,062	644,685	145,377	23%
Utilities	3,502,521	3,023,610	478,911	16%
Maintenance and Operations	4,104,839	3,747,357	357,482	10%
Protective Services	136,669	21,912	114,757	524%
Insurance and General Expenses	1,265,224	1,162,670	102,554	9%
Housing Assistance Payments	21,764,189	21,355,394	408,795	2%
Depreciation	1,317,351	1,283,143	34,208	3%
<b>Total Operating Expenses</b>	<b>38,285,168</b>	<b>36,711,045</b>	<b>1,574,123</b>	<b>4%</b>
<b>Net Operating Income (Loss)</b>	<b>2,181,744</b>	<b>4,998,955</b>	<b>(2,817,211)</b>	
<b>Non-operating Revenues(Expenses)</b>				
Investment Income	44,874	1,874	43,000	2295%
Interest Expense	(22,644)	(30,127)	7,483	-25%
Casualty losses; non-capitalized	-	(1,475)	1,475	-100%
Extraordinary maintenance	(16,918)	-	(16,918)	
Gain on Sale of Capital Assets	-	5,596,291	(5,596,291)	-100%
<b>Total Non-operating Revenues (Expenses)</b>	<b>5,312</b>	<b>5,566,563</b>	<b>(5,561,251)</b>	
Change in Net Position before Contributions	2,187,056	10,565,518	(8,378,462)	-79%
Capital Grant Contributions	99,554	165,076	(65,522)	-40%
Operating transfers from/to component unit	(447,864)	(261,062)	(186,802)	72%
OIG Repayment	(3,338,440)		(3,338,440)	
<b>Change in Net Position</b>	<b>(1,499,694)</b>	<b>10,469,532</b>	<b>(11,969,226)</b>	<b>-114%</b>
Net Position - Beginning of Year	40,199,204	29,729,672	10,469,532	35%
Net Position - End of Year	<b>38,699,510</b>	<b>40,199,204</b>	<b>(1,499,694)</b>	<b>-4%</b>

## Financial Analysis

### Statements of Revenues, Expenses, and Changes in Net Position

During 2019, Operating Revenues decreased by \$1.2 million, or 3% compared to the prior year. Tenant rent increase from \$3.9 million to \$4.0 million mainly due to converting public housing units to Section 8 through RAD. Operating grants & subsidies decreased approximately \$1.3 million or 4% as the Authority received decreased funds during 2019. Other revenue sources decreased by \$102 thousand or 16%.

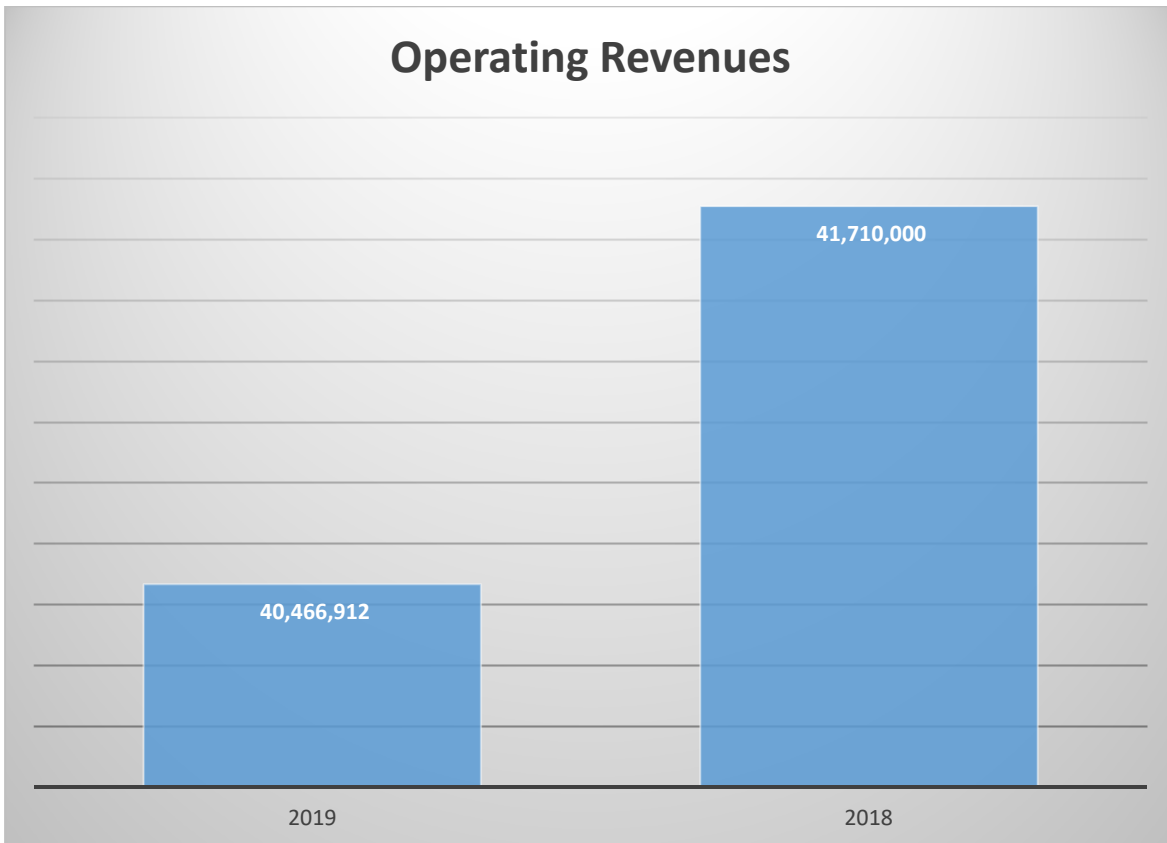


Figure 1: Operating Revenues

## Financial Analysis

### Statements of Revenues, Expenses, and Changes in Net Position

Operating expenses increased by \$1.6 million during 2019. The majority of functional expenses stayed within the previous years' range with the exception of tenant services, utility expenses, maintenance expenses, and protective services. Tenant services increased by 23%, utility expenses increased by 16%, maintenance expenses increased by 10%, and protective services increased by 524%.

Total non-operating revenues (expenses) decreased by \$5.6 million mainly due to a gain on the sale of capital assets in 2018.

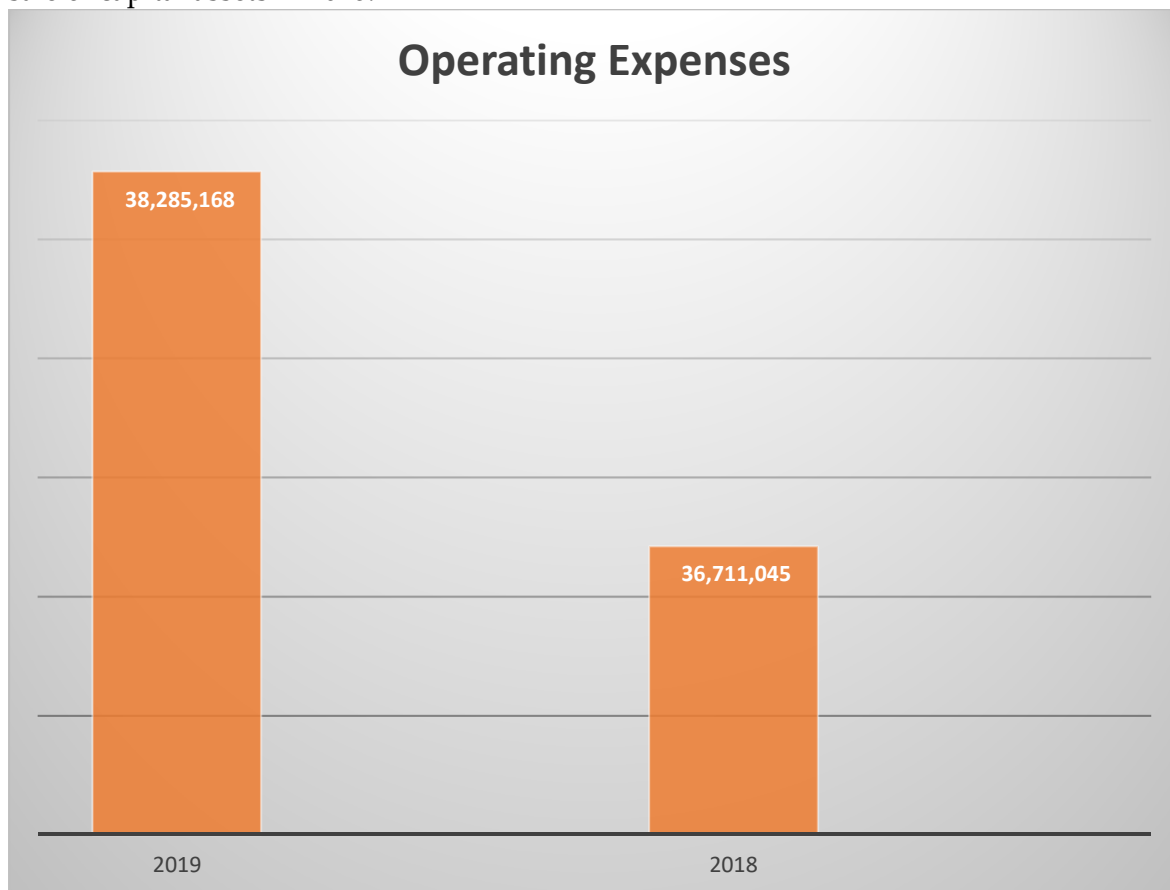


Figure 2: Operating Expenses

## Financial Analysis

### Statement of Revenues, Expenses, and Changes in Net Position

Depreciation expense was \$1,317,351 and \$1,283,143 for the years ended December 31, 2019 and December 31, 2018, respectively. The table below shows the Authority's capital assets and accumulated depreciation at the end of the fiscal year as compared to the end of the previous fiscal year.

	Year Ended December 31		\$ Change	% Change
	2019	2018	2019 2018	2019 2018
<b>Capital Assets</b>				
Land	5,380,507	5,380,507	-	0%
Construction in progress	101,865	101,865		0%
Buildings and Improvements	62,647,317	62,547,762	99,555	0%
Equipment	1,471,345	1,471,345	-	0%
Total Capital Assets	69,601,034	69,501,479	99,555	0%
Accumulated Depreciation	(57,914,082)	(56,596,731)	(1,317,351)	2%
Total Capital Assets Net of Depreciation	11,686,952	12,904,748	(1,217,796)	-9%

Note 7 to the Authority's basic financial statements provides additional detail regarding the changes in capital assets during the year.

### Debt Administration

The Authority uses short- and long-term borrowings to finance property acquisitions and to make improvements to properties. During 2019, long-term debt outstanding decreased by \$48 thousand or 4%. This change was primarily due to the annual payments made on debt.

	Year Ended December 31		\$ Change	% Change
	2019	2018	2019 2018	2019 2018
<b>Notes Payable</b>				
Total Long-Term Debt	1,154,081	1,202,428	(48,347)	-4%
Total Long Term Debt	1,154,081	1,202,428	(48,347)	-4%

Note 9 to the Authority's basic financial statements provides additional detail regarding the changes in debt during the fiscal year.

## **Financial Analysis**

### **Economic Factors Affecting the Authority**

The following key economic indicators and other factors are expected to impact the economic situation of the Authority:

- Actions to make changes to the fundamental size of the Federal budget and deficit will continue to result in constraints on funding made available to the Authority;
- The possibility that Federal agencies and officials may make changes in programs to increase flexibility in the use of funds and Authority operational requirements in light of severe funding cutbacks will benefit the agency if they come to pass.
- The real estate market in the City of Durham is rapidly rising and many developments are underway, however most of these will not be an affordable option for the population served by the Authority. The Authority continues to plan, engage in and identify different avenues to increase its development efforts by redeveloping and developing affordable housing with the City of Durham.

### **Requests for Information**

This financial report is designed to provide a general overview of the Authority's finances for all who are interested. Questions concerning any of the information presented in this report or requests for additional information should be directed to:

Anthony Scott  
Chief Executive Officer  
330 East Main Street  
Durham, NC 27701  
Phone: (919) 683-1551 ext. 7217  
TDD/TTY: (800) 545-1833 ext. 774  
E-mail: [ascott@dha-nc.org](mailto:ascott@dha-nc.org)



## **FINANCIAL STATEMENTS**

**HOUSING AUTHORITY OF THE CITY OF DURHAM  
STATEMENT OF NET POSITION  
AS OF DECEMBER 31, 2019**

ASSETS

	Primary Government	Discretely Presented Component Units	Total Reporting Entity (Memorandum Only)
Current assets:			
Cash and cash equivalents	\$ 7,596,570	\$ 546,906	\$ 8,143,476
Tenant security deposits	294,287	52,760	347,047
Accounts receivable, net	606,265	844,297	1,450,562
Prepaid expenses	474,860	81,224	556,084
Inventories	404,482	6,504	410,986
Total current assets	9,376,464	1,531,691	10,908,155
Non-current assets:			
Restricted cash	1,942,523	20,890,580	22,833,103
Notes receivable	21,653,350	-	21,653,350
Capital assets, net	11,686,952	35,823,522	47,510,474
Other assets	524,957	206,887	731,844
Total non-current assets	35,807,782	56,920,989	92,728,771
Total assets	\$ 45,184,246	\$ 58,452,680	\$ 103,636,926

See accompanying notes to financial statements.

**HOUSING AUTHORITY OF THE CITY OF DURHAM**  
**STATEMENT OF NET POSITION (continued)**  
**AS OF DECEMBER 31, 2019**

LIABILITIES

	Primary Government	Discretely Presented Component Units	Total Reporting Entity (Memorandum Only)
Current liabilities:			
Accounts payable	\$ 3,931,739	\$ 2,756,659	\$ 6,688,398
Accrued expenses	196,775	11,111	207,886
Accrued compensated absences, current	39,511	1,033	40,544
Tenant security deposits	294,287	52,760	347,047
Unearned revenue	55,172	14,466	69,638
Current portion of long-term debt	432,824	17,748,540	18,181,364
Other current liabilities	2,043	3,050,323	3,052,366
Total current liabilities	4,952,351	23,634,892	28,587,243
Non-current liabilities:			
Accrued compensated absences, net of current	355,591	9,296	364,887
Long term debt, net of current portion	721,257	21,205,000	21,926,257
Other non-current liabilities	455,537	2,693,836	3,149,373
Total non-current liabilities	1,532,385	23,908,132	25,440,517
Total liabilities	6,484,736	47,543,024	54,027,760

NET POSITION

Net position:			
Net investment in capital assets	10,532,871	(3,130,018)	7,402,853
Restricted	1,413,546	538,119	1,951,665
Unrestricted	26,753,093	13,501,555	40,254,648
Total net position	38,699,510	10,909,656	49,609,166
Total liabilities and net position	\$ 45,184,246	\$ 58,452,680	\$ 103,636,926

See accompanying notes to financial statements.

**HOUSING AUTHORITY OF THE CITY OF DURHAM  
STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN NET POSITION  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	Primary Government	Discretely Presented Component Units	Total Reporting Entity (Memorandum Only)
<b>Operating revenues:</b>			
Tenant revenue	\$ 4,015,341	\$ 1,961,698	\$ 5,977,039
HUD operating grants	34,754,122	2,038	34,756,160
Other government grants	101,822	-	101,822
Fraud recovery revenue	577	-	577
Shared fee and bookkeeping revenues	213,852	-	213,852
Other revenues	<u>1,381,198</u>	<u>77,658</u>	<u>1,458,856</u>
<b>Total operating revenues</b>	<u><b>40,466,912</b></u>	<u><b>2,041,394</b></u>	<u><b>42,508,306</b></u>
<b>Operating expenses:</b>			
Administrative	5,404,313	560,581	5,964,894
Tenant services	790,062	25	790,087
Utilities	3,502,521	485,199	3,987,720
Ordinary maintenance and operations	4,104,839	417,278	4,522,117
Protective services	136,669	3,243	139,912
Insurance	446,634	98,547	545,181
General	818,590	362,253	1,180,843
Housing assistance payments	21,764,189	-	21,764,189
Depreciation	<u>1,317,351</u>	<u>508,160</u>	<u>1,825,511</u>
<b>Total operating expenses</b>	<u><b>38,285,168</b></u>	<u><b>2,435,286</b></u>	<u><b>40,720,454</b></u>
<b>Operating income (loss)</b>	<u><b>2,181,744</b></u>	<u><b>(393,892)</b></u>	<u><b>1,787,852</b></u>
<b>Non-operating revenues (expenses):</b>			
Investment income	44,874	163,521	208,395
Interest expense	(22,644)	(396,841)	(419,485)
Extraordinary maintenance	<u>(16,918)</u>	<u>-</u>	<u>(16,918)</u>
<b>Net non-operating revenues (expenses)</b>	<u><b>5,312</b></u>	<u><b>(233,320)</b></u>	<u><b>(228,008)</b></u>
<b>Income (loss) before capital grants and special items</b>	<b>2,187,056</b>	<b>(627,212)</b>	<b>1,559,844</b>
Capital grants	99,554	-	99,554
Special items - capital contributions and transfers	(447,864)	5,565,810	5,117,946
Special items - OIG repayment	<u>(3,338,440)</u>	<u>-</u>	<u>(3,338,440)</u>
<b>Change in net position</b>	<b>(1,499,694)</b>	<b>4,938,598</b>	<b>3,438,904</b>
<b>Net position, beginning of year</b>	<u><b>40,199,204</b></u>	<u><b>5,971,058</b></u>	<u><b>46,170,262</b></u>
<b>Net position, end of year</b>	<u><b>\$ 38,699,510</b></u>	<u><b>\$ 10,909,656</b></u>	<u><b>\$ 49,609,166</b></u>

See accompanying notes to financial statements.

**HOUSING AUTHORITY OF THE CITY OF DURHAM  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>Primary Government</u>
<b>Cash Flows from Operating Activities:</b>	
Cash received from tenants and others	\$ 6,112,843
Cash received from grantors	37,946,128
Cash paid to employees	(5,387,048)
Cash paid to suppliers	<u>(32,205,353)</u>
Net cash provided by operating activities	<u>6,466,570</u>
<b>Cash Flows from Noncapital Financing Activities:</b>	
Special items - transfer to component unit	(447,864)
Special items - OIG repayment	(3,338,440)
Extraordinary maintenance	<u>(16,918)</u>
Net cash used in noncapital financing activities	<u>(3,803,222)</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>	
Purchases of capital assets	(99,555)
Capital grants	99,554
Principal payments on long-term debt	(48,346)
Interest payments on long-term debt	<u>(22,644)</u>
Net cash used in capital and related financing activities	<u>(70,991)</u>
<b>Cash Flows from Investing Activities:</b>	
Investment income	<u>44,874</u>
Net cash provided by investing activities	<u>44,874</u>
Net increase in cash, cash equivalents and restricted cash	2,637,231
Cash, cash equivalents and restricted cash, beginning of year	<u>7,196,149</u>
Cash, cash equivalents and restricted cash, end of year	<u>\$ 9,833,380</u>
<b>A reconciliation of cash, cash equivalents and restricted cash to the Statement of Net Position is as follows:</b>	
Cash and cash equivalents	\$ 7,596,570
Tenant security deposits	294,287
Restricted cash	<u>1,942,523</u>
	<u>\$ 9,833,380</u>

See accompanying notes to financial statements.

**HOUSING AUTHORITY OF THE CITY OF DURHAM  
STATEMENT OF CASH FLOWS (continued)  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>Primary Government</u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 2,181,744
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	1,317,351
Bad debts - tenant rents	170,870
Changes in operating assets and liabilities:	
Accounts receivable, net	517,643
Prepaid expenses	49,056
Inventories	(261,104)
Other assets	12,722
Accounts payable	(410,324)
Accounts payable - HUD	(329,765)
Accounts payable - other government	3,216,902
Accrued expenses	17,265
Accrued compensated absences	13,453
Tenant security deposits	10,488
Prepaid tenant rents	5,921
Other current liabilities	2,043
Other non-current liabilities	<u>(47,695)</u>
Net cash provided by operating activities	<u>\$ 6,466,570</u>

See accompanying notes to financial statements.

**HOUSING AUTHORITY OF THE CITY OF DURHAM  
DISCRETELY PRESENTED COMPONENT UNITS -  
COMBINING STATEMENT OF NET POSITION  
AS OF DECEMBER 31, 2019**

ASSETS				
	<u>Preiss-Steele Place, LLC</u>	<u>Morreene Road, LLC</u>	<u>Damar Court, LLC</u>	<u>Total</u>
Current assets:				
Cash and cash equivalents	\$ 166,530	\$ 369,822	\$ 10,554	\$ 546,906
Tenant security deposits	18,552	21,412	12,796	52,760
Accounts receivable, net	6,666	524,831	312,800	844,297
Prepaid expenses	1,810	50,703	28,711	81,224
Inventories	<u>-</u>	<u>1,927</u>	<u>4,577</u>	<u>6,504</u>
Total current assets	<u>193,558</u>	<u>968,695</u>	<u>369,438</u>	<u>1,531,691</u>
Non-current assets:				
Restricted cash	538,119	10,368,510	9,983,951	20,890,580
Capital assets, net	8,187,780	12,581,012	15,054,730	35,823,522
Other assets	<u>41,893</u>	<u>-</u>	<u>164,994</u>	<u>206,887</u>
Total non-current assets	<u>8,767,792</u>	<u>22,949,522</u>	<u>25,203,675</u>	<u>56,920,989</u>
Total assets	<u>\$ 8,961,350</u>	<u>\$ 23,918,217</u>	<u>\$ 25,573,113</u>	<u>\$ 58,452,680</u>

See accompanying notes to financial statements.

**HOUSING AUTHORITY OF THE CITY OF DURHAM  
DISCRETELY PRESENTED COMPONENT UNITS -  
COMBINING STATEMENT OF NET POSITION (continued)  
AS OF DECEMBER 31, 2019**

LIABILITIES				
	Preiss-Steele Place, LLC	Morreene Road, LLC	Damar Court, LLC	Total
Current liabilities:				
Accounts payable	\$ 482,963	\$ 96,673	\$ 2,177,023	\$ 2,756,659
Accrued expenses	3,531	4,267	3,313	11,111
Accrued compensated absences, current	-	578	455	1,033
Tenant security deposits	18,552	21,412	12,796	52,760
Unearned revenue	2,116	4,820	7,530	14,466
Current portion of long-term debt	73,540	7,900,000	9,775,000	17,748,540
Other current liabilities	2,049	2,925,294	122,080	3,050,323
Total current liabilities	582,751	10,953,044	12,099,097	23,634,892
Non-current liabilities:				
Accrued compensated absences, net of current portion	-	5,203	4,093	9,296
Long term debt, net of current portion	4,088,394	8,923,138	8,193,468	21,205,000
Other non-current liabilities	514,177	906,613	1,273,046	2,693,836
Total non-current liabilities	4,602,571	9,834,954	9,470,607	23,908,132
Total liabilities	5,185,322	20,787,998	21,569,704	47,543,024
NET POSITION				
Net position:				
Net investment in capital assets	4,025,846	(4,242,126)	(2,913,738)	(3,130,018)
Restricted	538,119	-	-	538,119
Unrestricted	(787,937)	7,372,345	6,917,147	13,501,555
Total net position	\$ 3,776,028	\$ 3,130,219	\$ 4,003,409	\$ 10,909,656

See accompanying notes to financial statements.



**HOUSING AUTHORITY OF THE CITY OF DURHAM  
DISCRETELY PRESENTED COMPONENT UNITS -  
COMBINING STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN NET POSITION  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>Preiss-Steele Place, LLC</u>	<u>Morreene Road, LLC</u>	<u>Damar Court, LLC</u>	<u>Total</u>
Operating revenues:				
Tenant revenue	\$ 607,471	\$ 850,334	\$ 503,893	\$ 1,961,698
HUD operating grants	-	1,110	928	2,038
Other revenues	<u>32,114</u>	<u>45,532</u>	<u>12</u>	<u>77,658</u>
Total operating revenues	<u>639,585</u>	<u>896,976</u>	<u>504,833</u>	<u>2,041,394</u>
Operating expenses:				
Administrative	159,707	215,861	185,013	560,581
Tenant services	-	25	-	25
Utilities	153,387	177,937	153,875	485,199
Ordinary maintenance and operations	135,075	192,830	89,373	417,278
Protective services	2,570	-	673	3,243
Insurance	20,469	53,114	24,964	98,547
General	13,023	223,366	125,864	362,253
Depreciation	<u>227,841</u>	<u>91,290</u>	<u>189,029</u>	<u>508,160</u>
Total operating expenses	<u>712,072</u>	<u>954,423</u>	<u>768,791</u>	<u>2,435,286</u>
Operating loss	<u>(72,487)</u>	<u>(57,447)</u>	<u>(263,958)</u>	<u>(393,892)</u>
Non-operating revenues (expenses):				
Investment income	4,262	158,928	331	163,521
Interest expense	<u>(126,596)</u>	<u>(51,109)</u>	<u>(219,136)</u>	<u>(396,841)</u>
Net non-operating revenues (expenses)	<u>(122,334)</u>	<u>107,819</u>	<u>(218,805)</u>	<u>(233,320)</u>
Income (loss) before capital grants and special items and transfers	(194,821)	50,372	(482,763)	(627,212)
Capital contributions	-	1,827,958	3,319,988	5,147,946
Transfers from primary government	-	298,332	149,532	447,864
Special item	<u>(30,000)</u>	<u>-</u>	<u>-</u>	<u>(30,000)</u>
Change in net position	(224,821)	2,176,662	2,986,757	4,938,598
Net position, beginning of year	<u>4,000,849</u>	<u>953,557</u>	<u>1,016,652</u>	<u>5,971,058</u>
Net position, end of year	<u>\$ 3,776,028</u>	<u>\$ 3,130,219</u>	<u>\$ 4,003,409</u>	<u>\$10,909,656</u>

See accompanying notes to financial statements.

**HOUSING AUTHORITY OF THE CITY OF DURHAM**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Organization**

The Housing Authority of the City of Durham (the "Authority") is a governmental, public corporation created under federal and state housing laws for the purpose of engaging in the development, acquisition and administrative activities of the low-income housing program and other programs with similar objectives for low and moderate income families residing in Durham, North Carolina (the "City"). The Authority is responsible for operating certain safe, decent, sanitary, and affordable low-rent housing programs under programs administered by the U.S. Department of Housing and Urban Development ("HUD"). These programs provide housing for eligible families under the United States Housing Act of 1937, as amended.

The Authority is governed by a seven member Board of Commissioners. The governing board is essentially autonomous but responsible to HUD. The Board hires the Chief Executive Officer who is responsible for the daily administration of the Authority.

**B. Basis of Accounting / Financial Statement Presentation**

The Authority's financial statements are prepared in accordance with GASB 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, as amended ("GASB 34"). GASB 34 requires the basic financial statements to be prepared using the economic resources measurement focus and the accrual basis of accounting and requires the presentation of a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Net Position and a Statement of Cash Flows. GASB 34 also requires the Authority to include Management's Discussion and Analysis as part of the Required Supplemental Information.

The Authority's enterprise fund is accounted for using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, and losses from assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

The Authority's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The Governmental Accounting Standards Board ("GASB") is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

The Authority's primary source of non-exchange revenue relates to grants and subsidies. In accordance with GASB 33, *Accounting and Financial Reporting for Non-exchange Transactions* ("GASB 33"), grant and subsidy revenue are recognized at the time eligible program expenditures occur and/or the Authority has complied with the grant and subsidy requirements.

On January 30, 2008, HUD issued PIH Notice 2008-9 which requires that unused housing assistance payments ("HAP") should be reported as restricted net position, with the associated cash and investments also being reported as restricted. Any unused administrative fees should be reported as unrestricted net position, with the associated assets being reported on the financial data schedule as unrestricted.

**HOUSING AUTHORITY OF THE CITY OF DURHAM**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**DECEMBER 31, 2019**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**B. Basis of Accounting / Financial Statement Presentation (continued)**

Both administrative fee and HAP revenue continue to be recognized under the guidelines set forth in GASB 33. Accordingly, both the time and purpose restrictions as defined by GASB 33 are met when these funds are available and measurable, not when these funds are expended. The Section 8 Housing Choice Vouchers program is no longer a cost reimbursement grant; therefore, the Authority recognizes unspent administrative fee and HAP revenue in the reporting period as revenue for financial statement reporting.

In accordance with 2 CFR 200.305(b)(9), any investment income earned up to \$500 on these funds may be retained by the Authority. Amounts in excess of \$500 must be remitted annually to the Department of Health and Human Services, Payment Management System.

**C. Reporting Entity**

In accordance with GASB 61, *The Financial Reporting Entity Omnibus - An Amendment of GASB Statements No. 14 and No. 34*, the Authority's financial statements include those of the Authority and any component units. Component units are legally separate organizations whose majority of officials are appointed by the primary government or the organization is fiscally dependent on the primary government and there is a potential for those organizations either to provide specific financial benefits to, or impose specific financial burdens on, the primary government. An organization has a financial benefit or burden relationship with the primary government if any one of the following conditions exist:

1. The primary government (Authority) is legally entitled to or can otherwise access the organization's resources.
2. The primary government is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization.
3. The primary government is obligated in some manner for the debt of the organization.

**Blended Component Units** - Blended component units are separate legal entities that meet the component unit criteria described above and whose governing body is the same or substantially the same as the Authority. These component units are, in substance, part of the Authority's operations and thus, data from these units is combined with the data of the Authority.

Based on the application of these criteria, the following four component units are blended with the Authority and reported as business activities:

- **Development Ventures Incorporated ("DVI")** was incorporated in 1985. This entity is the nonprofit development arm of the Authority. The mission of DVI is to develop and operate affordable housing communities serving residents of Durham, North Carolina. DVI currently serves as the owner of Lincoln Apartments and the Goley Pointe project. To date, DVI has developed / redeveloped the following: Edgemont Elms, Preiss Steele Place, Worth Street and Goley Pointe. DVI is also owner of Lincoln Place and in 2017 received a grant from the City of Durham to purchase Fayette Place.

**HOUSING AUTHORITY OF THE CITY OF DURHAM  
NOTES TO FINANCIAL STATEMENTS (continued)  
DECEMBER 31, 2019**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**C. Reporting Entity (continued)**

- **Learning Assistance, Inc.** was incorporated in August 1987. This entity is a nonprofit entity with the goal of improving education opportunities for residents of Authority's properties. The primary source of funding comes from proceeds of an endowment maintained by The Triangle Foundation and is used to fund scholarships for individuals to pursue educational opportunities.
- **Edgemont Elms Housing, Inc. ("EEHI")** was incorporated in 2005. The objective of this entity is to serve as the owner and manager of the Edgemont Elms Apartments community. EEHI is an affordable housing community comprised of a mix of public housing units, subsidized units via the Housing Choice Vouchers Program, and "market rate" units that are unsubsidized. The public housing units were converted through HUD's Rental Assistance Demonstration Program to Section 8 Project Based Rental Assistance.
- **Preiss-Steele Place Housing, Inc. ("PSP")** is a 501(c) non-profit corporation incorporated in 2007. PSP was organized to serve as the owner and manager of the Preiss-Steele Place community. PSP is currently inactive and only holds a mortgage note receivable from Preiss-Steele Place, LLC.

**Discretely Presented Component Units:**

The Authority's discretely presented component units are combined for financial reporting purposes and included under the "Discretely Presented Component Units" column on the Statement of Net Position and Statement of Revenues, Expenses and Changes in Net Position. As of December 31, 2019, the Authority's discretely presented component units consisted of the following:

- **Preiss-Steele Place, LLC** (the "Company") was formed as a North Carolina limited liability company in 2012. The purpose of the Company is to develop, own and operate an eighty-two (82) unit rental housing project for persons of low and moderate income. The property is located in Durham, North Carolina and operates under the name Preiss-Steele Place.

The Company has one managing member (DVI-PSP, L.L.C.), one special member (RBC Tax Credit Manager II, Inc.) and one investment member (RBC Tax Credit Equity National Fund-18, L.P.). The Company's ownership interests are as follows:

Managing member	0.009%
Special member	0.001%
Investment member	99.990%
	100.000%

**HOUSING AUTHORITY OF THE CITY OF DURHAM  
NOTES TO FINANCIAL STATEMENTS (continued)  
DECEMBER 31, 2019**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**C. Reporting Entity (continued)**

- **Morreene Road, LLC** ("Morreene Road") was formed as a North Carolina limited liability company in 2014. The purpose of Morreene Road is to develop, own and operate a two-hundred twenty-four (224) unit rental housing project for persons of low and moderate income. The property is located in Durham, North Carolina and operates under the name Morreene Road.

Morreene Road has one managing member (DVI-MR, LLC), one special member (RBC Tax Credit Manager II, Inc.) and one investment member (RBC Tax Credit Equity, LLC). Morreene Road's ownership interests are as follows:

Managing member	0.009%
Special member	0.001%
Investment member	<u>99.990%</u>
	<u><u>100.000%</u></u>

- **Damar Court, LLC** ("Damar") was formed as a North Carolina limited liability company in 2014. The purpose of Damar is to develop, own and operate an one-hundred two (102) unit rental housing project for persons of low and moderate income. The property is located in Durham, North Carolina and operates under the name Damar Court.

Damar has one managing member (DVI-DC, LLC), one special member (RBC Tax Credit Manager II, Inc.) and one investment member (RBC Tax Credit Equity, LLC). Damar's ownership interests are as follows:

Managing member	0.009%
Special member	0.001%
Investment member	<u>99.990%</u>
	<u><u>100.000%</u></u>

A copy of the discretely presented component units individual financial statements, which are reported on a December 31, 2019 fiscal year, can be obtained by writing the Authority at 330 E. Main Street, PO Box 1726, Durham, NC 27701.

**D. Description of Programs**

The Authority maintains its accounting records by program. A summary of the significant programs operated by the Authority is as follows:

Housing Opportunities for Persons With Aids

The Housing Opportunities for Persons with Aids grant is provided by the City of Durham and is used to cover tenant based rental assistance through the HOPWA program.

**HOUSING AUTHORITY OF THE CITY OF DURHAM**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**DECEMBER 31, 2019**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**D. Description of Programs (continued)**

Section 8 Housing Choice Vouchers

The Authority administers a program of rental assistance payments to private owners on behalf of eligible low-income families under Section 8 of the Housing and Urban Development Act of 1974. The program provides payments covering the difference between the maximum rental on a dwelling unit, as approved by HUD, and the amount of rent contribution by a participating family.

Mainstream Vouchers

The purpose of the Mainstream Vouchers program is to aid persons with disabilities (elderly and non-elderly) in obtaining decent, safe, and sanitary rental housing.

Public and Indian Housing Program

The Public and Indian Housing Program is designed to provide low-cost housing. Under this program, HUD provides funding via an annual contributions contract. These funds, combined with the rental income received from tenants, are available solely to meet the operating expenses of the program.

Public Housing Capital Fund

The purpose of the Capital Fund Program is to provide another source of funding to cover the cost of physical and management improvements and rehabilitation on existing low-income housing and improvements to the central office facilities. Funding for this program is provided by grants from HUD.

PIH Family Self Sufficiency Program

The purpose of the Family Self-Sufficiency Program is to promote the development of local strategies to coordinate the use of assistance under the Housing Choice Voucher and Public Housing programs with public and private resources to enable participating families to increase earned income and financial literacy, reduce or eliminate the need for welfare assistance, and make progress toward economic independence and self-sufficiency.

Business Activities

These non-federal funds consist of local operations and include:

Turnkey III program - provides loans to various organizations in and around the City that provide sources of funding for the development and purchase of homes by low-income residents of the City.

HOPE VI Program Income - accounts for non-Federal funds generated as a result of the Authority's business activities, including but not limited to the HOPE VI grant and RAD programs.

Bond Fund - The Authority, with the approval of the City, may issue and sell debt to finance the acquisition, development, construction or rehabilitation of mixed-use or multi-family housing projects deemed to be in the public interest. Such debt is payable solely from the revenue of the projects, which are owned by the developers, and does not constitute a debt or pledge of the faith and credit of the Authority, the City or any political subdivision of the State of North Carolina. Accordingly, such debt and related assets are not presented in the financial statements.

Shelter Plus Care

The Authority administers a Shelter Plus Care Program. The purpose of this program is to provide rental assistance for homeless individuals with disabilities who are moving from homelessness to permanent housing. The funding for this program comes from HUD.

**HOUSING AUTHORITY OF THE CITY OF DURHAM**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**DECEMBER 31, 2019**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**D. Description of Programs (continued)**

Resident Opportunity and Supportive Services Program / Service Coordinators ("ROSS")

The purpose of the ROSS Service Coordinator program is to provide funding to hire and maintain Service Coordinators who will assess the needs of residents of conventional Public Housing or Indian housing and coordinate available resources in the community to meet those needs. This program works to promote the development of local strategies to coordinate the use of assistance under the Public Housing program with public and private resources, for supportive services and resident empowerment activities. These services should enable participating families to increase earned income, reduce or eliminate the need for welfare assistance, make progress toward achieving economic independence and housing self-sufficiency, or, in the case of elderly or disabled residents, help improve living conditions and enable residents to age-in-place.

**E. Use of Management Estimates**

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates include the allowance for doubtful accounts, accrued expenses and other liabilities, depreciable lives of properties and equipment and contingencies. Actual results could differ significantly from these estimates.

**F. Cash and Cash Equivalents**

HUD requires housing authorities to invest excess funds in obligations of the United States, Certificates of Deposit or any other federally insured investment.

HUD also requires that deposits be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and the market value of securities purchased and pledged to the political subdivision. Pursuant to HUD restrictions, obligations of the United States are allowed as security for deposits. Obligations furnished as security must be held by the Authority or with an unaffiliated bank or trust company for the account of the Authority.

For the statement of cash flows, cash and cash equivalents include all cash balances and highly liquid investments with a maturity of three months or less at time of purchase.

It is the Authority's policy to maintain collateralization in accordance with HUD requirements.

**G. Accounts Receivable, Net**

Rents are due from tenants on the first day of each month. As a result, tenants' accounts receivable balances primarily consist of rents past due. Also included in accounts receivable are those amounts that tenants owe the Authority as payment for committing fraud or misrepresentation. These charges usually consist of retroactive rent and other amounts that may be determined by a formal written agreement or by a court order. An allowance for doubtful accounts is established to provide for all accounts, which may not be collected in the future for any reason. Collection losses on accounts receivable are charged against the allowance for doubtful accounts. The Authority recognizes a receivable from HUD and other governmental agencies for amounts billed but not received and for amounts unbilled, but earned as of year-end.

**HOUSING AUTHORITY OF THE CITY OF DURHAM**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**DECEMBER 31, 2019**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**H. Allowance for Doubtful Accounts**

The Authority periodically reviews all accounts receivable to determine the amount, if any, that may be uncollectable. If it is determined that an account or accounts may be uncollectable, the Authority prepares an analysis of such accounts and records an appropriate allowance against such amounts.

**I. Prepaid Expenses**

Prepaid expenses represent amounts paid as of year-end for items, such as insurance, that will benefit future operations.

**J. Inventories**

Inventories are valued at cost using the First in First out (FIFO) method. If inventory falls below cost due to damage, deterioration, or obsolescence, the Authority establishes an allowance for obsolete inventory. The Authority uses the consumption method for expense recognition and relies upon its periodic (annual) inventory for financial reporting purposes.

**K. Capital Assets, Net**

Capital assets are stated at cost. Expenditures for land, structures, equipment, and modernization programs that substantially increase the useful lives of existing assets determined to represent additions or betterments are capitalized at cost. Expenditures for repairs and maintenance are charged directly to expense as they are incurred. Depreciation is calculated using the straight-line method based on the estimated useful lives of the following asset groups:

Dwelling Equipment	5 Years
Office Equipment	5 Years
Buildings	10-27.5 Years

The Authority has established a capitalization threshold of \$5,000.

**L. Impairment of Long Lived Assets**

The Authority reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value of the asset may not be recoverable. Recoverability is measured by a comparison of the carrying amount of the asset to the future net undiscounted cash flow expected to be generated and any estimated proceeds from the eventual disposition. If the long-lived assets are considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount of the asset exceeds the fair value as determined from an appraisal, discounted cash flows analysis, or other valuation technique. There were no impairment losses recognized during 2019.



**HOUSING AUTHORITY OF THE CITY OF DURHAM**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**DECEMBER 31, 2019**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**M. Notes Receivable**

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

**N. Compensated Absences**

Compensated absences represent amounts to which employees are entitled based on accumulated leave earned in accordance with the Authority's Personnel Policy. A liability for compensated absences that is attributable to services already rendered and that are not contingent on a specific event that is outside the control of the Authority and its employees, is accrued as employees earn the rights to the benefits. Compensated absences that relate to future services or that are contingent on a specific event that is outside the control of the Authority and its employees are accounted for in the period in which such services are rendered or in which such events take place.

**O. Prepaid Rents**

The Authority's prepaid rents consist of the prepayment of rent by residents applicable to future periods.

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

Inter-program receivables and payables are the result of the use of a concentrated account depository as the common paymaster for most of the programs of the Authority. Cash settlements are made periodically. All inter-program balances are reconciled, and inter-program receivables and payables have been eliminated in the preparation of the basic financial statements. Detail balances by program are found in the financial data schedule portion of this report.

**Q. Equity Classifications**

Equity is classified as net position and displayed in three components:

Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

Restricted net position - Certain assets have been restricted for specific purposes. They consist of assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, laws or regulations of other governments, or other regulatory agency; or (2) law through constitutional provisions or enabling legislation.

**HOUSING AUTHORITY OF THE CITY OF DURHAM**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**DECEMBER 31, 2019**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Q. Equity Classifications (continued)**

Unrestricted net position - All other resources that do not meet the definition of "restricted" or "net investment in capital assets."

**R. Operating Revenues and Expenses**

The Authority defines its operating revenues as income derived from charges to residents and others for services provided as well as government subsidies and grants used for operating purposes. The Authority receives annual operating subsidies from HUD, subject to limitations prescribed by HUD. Operating subsidies from HUD are recorded when received and are accounted for as revenue. Other contributions from HUD that are for development and modernization of capital assets are reflected separately in the accompanying financial statements as capital grants. Operating expenses are costs incurred in the operation of its program activities to provide services to residents and others. The Authority classifies all other revenues and expenses as non-operating.

**S. Taxes**

The Authority is a unit of local government under North Carolina law and is exempt from real estate and income taxes by both the federal and state governments. However, the Authority will pay a payment in lieu of taxes to cover municipal services provided by the local government for certain properties owned throughout the City.

**T. Budgets and Budgetary Accounting**

The Authority adopts annual, appropriated operating budgets for all its programs receiving federal awards. All budgets are prepared on a HUD basis, which differs with GAAP. All appropriations lapse at HUD's program year end or at the end of grant periods.

**U. Economic Dependency**

The Section 8 Housing Choice Vouchers and Public and Indian Housing programs of the Authority are economically dependent on grants and subsidies from HUD. The programs operate at a loss prior to receiving subsidies.

**V. Risk Management**

The Authority is exposed to various risks related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Significant losses are covered by commercial insurance and there have been no significant reductions in insurance coverage. Claims expenditures and liabilities are reported when it is probable that a loss has occurred, the amount of the loss can be reasonably estimated, and said amount exceeds insurance coverage. Settlement amounts have not exceeded insurance coverage for the last three years.

**W. Subsequent Events**

Subsequent events have been evaluated through June 8, 2021, which is the date the financial statements were available to be issued, and there are no subsequent events requiring disclosure.

**HOUSING AUTHORITY OF THE CITY OF DURHAM  
NOTES TO FINANCIAL STATEMENTS (continued)  
DECEMBER 31, 2019**

**NOTE 2. CASH AND CASH EQUIVALENTS**

As of December 31, 2019, the Authority had funds on deposit in checking, savings and money market accounts.

As of December 31, 2019, the carrying amount of the Primary Government's cash (including restricted cash) was \$9,833,380 and the bank balances were \$10,306,708.

Cash and cash equivalents consist of the following:

<u>Cash Category</u>	<u>Primary Government</u>	<u>Discretely Presented Component Units</u>	<u>Total Reporting Entity (Memorandum Only)</u>
Unrestricted	\$ 7,596,570	\$ 546,906	\$ 8,143,476
Tenant security deposits	294,287	52,760	347,047
Restricted	<u>1,942,523</u>	<u>20,890,580</u>	<u>22,833,103</u>
	<u>\$ 9,833,380</u>	<u>\$ 21,490,246</u>	<u>\$ 31,323,626</u>

Of the Authority's bank balances, \$557,646 was covered by federal depository insurance and the remaining \$9,749,062 was collateralized with the pledging financial institution as of December 31, 2019.

Custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. As of December 31, 2019, the Authority's bank balances were not exposed to custodial credit risk.

**NOTE 3. ACCOUNTS RECEIVABLE, NET**

Accounts receivable, net consists of the following at December 31, 2019:

<u>Description</u>	<u>Primary Government</u>	<u>Discretely Presented Component Units</u>	<u>Total Reporting Entity (Memorandum Only)</u>
Accounts receivable - HUD	\$ 23,322	\$ -	\$ 23,322
Accounts receivable - tenants, net	240,966	534,569	775,535
Accounts receivable - other government	112,740	-	112,740
Accounts receivable - miscellaneous	<u>229,237</u>	<u>309,728</u>	<u>538,965</u>
Total accounts receivable, net	<u>\$ 606,265</u>	<u>\$ 844,297</u>	<u>\$ 1,450,562</u>

**A. Accounts receivable - HUD**

Accounts receivable - HUD represents amounts due from HUD for unreimbursed expenditures as part of the Authority's Capital Fund Program. The Authority considers these amounts fully collectible and accordingly, has made no allowance for doubtful accounts.

**HOUSING AUTHORITY OF THE CITY OF DURHAM  
NOTES TO FINANCIAL STATEMENTS (continued)  
DECEMBER 31, 2019**

**NOTE 3. ACCOUNTS RECEIVABLE (continued)**

**B. Accounts receivable - tenants, net**

Accounts receivable - tenants represents amounts due for tenant rents and is shown net of an allowance for doubtful accounts of \$270,646.

**C. Accounts receivable - other government**

Accounts receivable - other government consists of unreimbursed expenditures from other governmental entities. The Authority expects to fully collect these receivables.

**D. Accounts receivable - miscellaneous**

Accounts receivable - miscellaneous consists of amounts owed from managed properties and other miscellaneous sources from normal ongoing operations. This amount is shown net of an allowance for doubtful accounts of \$3,000.

**NOTE 4. RESTRICTED DEPOSITS**

Restricted deposits consist of the following as of December 31, 2019:

<u>Cash Category</u>	<u>Primary Government</u>	<u>Discretely Presented Component Units</u>	<u>Total Reporting Entity (Memorandum Only)</u>
Tenant Security Deposits	\$ 294,287	\$ 52,760	\$ 347,047
Housing Assistance Payment reserves:			
Excess HAP Revenues over HAP	476,053	313,980	790,033
Reserve for Replacement escrows	495,023	224,139	719,162
Family Self Sufficiency escrows	460,354	-	460,354
City of Durham grant proceeds	500,296	-	500,296
Restricted for modernization and development	-	1,825,388	1,825,388
Operating reserves	10,797	852,073	862,870
Multifamily revenue bonds	-	<u>17,675,000</u>	<u>17,675,000</u>
Total restricted deposits	<u>\$ 2,236,810</u>	<u>\$ 20,943,340</u>	<u>\$ 23,180,150</u>

Tenant security deposits represents cash held in escrow for the refund to tenants upon move out of their unit and may not be used to fund operations.

Housing assistance payment reserves are restricted for use only in the Section 8 Housing Choice Vouchers program for tenant rents.

In accordance with the loan agreements the Authority is required to make monthly deposits to a reserve for replacement escrows account for use in funding maintenance and replacement costs for the Edgemont Elms and Preiss-Steele Place properties.

Family Self Sufficiency (FSS) program escrows are restricted for Section 8 Housing Choice Vouchers program participants upon successful completion of the FSS program.

**HOUSING AUTHORITY OF THE CITY OF DURHAM  
NOTES TO FINANCIAL STATEMENTS (continued)  
DECEMBER 31, 2019**

**NOTE 4. RESTRICTED DEPOSITS (continued)**

City of Durham grant proceeds are restricted for the development of affordable housing within the City.

In accordance with loan agreements with the Authority, Damar Court, LLC and Morreene Road, LLC are required to set aside reserves for use in modernization and development of the properties.

In accordance with the original loan agreement with the City of Durham, the Authority is required to set aside operating reserves to fund future operating deficits for Edgemont Elms and Preiss-Steele Place, LLC. Additionally, in accordance with the original loan agreements with the Authority, Damar Court, LLC and Morreene Road, LLC are required to set aside reserves to fund future operating deficits.

Multifamily revenue bond proceeds are restricted for use in the rehabilitation of the Morreene Road and Damar properties.

**NOTE 5. NOTES RECEIVABLE**

Notes receivable at December 31, 2019 consisted of the following:

<u>Description</u>	<u>Amount</u>
Note receivable from TCB-DVI Main Street Townhomes, LLC issued on January 1, 2004 in the amount of \$1,332,793 with interest at 1.38 times the applicable AFR (currently at 7.37%). The loan is due December 31, 2049 and secured by a Deed of Trust.	\$ 1,332,793
Note receivable from TCB-DVI Calvert Place, LLC issued on March 4, 2005 in the amount of \$822,346 with interest at 1.52 times the applicable AFR (currently at 7.45%). The loan is due December 31, 2050 and secured by a Deed of Trust.	822,346
Note receivable from TCB-DVI Morning Glory, LLC issued on December 29, 2004 in the amount of \$710,473 with interest at 1.70 times the applicable AFR (currently at 9.08%). The loan is due December 31, 2050 and secured by a Deed of Trust.	710,473
Note receivable from TCB-DVI Holman Homes, LLC issued on June 26, 2007 in the amount of \$2,214,377 with an interest rate of 4.91%. The loan is due June 26, 2049 and secured by a Deed of Trust.	2,214,377
Notes receivable from TCB-DVI Holman Homes, LLC (RHF) issued on June 26, 2007 in the amount of \$489,791 with an interest rate of 5.31%. The loan is due June 26, 2049 and secured by a Deed of Trust.	489,791
Note receivable from Preiss-Steele Place LLC is owed to Preiss-Steele Place Housing, Inc. issued on February 25, 2014 in the amount of \$1,657,995 with an annual interest rate of 5%. Payments are due from available cash as defined in the operating agreement. The loan is due February 25, 2044 and secured by a fourth mortgage on the property.	1,657,995

**HOUSING AUTHORITY OF THE CITY OF DURHAM  
NOTES TO FINANCIAL STATEMENTS (continued)  
DECEMBER 31, 2019**

**NOTE 5. NOTES RECEIVABLE (continued)**

<u>Description</u>	<u>Amount</u>
Note receivable from TCB-DVI Calvert Place, LLC issued on March 4, 2005 in the amount of \$575,000 with an annual interest rate of 1.13%. The loan is due March 4, 2052 and secured by a Deed of Trust.	575,000
Note receivable from TCB-DVI Morning Glory, LLC issued on December 29, 2004 in the amount of \$200,000 with an annual interest rate of 0%. The loan is due December 31, 2052 and secured by a Deed of Trust.	200,000
Note receivable from TCB-DVI Main Street Townhomes, LLC issued on January 1, 2004 in the amount of \$514,335 with an annual interest rate of 0%. The loan is due December 31, 2051 and secured by Deed of Trust.	514,335
Note receivable - second mortgage loan from Damar Court, LLC issued on December 20, 2017 in the amount of \$4,300,000 with an annual interest rate of 5%. The loan is due June 1, 2059 and secured by real property.	4,300,000
Note receivable - third mortgage loan from Damar Court, LLC issued on December 13, 2017 in the amount of \$3,217,329 with an annual interest rate of 5%. The loan is due June 1, 2059 and secured by real property.	3,217,329
Note receivable - fourth mortgage loan from Damar Court, LLC issued on December 13, 2017 in the amount of \$400,000 with an annual interest rate of 5%. The loan is due June 1, 2059 and secured by real property.	400,000
Note receivable - second mortgage loan from Morreene Road, LLC issued on December 20, 2017 in the amount of \$2,500,000 with an annual interest rate of 5%. The loan is due June 1, 2059 and secured by real property.	2,500,000
Note receivable - third mortgage loan from Morreene Road, LLC issued on December 20, 2017 in the amount of \$901,000 with an annual interest rate of 5%. The loan is due June 1, 2059 and secured by real property.	901,000
Note receivable - fourth mortgage loan from Morreene Road, LLC issued on December 20, 2017 in the amount of \$1,817,912 with an annual interest rate of 5%. The loan is due June 1, 2059 and secured by real property.	<u>1,817,911</u>
Total notes receivable	<u>\$ 21,653,350</u>

Accrued interest on the aforementioned notes receivable totaled \$7,209,514 at December 31, 2019, of which management has set up an allowance for doubtful amounts totaling \$7,209,514 on these balances.

**NOTE 6. OTHER ASSETS**

Other assets contained in the Primary Government include developer fees owed from the Authority's discretely presented component units (\$455,164) and homeownership assets held for sale (\$69,793) in the public housing program.

Other assets contained in the discretely presented component units consist of capitalized tax credit fees and other miscellaneous deferrals.

**HOUSING AUTHORITY OF THE CITY OF DURHAM**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**DECEMBER 31, 2019**

**NOTE 7. CAPITAL ASSETS, NET**

The following is a summary of the Primary Government's changes in capital assets for the year ended December 31, 2019:

Description	December 31, 2018	Additions	Dispositions	Transfers	December 31, 2019
<u>Non-depreciable capital assets:</u>					
Land	\$ 5,380,507	\$ -	\$ -	\$ -	\$ 5,380,507
Construction in progress	<u>101,865</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>101,865</u>
Subtotal	<u>5,482,372</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,482,372</u>
<u>Depreciable capital assets:</u>					
Buildings	62,547,762	99,555	-	-	62,647,317
Furniture and equipment	<u>1,471,345</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,471,345</u>
Subtotal	<u>64,019,107</u>	<u>99,555</u>	<u>-</u>	<u>-</u>	<u>64,118,662</u>
Total	<u>69,501,479</u>	<u>99,555</u>	<u>-</u>	<u>-</u>	<u>69,601,034</u>
Less: accumulated depreciation	<u>(56,596,731)</u>	<u>(1,317,351)</u>	<u>-</u>	<u>-</u>	<u>(57,914,082)</u>
Net capital assets	<u>\$ 12,904,748</u>	<u>\$ (1,217,796)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,686,952</u>

Depreciation expense of the Primary Government for the year ended December 31, 2019 amounted to \$1,317,351.

The following is a summary of the discretely present component units' changes in capital assets for the year ended December 31, 2019:

Description	December 31, 2018	Additions	Dispositions	Transfers	December 31, 2019
<u>Non-depreciable capital assets:</u>					
Land	\$ 1,450,331	\$ -	\$ (84,084)	\$ -	\$ 1,366,247
Construction in progress	<u>8,299,571</u>	<u>12,734,501</u>	<u>-</u>	<u>(14,444,664)</u>	<u>6,589,408</u>
Subtotal	<u>9,749,902</u>	<u>12,734,501</u>	<u>(84,084)</u>	<u>(14,444,664)</u>	<u>7,955,655</u>
<u>Depreciable capital assets:</u>					
Buildings	14,927,016	-	-	14,149,748	29,076,764
Furniture and equipment	<u>86,299</u>	<u>-</u>	<u>-</u>	<u>248,358</u>	<u>334,657</u>
Subtotal	<u>15,013,315</u>	<u>-</u>	<u>-</u>	<u>14,398,106</u>	<u>29,411,421</u>
Total	<u>24,763,217</u>	<u>12,734,501</u>	<u>(84,084)</u>	<u>(46,558)</u>	<u>37,367,076</u>
Less: accumulated depreciation	<u>(988,836)</u>	<u>(508,160)</u>	<u>-</u>	<u>(46,558)</u>	<u>(1,543,554)</u>
Net capital assets	<u>\$ 23,774,381</u>	<u>\$ 12,226,341</u>	<u>\$ (84,084)</u>	<u>\$ -</u>	<u>\$ 35,823,522</u>

Depreciation expense of the discretely presented component units for the year ended December 31, 2019 amounted to \$508,160.

**HOUSING AUTHORITY OF THE CITY OF DURHAM  
NOTES TO FINANCIAL STATEMENTS (continued)  
DECEMBER 31, 2019**

**NOTE 8. COMPENSATED ABSENCES**

Compensated absences represent amounts to which employees are entitled based on accumulated leave earned in accordance with the Authority's Personnel Policy. Vacation and sick leave start accruing the date of employment, but vests upon completion of the probationary period of 90 days. Employees accrue compensated absences according to the following schedule:

Years of Service	Accrual hours per month	Annual Accrual	Maximum Hours
<u>Full-time Employee - Vacation:</u>			
0-5	8 hours	96 hours	240 hours
5-10	10 hours	120 hours	240 hours
10-15	12 hours	144 hours	288 hours
15-20	13 hours	156 hours	312 hours
20 or more	14 hours	168 hours	336 hours

Full-time Employees - Sick:

All years of service	8 hours	96 hours	No limit
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As of December 31, 2019, accrued compensated absences amounted to \$405,431 and consisted of the following activity:

<u>Description</u>	<u>Primary Government</u>	<u>Discretely Presented Component Units</u>	<u>Total Reporting Entity (Memorandum Only)</u>
Beginning compensated absences	\$ 381,649	\$ 16,089	\$ 397,738
Compensated absences expense	70,265	10,329	80,594
Compensated absences redeemed	<u>(56,812)</u>	<u>(16,089)</u>	<u>(72,901)</u>
Ending compensated absences	395,102	10,329	405,431
Less: current portion	<u>39,511</u>	<u>1,033</u>	<u>40,544</u>
Compensated absences, non-current	<u>\$ 355,591</u>	<u>\$ 9,296</u>	<u>\$ 364,887</u>

**NOTE 9. LONG TERM DEBT**

Long-term debt of the Primary Government consisted of the following as of December 31, 2019:

<u>Description</u>	<u>Amount</u>
First mortgage with Mechanics and Farmers Bank for a term of 59 consecutive equal payments of principal and interest equal to \$2,766 and a final payment of all outstanding principal and accrued unpaid interest. The loan was originally due on January 5, 2019 and was extended until March 30, 2020. The repayment schedule was calculated utilizing an amortization period of 20 years and 5.5% interest. The mortgage is secured by the underlying land and building at EEHI. The loan was paid off on May 28, 2020.	\$ 332,589



**HOUSING AUTHORITY OF THE CITY OF DURHAM  
NOTES TO FINANCIAL STATEMENTS (continued)  
DECEMBER 31, 2019**

**NOTE 9. LONG TERM DEBT (continued)**

<u>Description</u>	<u>Amount</u>
Second Mortgage Loan with the City of Durham bond sales proceeds for a term of 15 years, which may, under certain conditions be extended to 20 years, at 0% interest to the project. This loan originated on July 3, 1989 for \$1,057,879. The terms of the loan were modified during 2011. The Authority was not required to make any payments on the outstanding balance until January 2014. At this time, the loan was amortized for a term of 120 months at 2.00% per annum due December 31, 2023. The loan is secured by the underlying land and building at EEHI.	161,492
Third Mortgage Loan with the North Carolina Housing Finance Agency. Principal and interest payments begin in year 15. The loan originated on July 25, 1988 for \$60,000. All accrued interest from prior years has been forgiven. The Note Agreement was originally to mature in December 2005 and was then extended to November 1, 2018 with a lump sum due at maturity. The note was extended again to March 2025 with monthly principal payments of \$1,000 to begin in April 2020. The loan has 0% interest rate. The loan is secured by the underlying land and building at EEHI.	60,000
First Mortgage Loan from the North Carolina Housing Finance Agency to assist with the Goley Pointe construction project. The \$600,000 loan is dated November 30, 2017 and is due December 31, 2047. Interest on the note is 0% from the closing date for six months, then 30-days LIBOR plus 2.5%. The loan is secured by a Deed of Trust on the property owned by Goley Pointe.	<u>600,000</u>
Total long-term debt	1,154,081
Less: current portion	<u>432,824</u>
Long-term debt, net of current portion	<u>\$ 721,257</u>

Annual debt service for principal and interest over the next five years and thereafter is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 432,824	\$ 162,547	\$ 595,371
2021	40,963	2,134	43,097
2022	41,790	1,307	43,097
2023	38,504	4,512	43,016
2024	-	-	-
Thereafter	<u>600,000</u>	<u>-</u>	<u>600,000</u>
	<u>\$ 1,154,081</u>	<u>\$ 170,500</u>	<u>\$ 1,324,581</u>

**HOUSING AUTHORITY OF THE CITY OF DURHAM**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**DECEMBER 31, 2019**

**NOTE 9. LONG TERM DEBT (continued)**

Long-term debt of the discretely presented component units consisted of the following as of December 31, 2019:

<u>Description</u>	<u>Amount</u>
Various loans payable to the Authority as described in Note 5.	\$ 5,740,728
First Mortgage Loan of \$1,402,679 from the City of Durham. The loan was dated December 31, 2016 and is due in 20 years. The interest on the loan is 2% and secured by the underlying property. This amount is shown less unamortized debt issuance costs of \$3,242.	1,311,372
Second Mortgage loan of \$1,000,000 from the North Carolina Housing Finance Agency on November 17, 2016. This loan is a rental production program loan with 2% interest and monthly payments of \$7,351. The maturity of the loan is December 1, 2029. The loan is secured by a Deed of Trust.	788,610
Third Mortgage Loan of \$406,900 is a state tax credit loan from the North Carolina Housing Finance Agency dated December 30, 2014. The loan bears no interest and no payments are due until maturity. The loan is due on January 1, 2045 and secured by the underlying property.	406,900
Note receivable from Preiss-Steele Place LLC is owed to Preiss-Steele Place Housing, Inc. issued on February 25, 2014 in the amount of \$1,657,995 with an annual interest rate of 5%. Payments are due from available cash as defined in the operating agreement. The loan is due February 25, 2044 and secured by a fourth mortgage on the property.	1,655,053
Damar Court, LLC entered into a FHA HUD mortgage insurance loan in the amount of \$6,800,000. The loan bears interest annually at 3.87%, commencing on July 1, 2019. The loan matures on July 1, 2059 and is secured by the underlying property.	4,822,895
Morreene Road, LLC entered into a FHA HUD mortgage insurance loan in the amount of \$5,362,000. The loan bears interest annually at 3.85%, commencing on July 1, 2019. The loan matures on June 1, 2059 and is secured by the underlying property.	6,552,982
Damar Court, LLC entered into a construction loan agreement with the Authority in the amount of \$9,775,000. The loan bears interest at a fixed rate of 1.8% until the initial mandatory tender date of January 1, 2020; thereafter, interest will be reset by the remarketing agent (RBC Capital Markets, LLC). The outstanding principal and interest balance shall be paid in full on or before January 1, 2021. The loan is secured by the underlying property.	9,775,000

**HOUSING AUTHORITY OF THE CITY OF DURHAM**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**DECEMBER 31, 2019**

**NOTE 9. LONG TERM DEBT (continued)**

<u>Description</u>	<u>Amount</u>
Morreene Road, LLC entered into a construction loan agreement with the Authority in the amount of \$7,900,000. The loan bears interest at a fixed rate of 1.85% until the initial mandatory tender date of January 1, 2020; thereafter, interest will be reset by the remarketing agent (RBC Capital Markets, LLC). The outstanding principal and interest balance shall be paid in full on or before January 1, 2021. The loan is secured by the underlying property.	<u>7,900,000</u>
Total long-term debt	38,953,540
Less: current portion	<u>17,748,540</u>
Long-term debt, net of current portion	<u>\$ 21,205,000</u>

**NOTE 10. PAYMENTS IN LIEU OF TAXES**

Under Federal, State and Local law, the Authority's programs are exempt from income, property and excise taxes. However, the Authority is required to make a payment in lieu of taxes ("PILOT") for the PHA Owned Program in accordance with the provisions of its Cooperation Agreement with the City of Durham. Under the Cooperation Agreement, the Authority must pay the City the lesser of 10% of its net shelter rent or the approximate full real property taxes. During the year ended December 31, 2019, PILOT expense was incurred in the amount of \$48,823.

**NOTE 11. NON-CURRENT LIABILITIES**

During the year ended December 31, 2019, the Primary Government's non-current liabilities consisted of the following activity:

<u>Description</u>	<u>Balances at December 31, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balances at December 31, 2019</u>	<u>Amount due currently</u>
Accrued compensated absences	\$ 381,649	\$ 70,265	\$ (56,812)	\$ 395,102	\$ 39,511
Loans payable	1,475,582	-	(321,501)	1,154,081	432,824
Other non-current liabilities	<u>503,232</u>	<u>-</u>	<u>(45,652)</u>	<u>457,580</u>	<u>2,043</u>
	<u>\$ 2,360,463</u>	<u>\$ 70,265</u>	<u>\$ (423,965)</u>	<u>\$ 2,006,763</u>	<u>\$ 474,378</u>

During the year ended December 31, 2019, the discretely presented component unit's non-current liabilities consisted of the following:

<u>Description</u>	<u>Balances at December 31, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balances at December 31, 2019</u>	<u>Amount due currently</u>
Loans payable	43,055,855	\$ 3,457,201	\$(7,559,516)	\$ 38,953,540	\$ 17,748,540
Accrued compensated absences	16,089	696	(6,456)	10,329	1,033
Other liabilities	<u>460,243</u>	<u>5,744,159</u>	<u>(460,243)</u>	<u>5,744,159</u>	<u>3,050,323</u>
	<u>\$ 43,532,187</u>	<u>\$ 9,202,056</u>	<u>\$ 8,026,215</u>	<u>\$ 44,708,028</u>	<u>\$ 20,799,896</u>

**HOUSING AUTHORITY OF THE CITY OF DURHAM**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**DECEMBER 31, 2019**

**NOTE 12. RELATED PARTY TRANSACTIONS**

Preiss-Steele Place, LLC entered into a development agreement of \$984,000 with DVI, for services in overseeing the construction of the project. The fee is capitalized into the cost of the building and land. The amount of the fee was reduced by \$8,043 due to a reduction in the investor member's capital contribution.

The development fee is payable from capital contributions and through future cash flows of Preiss-Steele Place, LLC. The balance due as of December 31, 2019 is \$455,164.

**NOTE 13. PENSION PLAN**

The Authority contributes to the Durham Housing Authority Retirement Plan, which is administered by Principal Financial Group. The plan is a defined contribution plan.

A defined contribution pension plan provides pension benefits in return for services rendered, provides an individual account for each participant, and specifies how contributions to the individual's account are to be determined instead of specifying the amount of benefits the individual is to receive. Under a defined contribution pension plan, the benefits a participant will receive depend solely on the amount contributed to the participant's account, the returns earned on investments of those contributions, and forfeitures of other participants' benefits that may be allocated to such participant's account.

As established by the Authority's personnel policy, all full-time employees of the Authority must participate in the pension plan beginning the earliest of January 1st or July 1st following three months after the date they are hired. Contributions made by an employee vest immediately and contributions made by the Authority are fully vested after five years of full-time employment with 20% partial vesting each of those five years. Employees who leave the employment of the Authority are entitled to their contributions, the Authority's contributions to the extent vested, and the earnings on these amounts. Through September 30, 2001, the Authority was required to contribute an amount equal to 12% of the employee's base annual salary. Effective October 1, 2001, this rate was reduced to 7% of the base annual salary. Effective July 1, 2007, employees are required to contribute 2% of their annual base salary and the Authority contributes 5% of that annual base salary.

In addition, if the employee chooses to voluntarily contribute an additional percentage of their annual base salary, the Authority will match up to 2% of that annual base salary. In this case, the employee is fully vested in the Authority's matched contribution without regard to term of service. The plan provisions were established by the Board of Commissioners of the Authority and may be amended by the Trustees of the plan.

A loan provision is part of the retirement plan and allows employees to borrow money from their retirement accounts with a minimum of \$1,000 and a maximum of the lesser of 50% of their vested balances up to \$50,000. Loans must meet one of four requirements which are 1) foreclosure on a home, 2) purchase of a home, 3) medical expenses, or 4) educational expenses.

During the year ended December 31, 2019, the Authority's actual contribution amounted to \$254,209. The total salaries for the year ended December 31, 2019 were \$4,090,735 and covered salaries were \$4,238,055.

Except for the changes described above, no pension plan provision charges occurred during the year which affected the required contributions to be made by the Authority or its employees. The Authority's Pension Plan held no securities of the Authority or of other related parties during the year or as of the close of the fiscal year ended December 31, 2019.

**HOUSING AUTHORITY OF THE CITY OF DURHAM  
NOTES TO FINANCIAL STATEMENTS (continued)  
DECEMBER 31, 2019**

**NOTE 14.      OIG REPAYMENTS**

As a result of the HUD's Office of Inspector General audit number 2005-AT-1004, it was discovered that the Authority made \$3,551,532 in ineligible expenditures from various programs. The Authority owes \$3,432,242 to the Authority's Public Housing, Hope VI and other programs, of which \$92,350 is due for the City of Durham grants. City of Durham grant repayments of \$9,250 are due annually for the next ten years, with the final payment due in 2029. For the remaining amount due, \$2,900,000 will be utilized by the Authority for the JJ Henderson Reimbursement Project for the RAD conversion and \$499,537 will be utilized by the McDougald Terrace Reimbursement project for capital repairs

**NOTE 15.      CONTINGENCIES**

The Authority receives financial assistance from HUD in the form of grants and subsidies. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by HUD. As a result of these audits, costs previously reimbursed could be disallowed and require payments to HUD. As of December 31, 2019, the Authority estimates that no material liabilities will result from such audits.

**NOTE 16.      RESTRICTED NET POSITION**

Restricted net position consists of the following as of December 31, 2019:

<u>Description</u>	<u>Primary Government</u>	<u>Discretely Presented Component Units</u>	<u>Total Reporting Entity (Memorandum Only)</u>
Replacement reserve	\$ 379,942	\$ 224,139	\$ 604,081
Operating reserve	54,481	313,980	368,461
City of Durham grant proceeds	500,296	-	500,296
Housing assistance payments	<u>478,827</u>	<u>-</u>	<u>478,827</u>
Total restricted net position	<u>\$ 1,413,546</u>	<u>\$ 538,119</u>	<u>\$ 1,951,665</u>

The Authority is required to fund various replacement reserve accounts as part of agreements with certain lenders. These accounts are only available to fund future repairs of specific properties.

The Authority is also required to fund the operating deficits of certain projects as part of agreements with certain lenders and partners. These accounts are only available for that specific purpose.

In accordance with the original grant agreement with the City of Durham, the Authority is required to spend the grant funds on certain capital purchases.

Housing assistance payments are restricted for use only in the Section 8 Housing Choice Vouchers Program for future housing assistance payments.

**HOUSING AUTHORITY OF THE CITY OF DURHAM**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**DECEMBER 31, 2019**

**NOTE 17. VULNERABILITY - IMPACT OF COVID-19**

The severity of the impact of COVID-19 on the Authority's operations will depend on a number of factors, including, but not limited to, the duration and severity of the pandemic and the extent and severity of the impact on the Authority's tenants, employees and vendors, all of which are uncertain and cannot be predicted. The Authority's future results could be adversely impacted by delays in rent and loan payments. Management is unable to predict with absolute certainty the impact of COVID-19 on its financial condition, results of operations or cash flows.

**NOTE 18. CONDENSED INFORMATION FOR THE BLENDED COMPONENT UNITS**

	Development Ventures, Inc.	Edgemont Elms Housing, Inc.	Learning Assistance Inc.	Preiss-Steele Place, Inc.	Total
<b>Assets:</b>					
Current assets	\$ 186,948	\$ 153,422	\$ 44,750	\$ -	\$ 385,120
Capital assets	7,034,340	1,442,623	-	-	8,476,963
Other non-current assets	<u>455,164</u>	<u>390,739</u>	<u>-</u>	<u>1,657,995</u>	<u>2,503,898</u>
Total assets	<u>7,676,452</u>	<u>1,986,784</u>	<u>44,750</u>	<u>1,657,995</u>	<u>11,365,981</u>
<b>Liabilities:</b>					
Current	623,725	526,775	-	-	1,150,500
Non-current	<u>603,338</u>	<u>396,216</u>	<u>-</u>	<u>-</u>	<u>999,554</u>
Total liabilities	<u>1,227,063</u>	<u>922,991</u>	<u>-</u>	<u>-</u>	<u>2,150,054</u>
<b>Net Position:</b>					
Net investment in capital assets	6,434,340	888,542	-	-	7,322,882
Restricted	-	390,739	-	-	390,739
Unrestricted	<u>15,049</u>	<u>(215,488)</u>	<u>44,750</u>	<u>1,657,995</u>	<u>1,502,306</u>
Net position	<u>\$ 6,449,389</u>	<u>\$ 1,063,793</u>	<u>\$ 44,750</u>	<u>\$ 1,657,995</u>	<u>\$ 9,215,927</u>

	Development Ventures, Inc.	Edgemont Elms Housing, Inc.	Learning Assistance Inc.	Preiss-Steele Place, Inc.	Total
<b>Operating revenue:</b>					
Tenant revenue	\$ 87,698	\$ 429,947	\$ -	\$ -	\$ 517,645
Other revenues	<u>97,949</u>	<u>153</u>	<u>21,875</u>	<u>-</u>	<u>119,977</u>
Total operating revenues	<u>185,647</u>	<u>430,100</u>	<u>21,875</u>	<u>-</u>	<u>637,622</u>
<b>Operating expenses:</b>					
Administrative	414,742	175,922	-	-	590,664
Maintenance and utilities	92,706	175,292	-	-	267,998
Other	<u>135,126</u>	<u>207,668</u>	<u>6,059</u>	<u>-</u>	<u>348,853</u>
Total operating expenses	<u>642,574</u>	<u>558,882</u>	<u>6,059</u>	<u>-</u>	<u>1,207,515</u>
<b>Other income (expense)</b>					
Interest income	764	2,415	262	-	3,441
Interest expense	<u>-</u>	<u>(22,644)</u>	<u>-</u>	<u>-</u>	<u>(22,644)</u>
Net other income (expense)	<u>764</u>	<u>(20,229)</u>	<u>262</u>	<u>-</u>	<u>(19,203)</u>
Transfers in	<u>-</u>	<u>15,462</u>	<u>-</u>	<u>-</u>	<u>15,462</u>
Change in net position	<u>\$ (456,163)</u>	<u>\$ (133,549)</u>	<u>\$ 16,078</u>	<u>\$ -</u>	<u>\$ (573,634)</u>

**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***

To the Board of Commissioners of  
Housing Authority of the City of Durham:

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 (primary government) and the discretely presented component units of the Housing Authority of the City of Durham (the "Authority") as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated June 8, 2021. The financial statements of the discretely presented component units were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the component units.

**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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **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 determination of financial statement amounts. 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2019-001 and 2019-002.

### **Purpose of this Report**

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

*Novogradac & Company LLP*

June 8, 2021  
Toms River, New Jersey



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

To the Board of Commissioners of  
Housing Authority of the City of Durham:

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

We have audited the Housing Authority of the City of Durham's (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, 2019. 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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

**Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for each of 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.

### **Basis for Qualified Opinion on the Housing Choice Voucher Program**

As described in the accompanying schedule of findings and questioned costs in item 2019-001, the Authority did not comply with the eligibility compliance requirements of the Uniform Guidance regarding maintenance of tenant file items as required by the Section 8 Housing Choice Vouchers Program (CFDA #14.871). Compliance with such requirements is necessary, in our opinion, for the Authority to comply with the requirements applicable to that program.

### **Qualified Opinion on the Housing Choice Voucher Program**

In our opinion, except for the non-compliance described in the Basis for Qualified Opinion paragraph, 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 the Section 8 Housing Choice Vouchers Program.

### **Unmodified Opinion on Each of the Other Major Federal Programs**

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 of the other major federal programs identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs for the year ended December 31, 2019.

### **Other Matters**

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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2019-001 to be a material weakness.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph 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. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

**Report on Internal Control Over Compliance (continued)**

*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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2019-002 to be a significant deficiency.

The Authority's response to the internal control over compliance 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.

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

*Novogradac & Company LLP*

June 8, 2021  
Toms River, New Jersey

**HOUSING AUTHORITY OF THE CITY OF DURHAM  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2019**

<u>Federal Grantor / Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Grant Expenditures</u>
U.S. Department of Housing and Urban Development:			
Housing Voucher Cluster:			
Section 8 Housing Choice Voucher	14.871		\$ 23,453,851
Mainstream Vouchers	14.879		<u>47,230</u>
Total Housing Voucher Cluster			<u>23,501,081</u>
Public and Indian Housing	14.850		7,765,625
Public Housing Capital Fund Program	14.872		3,214,187
Shelter Plus Care	14.238		90,904
Resident Opportunity and Supportive Services			
Service Coordinators	14.870		93,520
PIH Family Self Sufficiency Coordinator	14.896		<u>144,000</u>
Subtotal U.S. Department of Housing and Urban Development Direct Programs			<u>34,809,317</u>
U.S. Department of Housing and Urban Development Pass-Through Programs From:			
City of Durham - Housing Opportunities for Persons with AIDS	14.241	N/A	<u>147,452</u>
Total Expenditures of Federal Awards			<u>\$ 34,956,769</u>

See notes to schedule of expenditures of federal awards.

**HOUSING AUTHORITY OF THE CITY OF DURHAM**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

**NOTE 1. BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal grant activity of the Authority under programs of the federal government for the year ended December 31, 2019. The information in the Schedule is presented in accordance with the 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). Because the Schedule presents only a selected portion of 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 principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**NOTE 3. INDIRECT COST RATE**

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

**HOUSING AUTHORITY OF THE CITY OF DURHAM**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (continued)**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

**NOTE 4. SCHEDULE OF ACTUAL CAPITAL FUND PROGRAM COSTS**

	<u>501-13</u>	<u>501-14</u>	<u>501-15</u>	<u>501-16</u>	<u>501-17</u>	<u>501-18</u>	<u>501-19</u>
Budget	\$ <u>2,147,637</u>	\$ <u>2,306,552</u>	\$ <u>2,531,524</u>	\$ <u>2,702,972</u>	\$ <u>2,660,389</u>	\$ <u>3,926,709</u>	\$ <u>3,343,050</u>
<u>Advances:</u>							
Cumulative through 12/31/18	\$ 1,966,154	\$ 1,732,606	\$ 1,290,018	\$ 2,013,170	\$ 798,115	\$ -	\$ -
Current Year	<u>26</u>	<u>146,174</u>	<u>171,577</u>	<u>135,149</u>	<u>606,525</u>	<u>1,303,089</u>	<u>1,170,067</u>
Cumulative through 12/31/19	<u>1,966,180</u>	<u>1,878,780</u>	<u>1,461,595</u>	<u>2,148,319</u>	<u>1,404,640</u>	<u>1,303,089</u>	<u>1,170,067</u>
<u>Costs:</u>							
Cumulative through 12/31/18	1,966,154	1,732,606	1,290,018	2,013,170	798,115	321,420	-
Current Year	<u>26</u>	<u>146,174</u>	<u>171,577</u>	<u>135,149</u>	<u>606,525</u>	<u>981,669</u>	<u>1,170,067</u>
Cumulative through 12/31/19	<u>1,966,180</u>	<u>1,878,780</u>	<u>1,461,595</u>	<u>2,148,319</u>	<u>1,404,640</u>	<u>1,303,089</u>	<u>1,170,067</u>
Excess / (Deficiency)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
	<u>502-11</u>	<u>502-12</u>	<u>502-13</u>	<u>502-14</u>	<u>502-15</u>	<u>502-16</u>	<u>Sub -total</u>
Budget	\$ <u>104,550</u>	\$ <u>130,256</u>	\$ <u>408,471</u>	\$ <u>409,601</u>	\$ <u>303,495</u>	\$ <u>324,188</u>	\$ <u>21,299,394</u>
<u>Advances:</u>							
Cumulative through 12/31/18	\$ 104,550	\$ 130,256	\$ 408,471	\$ 409,601	\$ 256,854	\$ 324,188	\$ 9,433,983
Current Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,000</u>	<u>-</u>	<u>3,535,607</u>
Cumulative through 12/31/19	<u>104,550</u>	<u>130,256</u>	<u>408,471</u>	<u>409,601</u>	<u>259,854</u>	<u>324,188</u>	<u>12,969,590</u>
<u>Costs:</u>							
Cumulative through 12/31/18	104,550	130,256	408,471	409,601	256,854	324,188	9,755,403
Current Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,000</u>	<u>-</u>	<u>3,214,187</u>
Cumulative through 12/31/19	<u>104,550</u>	<u>130,256</u>	<u>408,471</u>	<u>409,601</u>	<u>259,854</u>	<u>324,188</u>	<u>12,969,590</u>
Excess / (Deficiency)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>

**HOUSING AUTHORITY OF THE CITY OF DURHAM  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (continued)  
FOR THE YEAR ENDED DECEMBER 31, 2019**

**NOTE 4. SCHEDULE OF ACTUAL CAPITAL FUND PROGRAM COSTS (continued)**

	<u>501-06</u>	<u>501-07</u>	<u>501-08</u>	<u>501-09</u>	<u>501-10</u>	<u>501-11</u>	<u>501-12</u>
Budget	\$ <u>3,034,692</u>	\$ <u>3,294,396</u>	\$ <u>2,922,255</u>	\$ <u>3,293,273</u>	\$ <u>2,971,245</u>	\$ <u>2,529,515</u>	\$ <u>2,255,391</u>
<u>Advances:</u>							
Cumulative through 12/31/18	\$ 3,034,692	\$ 3,294,396	\$ 2,922,255	\$ 3,293,273	\$ 2,971,245	\$ 2,529,515	\$ 2,255,391
Current Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cumulative through 12/31/19	<u>3,034,692</u>	<u>3,294,396</u>	<u>2,922,255</u>	<u>3,293,273</u>	<u>2,971,245</u>	<u>2,529,515</u>	<u>2,255,391</u>
<u>Costs:</u>							
Cumulative through 12/31/18	3,034,692	3,294,396	2,922,255	3,293,273	2,971,245	2,529,515	2,255,391
Current Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cumulative through 12/31/19	<u>3,034,692</u>	<u>3,294,396</u>	<u>2,922,255</u>	<u>3,293,273</u>	<u>2,971,245</u>	<u>2,529,515</u>	<u>2,255,391</u>
Excess / (Deficiency)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
	<u>RHF 501-8</u>	<u>RHF 501-09</u>	<u>RHF 501-10</u>	<u>RHF 501-11</u>	<u>RHF 501-12</u>	<u>502-10</u>	<u>Totals</u>
Budget	\$ <u>520,223</u>	\$ <u>123,109</u>	\$ <u>340,775</u>	\$ <u>304,778</u>	\$ <u>271,336</u>	\$ <u>125,816</u>	\$ <u>43,286,198</u>
<u>Advances:</u>							
Cumulative through 12/31/18	\$ 520,223	\$ 123,109	\$ 340,775	\$ 304,778	\$ 271,336	\$ 125,816	\$ 31,420,787
Current Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,535,607</u>
Cumulative through 12/31/19	<u>520,223</u>	<u>123,109</u>	<u>340,775</u>	<u>304,778</u>	<u>271,336</u>	<u>125,816</u>	<u>34,956,394</u>
<u>Costs:</u>							
Cumulative through 12/31/18	520,223	123,109	340,775	304,778	271,336	125,816	31,742,207
Current Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,214,187</u>
Cumulative through 12/31/19	<u>520,223</u>	<u>123,109</u>	<u>340,775</u>	<u>304,778</u>	<u>271,336</u>	<u>125,816</u>	<u>34,956,394</u>
Excess / (Deficiency)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>

**HOUSING AUTHORITY OF THE CITY OF DURHAM  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
DECEMBER 31, 2019**

**NOTE 4. SCHEDULE OF ACTUAL CAPITAL FUND PROGRAM COSTS (continued)**

- 1) CFP Grant No. NC19R013502-11 with an approved funding of \$104,550 has been fully drawn down and expended as per Capital Fund Program Grant Regulations.
- 2) CFP Grant No. NC19R013502-12 with an approved funding of \$130,256 has been fully drawn down and expended as per Capital Fund Program Grant Regulations.
- 3) CFP Grant No. NC19R013502-13 with an approved funding of \$408,471 has been fully drawn down and expended as per Capital Fund Program Grant Regulations.
- 4) CFP Grant No. NC19R013502-14 with an approved funding of \$409,601 has been fully drawn down and expended as per Capital Fund Program Grant Regulations.
- 5) CFP Grant No. NC19R013502-16 with an approved funding of \$324,188 has been fully drawn down and expended as per Capital Fund Program Grant Regulations.
- 6) CFP Grant No. NC19P013501-06 with an approved funding of \$3,034,692 has been fully drawn down and expended as per Capital Fund Program Grant Regulations.
- 7) CFP Grant No. NC19P013501-07 with an approved funding of \$3,294,396 has been fully drawn down and expended as per Capital Fund Program Grant Regulations.
- 8) CFP Grant No. NC19P013501-08 with an approved funding of \$2,922,295 has been fully drawn down and expended as per Capital Fund Program Grant Regulations.
- 9) CFP Grant No. NC19P013501-09 with an approved funding of \$3,293,273 has been fully drawn down and expended as per Capital Fund Program Grant Regulations.
- 10) CFP Grant No. NC19P013501-10 with an approved funding of \$2,971,245 has been fully drawn down and expended as per Capital Fund Program Grant Regulations.
- 11) CFP Grant No. NC19P013501-11 with an approved funding of \$2,529,515 has been fully drawn down and expended as per Capital Fund Program Grant Regulations.
- 12) CFP Grant No. NC19P013501-12 with an approved funding of \$2,255,391 has been fully drawn down and expended as per Capital Fund Program Grant Regulations.
- 13) CFP Grant No. NC19R013501-08 with an approved funding of \$520,223 has been fully drawn down and expended as per Capital Fund Program Grant Regulations.
- 14) CFP Grant No. NC19R013501-09 with an approved funding of \$123,109 has been fully drawn down and expended as per Capital Fund Program Grant Regulations.
- 15) CFP Grant No. NC19R013501-10 with an approved funding of \$340,775 has been fully drawn down and expended as per Capital Fund Program Grant Regulations.
- 16) CFP Grant No. NC19R013501-11 with an approved funding of \$304,778 has been fully drawn down and expended as per Capital Fund Program Grant Regulations.
- 17) CFP Grant No. NC19R013501-12 with an approved funding of \$271,336 has been fully drawn down and expended as per Capital Fund Program Grant Regulations.
- 18) CFP Grant No. NC19R013502-10 with an approved funding of \$125,816 has been fully drawn down and expended as per Capital Fund Program Grant Regulations.



**HOUSING AUTHORITY OF THE CITY OF DURHAM  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
DECEMBER 31, 2019**

I. Summary of Auditors' Results

Financial Statements

- |    |   |               |
|----|---|---------------|
| 1. | Type of auditors' report issued:                    | Unmodified    |
| 2. | Internal control over financial reporting           |               |
|    | a. Material weakness(es) identified?                | No            |
|    | b. Significant deficiency(ies) identified?          | None reported |
| 3. | Noncompliance material to the financial statements? | Yes           |

Federal Awards

- |    |  |                                     |
|----|--|-------------------------------------|
| 1. | Internal control over compliance:  |                                     |
|    | a. Material weakness(es) identified?   | Yes                                 |
|    | b. Significant deficiency(ies) identified?   | Yes                                 |
| 2. | Type of auditors' report on compliance for major programs:   |                                     |
|    | 14.871 Section 8 Housing Choice Vouchers   | Qualified                           |
|    | 14.879 Mainstream Vouchers   | Unmodified                          |
|    | 14.850 Public and Indian Housing Program   | Unmodified                          |
|    | 14.872 Public Housing Capital Fund Program   | Unmodified                          |
| 3. | Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? | Yes                                 |
| 4. | Identification of major programs:  |                                     |
|    | <u>CFDA Number</u>   | <u>Name of Federal Program</u>      |
|    | 14.871   | Section 8 Housing Choice Vouchers   |
|    | 14.879   | Mainstream Vouchers                 |
|    | 14.850   | Public and Indian Housing Program   |
|    | 14.872   | Public Housing Capital Fund Program |
| 5. | Dollar threshold used to distinguish between Type A and Type B Programs:                           | \$1,048,703                         |
| 6. | Auditee qualified as low-risk Auditee?   | No                                  |

**HOUSING AUTHORITY OF THE CITY OF DURHAM  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)  
DECEMBER 31, 2019**

II. Financial Statement Findings

There were no findings relating to the financial statements which are required to be reported in accordance with *Government Auditing Standards*.

III. Federal Award Findings and Questioned Costs

**Finding 2019-001**

Federal Agency: U.S. Department of Housing and Urban Development  
Federal Program Titles: Section 8 Housing Choice Vouchers Program  
Federal Catalog Numbers: 14.871  
Material Noncompliance – E. Eligibility – Tenant Files  
Non Compliance Material to the Financial Statements: Yes  
Material Weakness in Internal Control over Compliance for Eligibility

Criteria: Tenant Files. The PHA must do the following: As a condition of admission or continued occupancy, require the tenant and other family member to provide necessary information, documentation, and releases for the PHA to verify income eligibility (24 CFR sections 5.230, 5.609, and 982.516).

Condition: Based upon inspection of the Authority's files and on discussion with management there were a significant number of documents that were unavailable for examination at the time of audit.

Context: Of a sample size of thirty six (36) tenant files, the following information was unavailable for examination at the time of audit:

- Annual inspection report was missing in three (3) files

Our sample size is statistically valid.

Known Questioned Costs: \$24,090

Cause: There is a material weakness in internal controls over the compliance for the eligibility type of compliance related to the maintenance of tenant files. The Authority has not properly considered, designed, implemented, maintained and monitored a system of internal controls that reasonably assures the program is in compliance.

Effect: The Section 8 Housing Choice Vouchers Program is in non-compliance with the eligibility type of compliance related to the maintenance of tenant files.

Recommendation: We recommend the Authority design and implement internal control procedures that will reasonably assure compliance with the Uniform Guidance and the compliance supplement.

**Finding 2019-002**

Federal Agency: U.S. Department of Housing and Urban Development  
Federal Program Titles: Public and Indian Housing Program  
Federal Catalog Numbers: 14.850  
Material Noncompliance – E. Eligibility – Tenant Files  
Non Compliance Material to the Financial Statements: No  
Significant Deficiency in Internal Control over Compliance for Eligibility

Criteria: Tenant Files. The PHA must do the following: As a condition of admission or continued occupancy, require the tenant and other family member to provide necessary information, documentation, and releases for the PHA to verify income eligibility (24 CFR sections 5.230, 5.609, and 982.516).

**HOUSING AUTHORITY OF THE CITY OF DURHAM**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)**  
**DECEMBER 31, 2019**

**Finding 2019-002 (continued)**

Condition: Based upon inspection of the Authority's files and on discussion with management there were a significant number of documents that were unavailable for examination at the time of audit.

Context: Of a sample size of twenty-six (26) tenant files, the following information was unavailable for examination at the time of audit:

- HUD-9887 consent to release information form was missing in one (1) file
- Verification of income and assets was missing in one (1) file

Our sample size is statistically valid.

Known Questioned Costs: \$7,257

Cause: There is a significant deficiency in internal controls over the compliance for the eligibility type of compliance related to the maintenance of tenant files. The Authority has not properly considered, designed, implemented, maintained and monitored a system of internal controls that reasonably assures the program is in compliance.

Effect: The Public and Indian Housing Program is in non-compliance with the eligibility type of compliance related to the maintenance of tenant files.

Recommendation: We recommend the Authority design and implement internal control procedures that will reasonably assure compliance with the Uniform Guidance and the compliance supplement.

Views of responsible officials and planned corrective action: The Authority has recognized the deficiencies in the Section 8 Housing Choice Vouchers Program and the Public and Indian Housing Program and will implement internal control procedures that will ensure compliance with federal regulations.

IV. Schedule of Prior Year Audit Findings

None reported.

Housing Authority of the City of Durham									
NC013									
Financial Data Schedule (FDS)									
December 31, 2019									
Line Item #	Account Description	PROJECTS	14.871 HOUSING CHOICE VOUCHERS	14.879 MAINSTREAM VOUCHERS	14.866 REVITALIZATION OF SEVERLY DISTRESSED PUBLIC HOUSING	14.896 PIH FAMILY SELF-SUFFICIENCY PROGRAM	14.238 SHELTER PLUS CARE	84.287 TWENTY-FIRST CENTURY COMMUNITY LEARNING CENTERS	6.2 COMPONENT UNIT-BLENDED
<b>ASSETS:</b>									
<b>CURRENT ASSETS:</b>									
Cash:									
111	Cash - unrestricted	\$ 6,060,891	\$ 168,345	\$ 43,684	-	-	-	-	\$ 95,414
112	Cash - restricted - modernization and developmer	-	-	-	-	-	-	-	-
113	Cash - other restricted	122,470	811,164	-	-	-	-	-	508,593
114	Cash - tenant security deposits	275,747	-	-	-	-	-	-	18,540
115	Cash - restricted for payment of current liabilitie	-	-	-	-	-	-	-	-
100	Total cash	6,459,108	979,509	43,684	-	-	-	-	622,547
Accounts and notes receivables									
121	Accounts receivable - PHA project:	680,095	-	-	-	-	-	-	-
122	Accounts receivable - HUD other project:	-	-	-	-	-	23,322	-	-
124	Accounts receivable - other government	-	42,976	-	-	-	-	-	-
125	Accounts receivable - miscellaneou	4,123	262,534	-	-	-	-	-	-
126	Accounts receivable- tenants	321,481	-	-	-	-	-	-	134,727
126.1	Allowance for doubtful accounts - tenant	(182,332)	-	-	-	-	-	-	(32,910)
126.2	Allowance for doubtful accounts - othe	(3,000)	-	-	-	-	-	-	-
127	Notes and mortgages receivable- curren	-	-	-	-	-	-	-	-
128	Fraud recovery	151,772	580,014	-	-	-	1,680	-	-
128.1	Allowance for doubtful accounts - fraud	(151,772)	(580,014)	-	-	-	(1,680)	-	-
129	Accrued interest receivables	-	-	-	-	-	-	-	-
120	Total receivables, net of allowances for doubtful account	820,367	305,510	-	-	-	23,322	-	101,817
Current investments									
131	Investments - unrestrictec	-	-	-	-	-	-	-	-
132	Investments - restrictec	-	-	-	-	-	-	-	-
135	Investments - restricted for payment of current liabilit	-	-	-	-	-	-	-	-
142	Prepaid expenses and other assets:	337,280	24,799	-	-	-	-	-	28,537
143	Inventories	404,482	-	-	-	-	-	-	-
143.1	Allowance for obsolete inventorie	-	-	-	-	-	-	-	-
144	Interprogram - due from	-	129,773	-	-	-	-	-	22,958
145	Assets held for sale	69,793	-	-	-	-	-	-	-
150	TOTAL CURRENT ASSETS	8,091,030	1,439,591	43,684	-	-	23,322	-	775,859
<b>NONCURRENT ASSETS:</b>									
Fixed assets:									
161	Land	897,906	-	-	-	-	-	-	4,482,601
162	Buildings	52,932,499	-	-	-	-	-	-	8,261,423
163	Furniture, equipment & machinery - dwelling	404,835	-	-	-	-	-	-	41,306
164	Furniture, equipment & machinery - administratio	-	48,853	-	-	-	-	-	-
165	Leasehold improvement	-	-	-	-	-	-	-	-
166	Accumulated depreciatio	(51,026,297)	(48,853)	-	-	-	-	-	(4,410,232)
167	Construction in Progress:	-	-	-	-	-	-	-	101,865
168	Infrastructure	-	-	-	-	-	-	-	-
160	Total fixed assets, net of accumulated depreciatio	3,208,943	-	-	-	-	-	-	8,476,963
Other non-current assets:									
171	Notes and mortgages receivable - non-current	-	-	-	-	-	-	-	1,657,995
172	Notes and mortgages receivable-non-current - past du	-	-	-	-	-	-	-	-
174	Other assets	-	-	-	-	-	-	-	455,164
175	Undistributed debits	-	-	-	-	-	-	-	-
176	Investment in joint venture	-	-	-	-	-	-	-	-
180	TOTAL NONCURRENT ASSETS	3,208,943	-	-	-	-	-	-	10,590,122
200	DEFERRED OUTFLOWS RESOURCES	-	-	-	-	-	-	-	-
290	TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 11,299,973	\$ 1,439,591	\$ 43,684	\$ -	\$ -	\$ 23,322	\$ -	\$ 11,365,981

Housing Authority of the City of Durham										
NC013										
Financial Data Schedule (FDS)										
December 31, 2019										
Line Item #	Account Description	PROJECTS	14.871 HOUSING CHOICE VOUCHERS	14.879 MAINSTREAM VOUCHERS	14.866 REVITALIZATION OF SEVERLY DISTRESSED PUBLIC HOUSING	14.896 PIH FAMILY SELF-SUFFICIENCY PROGRAM	14.238 SHELTER PLUS CARE	84.287 TWENTY-FIRST CENTURY COMMUNITY LEARNING CENTERS	6.2 COMPONENT UNIT-BLENDED	
<b>LIABILITIES AND EQUITY</b>										
<b>Liabilities:</b>										
<b>Current Liabilities:</b>										
311	Bank overdraft	\$ -	-	-	-	-	-	-	-	\$ -
312	Accounts payable < 90 days	357,206	19,559	-	-	-	-	-	-	30,155
313	Accounts payable > 90 days past due	-	-	-	-	-	-	-	-	-
321	Accrued wage/payroll taxes payable	57,224	26,865	-	-	-	-	-	-	3,518
322	Accrued compensated absences - current portion	11,986	6,195	-	-	-	-	-	-	264
324	Accrued contingency liability	-	-	-	-	-	-	-	-	-
325	Accrued interest payable	-	-	-	-	-	-	-	-	-
331	Accounts payable - HUD PHA program	-	-	-	-	-	-	-	-	-
332	Accounts payable - PHA project	-	-	-	-	-	-	-	-	651,302
333	Accounts payable - other government	48,823	-	-	-	-	-	-	-	-
341	Tenant security deposits	275,747	-	-	-	-	-	-	-	18,540
342	Unearned Revenue	41,275	-	-	-	-	-	-	-	13,897
343	Current portion of L-T debt - capital project	-	-	-	-	-	-	-	-	432,824
344	Current portion of L-T debt - operating borrowing	-	-	-	-	-	-	-	-	-
345	Other current liabilities	2,043	-	-	-	-	-	-	-	-
346	Accrued liabilities - other	-	-	-	-	-	-	-	-	-
347	Interprogram - due to	-	-	-	-	-	23,322	-	-	-
310	<b>TOTAL CURRENT LIABILITIES</b>	794,304	\$ 52,619.00	\$ -	\$ -	\$ -	\$ 23,322.00	\$ -	\$ -	\$ 1,150,500.00
<b>NONCURRENT LIABILITIES</b>										
348	Loan Liability - Current	-	-	-	-	-	-	-	-	-
351	Long-term debt, net of current - capital projects	-	-	-	-	-	-	-	-	721,257
352	Long-term debt, net of current - operating borrowing	-	-	-	-	-	-	-	-	273,154
353	Non-current liabilities- other	120,427	332,337	-	-	-	-	-	-	2,773
354	Accrued compensated absences - noncurrent	107,873	55,755	-	-	-	-	-	-	2,370
355	Loan Liability - Non Current	-	-	-	-	-	-	-	-	-
356	FASB 5 Liabilities	-	-	-	-	-	-	-	-	-
357	Accrued pension and OPEB liabilities	-	-	-	-	-	-	-	-	-
350	<b>TOTAL NONCURRENT LIABILITIES</b>	228,300	388,092	-	-	-	-	-	-	999,554
300	<b>TOTAL LIABILITIES</b>	1,022,604	440,711	-	-	-	23,322	-	-	2,150,054
400	<b>DEFERRED INFLOW OF RESOURCES</b>	-	-	-	-	-	-	-	-	-
<b>EQUITY:</b>										
508.1	Net Investment in Capital Asset:	3,208,943	-	-	-	-	-	-	-	7,322,882
511.1	Restricted Net Position	-	478,827	43,684	-	-	-	-	-	390,739
512.1	Unrestricted Net Position	7,068,426	520,053	-	-	-	-	-	-	1,502,306
513	<b>TOTAL EQUITY</b>	10,277,369	998,880	43,684	-	-	-	-	-	9,215,927
600	<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND EQUITY</b>	\$ 11,299,973	\$ 1,439,591	\$ 43,684	\$ -	\$ -	\$ 23,322	\$ -	\$ -	\$ 11,365,981

Housing Authority of the City of Durham										
NC013										
Financial Data Schedule (FDS)										
December 31, 2019										
Line Item #	Account Description	1 BUSINESS ACTIVITIES	14.241 HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS	16.540 JUVENILE JUSTICE AND DELINQUENCY PREVENTION, ALL OCCASION TO STATES	14.870 RESIDENTIAL OPPORTUNITIES AND SUPPORTIVE SERVICES	2 STATE/LOCAL	6.1 COMPONENT UNIT - DISCRETELY PRESENTED	COCC	ELIMINATION	TOTAL
<b>ASSETS:</b>										
<b>CURRENT ASSETS:</b>										
Cash:										
111	Cash - unrestricted	\$ 1,002,777	-	-	-	\$ 223,345	\$ 546,906	\$ 2,114	-	\$ 8,143,476
112	Cash - restricted - modernization and developmen	-	-	-	-	-	1,825,388	-	-	1,825,388
113	Cash - other restricted	-	-	-	-	500,296	19,065,192	-	-	21,007,715
114	Cash - tenant security deposit	-	-	-	-	-	52,760	-	-	347,047
115	Cash - restricted for payment of current liabilit	-	-	-	-	-	-	-	-	-
100	Total cash	1,002,777	-	-	-	723,641	21,490,246	2,114	-	31,323,626
Accounts and notes receivables										
121	Accounts receivable - PHA project	-	-	-	-	-	-	-	(680,095)	-
122	Accounts receivable - HUD other project	-	-	-	-	-	-	-	-	23,322
124	Accounts receivable - other government	-	46,806	-	-	22,958	-	-	-	112,740
125	Accounts receivable - miscellaneous	-	-	-	-	-	309,728	1,060,397	(1,094,817)	541,965
126	Accounts receivable- tenants	-	-	-	-	-	589,973	-	-	1,046,181
126.1	Allowance for doubtful accounts - tenant	-	-	-	-	-	(55,404)	-	-	(270,646)
126.2	Allowance for doubtful accounts - othe	-	-	-	-	-	-	-	-	(3,000)
127	Notes and mortgages receivable- curren	-	-	-	-	-	-	-	-	-
128	Fraud recovery	58,387	-	-	-	-	-	-	-	791,853
128.1	Allowance for doubtful accounts - fraud	(58,387)	-	-	-	-	-	-	-	(791,853)
129	Accrued interest receivable	-	-	-	-	-	-	-	-	-
120	Total receivables, net of allowances for doubtful account	-	46,806	-	-	22,958	844,297	1,060,397	(1,774,912)	1,450,562
Current investments										
131	Investments - unrestricted	-	-	-	-	-	-	-	-	-
132	Investments - restricted	-	-	-	-	-	-	-	-	-
135	Investments - restricted for payment of current liabil	-	-	-	-	-	-	-	-	-
142	Prepaid expenses and other asset:	-	-	-	-	-	81,224	84,244	-	556,084
143	Inventories	-	-	-	-	-	6,504	-	-	410,986
143.1	Allowance for obsolete inventoric	-	-	-	-	-	-	-	-	-
144	Interprogram - due from	-	-	-	-	-	-	-	(93,086)	59,645
145	Assets held for sale	-	-	-	-	-	-	-	-	69,793
150	<b>TOTAL CURRENT ASSETS</b>	<b>1,002,777</b>	<b>46,806</b>	<b>-</b>	<b>-</b>	<b>746,599</b>	<b>22,422,271</b>	<b>1,146,755</b>	<b>(1,867,998)</b>	<b>33,870,696</b>
<b>NONCURRENT ASSETS:</b>										
Fixed assets:										
161	Land	-	-	-	-	-	1,366,247	-	-	6,746,754
162	Buildings	-	-	-	-	-	29,076,764	1,453,395	-	91,724,081
163	Furniture, equipment & machinery - dwelling	-	-	-	-	-	334,657	-	-	780,798
164	Furniture, equipment & machinery - administratio	-	-	-	-	-	-	976,351	-	1,025,204
165	Leasehold improvement:	-	-	-	-	-	-	-	-	-
166	Accumulated depreciatio	-	-	-	-	-	(1,543,554)	(2,428,700)	-	(59,457,636)
167	Construction in Progress:	-	-	-	-	-	6,589,408	-	-	6,691,273
168	Infrastructure	-	-	-	-	-	-	-	-	-
160	Total fixed assets, net of accumulated depreciatio	-	-	-	-	-	35,823,522	1,046	-	47,510,474
Other non-current assets:										
171	Notes and mortgages receivable - non-current	19,995,355	-	-	-	-	-	-	-	21,653,350
172	Notes and mortgages receivable-non-current - past du	-	-	-	-	-	-	-	-	-
174	Other assets	-	-	-	-	-	206,887	-	-	662,051
175	Undistributed debits	-	-	-	-	-	-	-	-	-
176	Investment in joint venture	-	-	-	-	-	-	-	-	-
180	<b>TOTAL NONCURRENT ASSETS</b>	<b>19,995,355</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>36,030,409</b>	<b>1,046</b>	<b>-</b>	<b>69,825,875</b>
200	<b>DEFERRED OUTFLOWS RESOURCES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
290	<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 20,998,132</b>	<b>\$ 46,806</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 746,599</b>	<b>\$ 58,452,680</b>	<b>\$ 1,147,801</b>	<b>\$ (1,867,998)</b>	<b>\$ 103,696,571</b>

Housing Authority of the City of Durham										
NC013										
Financial Data Schedule (FDS)										
December 31, 2019										
Line Item #	Account Description	1 BUSINESS ACTIVITIES	14.241 HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS	16.540 JUVENILE JUSTICE AND DELINQUENCY PREVENTION - ALL OCATION TO STATES	14.870 RESIDENTIAL OPPORTUNITIES AND SUPPORTIVE SERVICES	2 STATE/LOCAL	6.1 COMPONENT UNIT - DISCRETELY PRESENTED	COCC	ELIMINATION	TOTAL
<b>LIABILITIES AND EQUITY</b>										
<b>Liabilities:</b>										
<b>Current Liabilities:</b>										
311	Bank overdraft	\$ -	\$ -	-	-	-	\$ -	\$ -	-	\$ -
312	Accounts payable < 90 days	34	-	-	-	1,722.00	2,286,363	47,866	-	2,742,905
313	Accounts payable > 90 days past due	-	-	-	-	-	455,164	-	-	455,164
321	Accrued wage/payroll taxes payable	-	-	-	-	-	11,111	109,168	-	207,886
322	Accrued compensated absences - current portio	-	-	-	-	-	1,033	21,066	-	40,544
324	Accrued contingency liability	-	-	-	-	-	-	-	-	-
325	Accrued interest payable	-	-	-	-	-	692,354	-	-	692,354
331	Accounts payable - HUD PHA program:	-	-	-	-	-	-	258,295	-	258,295
332	Accounts payable - PHA projects	-	-	-	-	-	15,132	4,018,535	(1,501,758.00)	3,183,211
333	Accounts payable - other government	-	-	-	-	-	-	-	-	48,823
341	Tenant security deposits	-	-	-	-	-	52,760	-	-	347,047
342	Unearned Revenue	-	-	-	-	-	14,466	-	-	69,638
343	Current portion of L-T debt - capital project	-	-	-	-	-	17,748,540	-	(273,154.00)	17,908,210
344	Current portion of L-T debt - operating borrowing	-	-	-	-	-	-	-	-	-
345	Other current liabilities	-	-	-	-	-	3,050,323	-	-	3,052,366
346	Accrued liabilities - other	-	-	-	-	-	-	-	-	-
347	Interprogram - due to	-	46,806	-	-	22,958	-	59,645	(93,086)	59,645
310	<b>TOTAL CURRENT LIABILITIES</b>	<b>\$ 34.00</b>	<b>\$ 46,806.00</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 24,680.00</b>	<b>\$ 24,327,246.00</b>	<b>\$ 4,514,575.00</b>	<b>\$ (1,867,998.00)</b>	<b>29,066,088</b>
<b>NONCURRENT LIABILITIES</b>										
348	Loan Liability - Current	-	-	-	-	-	-	-	-	-
351	Long-term debt, net of current - capital projects	-	-	-	-	-	21,205,000	-	-	21,926,257
352	Long-term debt, net of current - operating borrowing	-	-	-	-	-	-	-	-	273,154
353	Non-current liabilities- other	-	-	-	-	-	2,001,482	-	-	2,457,019
354	Accrued compensated absences - noncurren	-	-	-	-	-	9,296	189,593	-	364,887
355	Loan Liability - Non Curren	-	-	-	-	-	-	-	-	-
356	FASB 5 Liabilities	-	-	-	-	-	-	-	-	-
357	Accrued pension and OPEB liability:	-	-	-	-	-	-	-	-	-
350	<b>TOTAL NONCURRENT LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>23,215,778</b>	<b>189,593</b>	<b>-</b>	<b>25,021,317</b>
300	<b>TOTAL LIABILITIES</b>	<b>34</b>	<b>46,806</b>	<b>-</b>	<b>-</b>	<b>24,680</b>	<b>47,543,024</b>	<b>4,704,168</b>	<b>(1,867,998)</b>	<b>54,087,405</b>
400	DEFERRED INFLOW OF RESOURCES	-	-	-	-	-	-	-	-	-
<b>EQUITY:</b>										
508.1	Net Investment in Capital Asset:	-	-	-	-	500,000	(3,130,018)	1,046	-	7,902,853
511.1	Restricted Net Position	-	-	-	-	-	538,119	-	-	1,451,369
512.1	Unrestricted Net Position	20,998,098	-	-	-	221,919	13,501,555	(3,557,413)	-	40,254,944
513	<b>TOTAL EQUITY</b>	<b>20,998,098</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>721,919</b>	<b>10,909,656</b>	<b>(3,556,367)</b>	<b>-</b>	<b>49,609,166</b>
600	<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND EQUITY</b>	<b>\$ 20,998,132</b>	<b>\$ 46,806</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 746,599</b>	<b>\$ 58,452,680</b>	<b>\$ 1,147,801</b>	<b>\$ (1,867,998)</b>	<b>\$ 103,696,571</b>

Housing Authority of the City of Durham										
NC013										
Financial Data Schedule (FDS)										
December 31, 2019										
Line Item #	Account Description	OPERATING	CAPITAL	14.871 HOUSING CHOICE VOUCHERS	14.879 MAINSTREAM VOUCHERS	14.866 REVITALIZATION OF SEVERLY DISTRESSED PUBLIC HOUSING	14.896 PIH FAMILY SELF-SUFFICIENCY PROGRAM	14.238 SHELTER PLUS CARE	84.287 TWENTY-FIRST CENTURY COMMUNITY LEARNING CENTERS	6.2 COMPONENT UNIT-BLENDED
<b>REVENUE:</b>										
70300	Net tenant rental revenue	\$ 3,320,369	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -	\$ 508,776
70400	Tenant revenue - other	177,327	-	-		-	-	-	-	8,869
70500	Total tenant revenue	3,497,696	-	-		-	-	-	-	517,645
70600	HUD PHA grants	7,765,625	3,114,633	23,350,758	47,230	-	144,000	90,904	-	-
70610	Capital grants	-	99,554	-	-	-	-	-	-	-
70710	Management fee	-	-	-	-	-	-	-	-	-
70720	Asset management fee	-	-	-	-	-	-	-	-	-
70730	Book keeping fee	-	-	-	-	-	-	-	-	-
70740	Front line service fee	-	-	-	-	-	-	-	-	-
70750	Other fees	-	-	-	-	-	-	-	-	-
70800	Other government grants	-	-	-	-	-	-	-	-	-
71100	Investment income - unrestricted	29,736	-	4,422	-	-	-	-	-	3,441
71200	Mortgage interest income	-	-	-	-	-	-	-	-	-
71300	Proceeds from disposition of assets held for sale	-	-	-	-	-	-	-	-	-
71301	Cost of sale of assets	-	-	-	-	-	-	-	-	-
71400	Fraud recovery	-	-	577	-	-	-	-	-	-
71500	Other revenue	93,766	-	291,094	-	-	-	-	-	119,977
71600	Gain or loss on sale of fixed assets	-	-	-	-	-	-	-	-	-
72000	Investment income - restricted	-	-	-	-	-	-	-	-	-
70000	<b>TOTAL REVENUE</b>	<b>11,386,823</b>	<b>3,214,187</b>	<b>23,646,851</b>	<b>47,230</b>	<b>-</b>	<b>144,000</b>	<b>90,904</b>	<b>-</b>	<b>641,063</b>
<b>EXPENSES:</b>										
Administrative										
91100	Administrative salaries	607,588	-	703,317	3,834	-	-	-	-	57,704
91200	Auditing fees	35,278	-	13,576	-	-	-	-	-	19,174
91300	Outside management fees	902,117	334,303	389,389	-	-	-	7,609	-	41,784
91310	Book-keeping fee	114,540	-	240,180	-	-	-	-	-	1,260
91400	Advertising and marketing	748	-	-	-	-	-	-	-	-
91500	Employee benefit contributions- administrative	243,185	-	234,470	-	-	-	-	-	16,352
91600	Office expenses	355,348	-	133,568	-	-	-	-	-	46,603
91700	Legal expenses	273,336	-	19,901	-	-	-	-	-	33,118
91800	Travel	161	-	11,544	-	-	-	-	-	-
91810	Allocated overhead	-	-	56,551	-	-	-	-	-	-
91900	Other	483,331	-	-	-	-	-	-	-	370,989
	Total administrative	3,015,652	334,303	1,802,496	3,834	-	-	7,609	-	588,984
92000	Asset Management Fee	166,920	-	-	-	-	-	-	-	1,680
Tenant services										
92100	Tenant services - salaries	-	-	-	-	-	105,120	-	-	-
92200	Relocation costs	3,454	-	-	-	-	-	-	-	-
92300	Employee benefit contributions- tenant services	-	-	-	-	-	38,880	-	-	-
92400	Tenant services - other	1,792	-	-	-	-	-	-	-	-
	Total tenant services	5,246	-	-	-	-	144,000	-	-	-
Utilities										
93100	Water	1,360,707	-	-	-	-	-	-	-	45,950
93200	Electricity	1,545,677	-	-	-	-	-	-	-	27,654
93300	Gas	349,936	-	-	-	-	-	-	-	729
93400	Fuel	-	-	-	-	-	-	-	-	-
93500	Labor	-	-	-	-	-	-	-	-	-
93600	Sewer	-	-	-	-	-	-	-	-	-
93700	Employee benefit contributions- utilities	-	-	-	-	-	-	-	-	-
93800	Other utilities expense	48,977	-	-	-	-	-	-	-	8,076
	Total utilities	3,305,297	-	-	-	-	-	-	-	82,409



Housing Authority of the City of Durham										
NC013										
Financial Data Schedule (FDS)										
December 31, 2019										
Line Item #	Account Description	OPERATING	CAPITAL	14.871 HOUSING CHOICE VOUCHERS	14.879 MAINSTREAM VOUCHERS	14.866 REVITALIZATION OF SEVERLY DISTRESSED PUBLIC HOUSING	14.896 PIH FAMILY SELF-SUFFICIENCY PROGRAM	14.238 SHELTER PLUS CARE	84.287 TWENTY-FIRST CENTURY COMMUNITY LEARNING CENTERS	6.2 COMPONENT UNIT-BLENDED
	Ordinary maintenance & operation									
94100	Ordinary maintenance and operations - labor	623,863	-	-		-	-	-	-	11,277
94200	Ordinary maintenance and operations - materials & other	259,164	-	3,098		-	-	-	-	16,276
94300	Ordinary maintenance and operations - contract costs	2,602,246	-	66,309		-	-	-	-	156,225
94500	Employee benefit contributions- ordinary maintenance	215,720	-	-		-	-	-	-	1,811
	Total ordinary maintenance	3,700,993	-	69,407	-	-	-	-	-	185,589
	Protective services									
95100	Protective services - labor	32,681	-	-		-	-	-	-	-
95200	Protective services- other contract costs	66,295	-	-		-	-	-	-	-
95300	Protective services - other	30,758	-	-		-	-	-	-	3,465
95500	Employee benefit contributions- protective services	-	-	-		-	-	-	-	-
	Total protective services	129,734	-	-	-	-	-	-	-	3,465
	General expenses									
96100	Insurance premiums	-	-	-		-	-	-	-	-
96110	Property Insurance	245,346	-	-		-	-	-	-	19,523
96120	Liability Insurance	40,521	-	-		-	-	-	-	6,595
96130	Workmen's Compensation	-	-	13,246		-	-	-	-	1,323
96140	All Other Insurance	41,203	-	2,288		-	-	-	-	414
96200	Other general expenses	228,197	-	33,309		-	-	-	-	8,831
96210	Compensated absences	32,757	-	3,870		-	-	-	-	1,221
96300	Payments in lieu of taxes	48,823	-	-		-	-	-	-	-
96400	Bad debt - tenant rents	140,313	-	-		-	-	-	-	30,557
96500	Bad debt- mortgages	-	-	-		-	-	-	-	-
96600	Bad debt - other	-	-	-		-	-	-	-	-
96700	Interest expense	-	-	-		-	-	-	-	-
96710	Interest of mortgage (or bonds) payable	-	-	-		-	-	-	-	22,644
96720	Interest on Notes Payable (Short and Long Term)	-	-	-		-	-	-	-	-
96730	Amortization of bond issue costs	-	-	-		-	-	-	-	-
96800	Severance expense	-	-	-		-	-	-	-	-
	Total general expenses	797,524	-	52,713	-	-	-	-	-	91,108
96900	<b>TOTAL OPERATING EXPENSES</b>	11,121,366	334,303	1,924,616	3,834	-	144,000	7,609	-	953,235
97000	<b>EXCESS OPERATING REVENUE OVER OPERATING EXPENSES</b>	265,457	2,879,884	21,722,235	43,396	-	-	83,295	-	(312,172)
97100	Extraordinary maintenance	16,918	-	-		-	-	-	-	-
97200	Casualty losses - non capitalized	-	-	-		-	-	-	-	-
97300	Housing assistance payments	-	-	21,370,097	17,071	-	-	83,836	-	-
97350	HAP Portability - in	-	-	159,138		-	-	-	-	-
97400	Depreciation expense	1,036,304	-	-		-	-	-	-	276,924
97500	Fraud losses	-	-	-		-	-	-	-	-
97800	Dwelling units rent expense	-	-	-		-	-	-	-	-
90000	<b>TOTAL EXPENSES</b>	12,174,588	334,303	23,453,851	20,905	-	144,000	91,445	-	1,230,159

Housing Authority of the City of Durham										
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Financial Data Schedule (FDS)										
December 31, 2019										
Line Item #	Account Description	OPERATING	CAPITAL	14.871 HOUSING CHOICE VOUCHERS	14.879 MAINSTREAM VOUCHERS	14.866 REVITALIZATION OF SEVERLY DISTRESSED PUBLIC HOUSING	14.896 PIH FAMILY SELF-SUFFICIENCY PROGRAM	14.238 SHELTER PLUS CARE	84.287 TWENTY-FIRST CENTURY COMMUNITY LEARNING CENTERS	6.2 COMPONENT UNIT-BLENDED
<b>OTHER FINANCING SOURCES (USES)</b>										
10010	Operating transfers in	2,780,330	-	59,645		-	-	-	-	-
10020	Operating transfers out	-	(2,780,330)	-		-	-	-	-	-
10030	Operating transfers from/to primary government	(10,171)	-	-		-	-	-	-	-
10040	Operating transfers from/to component unit	(463,326)	-	-		-	-	-	-	15,462
10070	Extraordinary items, net gain/loss	-	-	-		-	-	-	-	-
10080	Special items (net gain/loss)	-	-	-		-	-	-	-	-
10091	Inter Project excess cash transfer in	-	-	-		-	-	-	-	-
10092	Inter Project excess cash transfer out	-	-	-		-	-	-	-	-
10093	Transfers between program and project in	-	-	-		-	-	-	-	-
10094	Transfers between program and project out	-	-	-		-	-	-	-	-
10100	<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	2,306,833	(2,780,330)	59,645		-	-	-	-	15,462
10000	<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>	1,519,068	99,554	252,645	26,325	-	-	(541)	-	(573,634)
<b>MEMO ACCOUNT INFORMATION:</b>										
11020	Required annual debt principal payments	-	-	-		-	-	-	-	-
11030	Beginning equity	11,804,984	-	746,235	17,359	-	-	541	-	9,789,561
11040	Prior period adjustments and equity transfers	(3,146,237)	-	-		-	-	-	-	-
11170	Administrative fee equity	-	-	-		-	-	-	-	-
11180	Housing assistance payments equity	-	-	-		-	-	-	-	-
11190	Unit months available	16,489	-	33,612	168	-	-	120	-	-
11210	Number of unit months leased	15,016	-	32,169	30	-	-	99	-	-
Equity Roll Forward Test:										
	Calculation from R/E Statement	\$ 10,277,369	\$ -	\$ 998,880	\$ 43,684	\$ -	\$ -	\$ -	\$ -	\$ 9,215,927
	B/S Line 513	\$ 10,277,369	\$ -	\$ 998,880	\$ 43,684	\$ -	\$ -	\$ -	\$ -	\$ 9,215,927
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Housing Authority of the City of Durham										
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Financial Data Schedule (FDS)										
December 31, 2019										
Line Item #	Account Description	1 BUSINESS ACTIVITIES	14.241 HOUSING OPPERTUNITIES FOR PERSONS WITH AIDS	16.540 JUVINILE JUSTICE AND DELIQUENCY PREVENTION_ ALLO CATION TO STATES	14.870 RESIDENTIAL OPPORTUNITIES AND SUPPORTIVE SERVICES	2 STATE/LOCAL	6.1 COMPONENT UNIT - DISCRETELY PRESENTED	COCC	ELIMINATION	TOTAL
<b>REVENUE:</b>										
70300	Net tenant rental revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,953,024	\$ -	\$ -	5,782,169
70400	Tenant revenue - other	-	-	-	-	-	8,674	-	-	194,870
70500	Total tenant revenue	-	-	-	-	-	1,961,698	-	-	5,977,039
70600	HUD PHA grants	-	147,452	-	93,520	-	2,038	-	-	34,756,160
70610	Capital grants	-	-	-	-	-	-	-	-	99,554
70710	Management fee	-	-	-	-	-	-	1,842,069	(1,742,982)	99,087
70720	Asset management fee	-	-	-	-	-	-	168,600	(168,600)	-
70730	Book keeping fee	-	-	-	-	-	-	355,980	(355,980)	-
70740	Front line service fee	-	-	-	-	-	-	768,865	(654,100)	114,765
70750	Other fees	-	-	-	-	-	-	241,847	(241,847)	-
70800	Other government grants	-	-	-	-	101,822	-	-	-	101,822
71100	Investment income - unrestricted	5,874	-	-	-	150	163,521	1,251	-	208,395
71200	Mortgage interest income	-	-	-	-	-	-	-	-	-
71300	Proceeds from disposition of assets held for sale	-	-	-	-	-	-	-	-	-
71301	Cost of sale of assets	-	-	-	-	-	-	-	-	-
71400	Fraud recovery	-	-	-	-	-	-	-	-	577
71500	Other revenue	670,416	-	-	-	-	77,658	227,880	(21,935)	1,458,856
71600	Gain or loss on sale of fixed assets	-	-	-	-	-	-	-	-	-
72000	Investment income - restricted	-	-	-	-	-	-	-	-	-
70000	<b>TOTAL REVENUE</b>	676,290	147,452	-	93,520	101,972	2,204,915	3,606,492	(3,185,444)	42,816,255
<b>EXPENSES:</b>										
Administrative										
91100	Administrative salaries	-	-	-	-	128,350	129,707	1,121,117	-	2,751,617
91200	Auditing fees	-	-	-	-	-	28,990	5,413	-	102,431
91300	Outside management fees	-	14,326	-	14,500	-	101,921	-	(1,704,028)	101,921
91310	Book-keeping fee	-	-	-	-	-	-	-	(355,980)	-
91400	Advertising and marketing	-	-	-	-	-	-	344	-	1,092
91500	Employee benefit contributions- administrative	-	-	-	-	19,762	43,350	316,219	-	873,338
91600	Office expenses	43	-	-	-	-	69,940	315,846	-	921,348
91700	Legal expenses	54,797	-	-	-	20,122	73,145	108,390	-	584,829
91800	Travel	-	-	-	3,574	-	188	31,043	-	46,510
91810	Allocated overhead	-	-	-	-	-	-	-	-	56,551
91900	Other	29,251	-	-	-	170,381	95,144	104,032	(746,067)	507,061
	Total administrative	84,091	14,326	-	18,074	338,615	542,385	2,002,404	(2,806,075)	5,946,698
92000	Asset Management Fee	-	-	-	-	-	18,196	-	(168,600)	18,196
Tenant services										
92100	Tenant services - salaries	-	-	-	55,076	-	-	428,956	-	589,152
92200	Relocation costs	-	-	-	-	-	-	-	-	3,454
92300	Employee benefit contributions- tenant services	-	-	-	20,370	-	-	136,414	-	195,664
92400	Tenant services - other	-	-	-	-	-	25	-	-	1,817
	Total tenant services	-	-	-	75,446	-	25	565,370	-	790,087
Utilities										
93100	Water	-	-	-	-	8,883	154,781	35,871	-	1,606,192
93200	Electricity	-	-	-	-	-	321,691	45,054	-	1,940,076
93300	Gas	-	-	-	-	-	-	15,071	-	365,736
93400	Fuel	-	-	-	-	-	-	-	-	-
93500	Labor	-	-	-	-	-	-	-	-	-
93600	Sewer	-	-	-	-	-	-	-	-	-
93700	Employee benefit contributions- utilities	-	-	-	-	-	-	-	-	-
93800	Other utilities expense	-	-	-	-	-	8,727	9,936	-	75,716
	Total utilities	-	-	-	-	8,883	485,199	105,932	-	3,987,720

Housing Authority of the City of Durham										
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December 31, 2019										
Line Item #	Account Description	1 BUSINESS ACTIVITIES	14.241 HOUSING OPPERTUNITIES FOR PERSONS WITH AIDS	16.540 JUVINILE JUSTICE AND DELIQUENCY PREVENTION_ ALLO CATION TO STATES	14.870 RESIDENTIAL OPPORTUNITIES AND SUPPORTIVE SERVICES	2 STATE/LOCAL	6.1 COMPONENT UNIT - DISCRETELY PRESENTED	COCC	ELIMINATION	TOTAL
	Ordinary maintenance & operation									
94100	Ordinary maintenance and operations - labor	-	-	-	-	-	104,569	151,713	-	891,422
94200	Ordinary maintenance and operations - materials & other	-	-	-	-	-	29,886	6,996	-	315,420
94300	Ordinary maintenance and operations - contract costs	-	-	-	-	31,379	250,452	109,905	(210,769)	3,005,747
94500	Employee benefit contributions- ordinary maintenance	-	-	-	-	-	32,371	59,626	-	309,528
	Total ordinary maintenance	-	-	-	-	31,379	417,278	328,240	(210,769)	4,522,117
	Protective services									
95100	Protective services - labor	-	-	-	-	-	-	-	-	32,681
95200	Protective services- other contract costs	-	-	-	-	-	290	-	-	66,585
95300	Protective services - other	-	-	-	-	-	2,953	3,470	-	40,646
95500	Employee benefit contributions- protective services	-	-	-	-	-	-	-	-	-
	Total protective services	-	-	-	-	-	3,243	3,470	-	139,912
	General expenses									
96100	Insurance premiums	-	-	-	-	-	-	-	-	-
96110	Property Insurance	-	-	-	-	-	79,626	9,378	-	353,873
96120	Liability Insurance	-	-	-	-	-	12,465	58	-	59,639
96130	Workmen's Compensation	-	-	-	-	-	3,715	33,495	-	72,143
96140	All Other Insurance	-	-	-	-	-	2,741	12,880	-	59,526
96200	Other general expenses	-	-	-	-	-	316,845	258,295	-	845,477
96210	Compensated absences	-	-	-	-	-	696	32,417	-	70,961
96300	Payments in lieu of taxes	-	-	-	-	-	-	-	-	48,823
96400	Bad debt - tenant rents	-	-	-	-	-	44,712	-	-	215,582
96500	Bad debt- mortgages	-	-	-	-	-	-	-	-	-
96600	Bad debt - other	-	-	-	-	-	-	-	-	-
96700	Interest expense	-	-	-	-	-	-	-	-	-
96710	Interest of mortgage (or bonds) payable	-	-	-	-	-	396,841	-	-	419,485
96720	Interest on Notes Payable (Short and Long Term)	-	-	-	-	-	-	-	-	-
96730	Amortization of bond issue costs	-	-	-	-	-	-	-	-	-
96800	Severance expense	-	-	-	-	-	-	-	-	-
	Total general expenses	-	-	-	-	-	857,641	346,523	-	2,145,509
96900	<b>TOTAL OPERATING EXPENSES</b>	84,091	14,326	-	93,520	378,877	2,323,967	3,351,939	(3,185,444)	17,550,239
97000	<b>EXCESS OPERATING REVENUE OVER OPERATING EXPENSES</b>	592,199	133,126	-	-	(276,905)	(119,052)	254,553	-	25,266,016
97100	Extraordinary maintenance	-	-	-	-	-	-	-	-	16,918
97200	Casualty losses - non capitalized	-	-	-	-	-	-	-	-	-
97300	Housing assistance payments	-	134,047	-	-	-	-	-	-	21,605,051
97350	HAP Portability - in	-	-	-	-	-	-	-	-	159,138
97400	Depreciation expense	-	-	-	-	-	508,160	4,123	-	1,825,511
97500	Fraud losses	-	-	-	-	-	-	-	-	-
97800	Dwelling units rent expense	-	-	-	-	-	-	-	-	-
90000	<b>TOTAL EXPENSES</b>	84,091	148,373	-	93,520	378,877	2,832,127	3,356,062	(3,185,444)	41,156,857

Housing Authority of the City of Durham										
NC013										
Financial Data Schedule (FDS)										
December 31, 2019										
Line Item #	Account Description	1 BUSINESS ACTIVITIES	14.241 HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS	16.540 JUVINILE JUSTICE AND DELIQUENCY PREVENTION_ ALLOCATION TO STATES	14.870 RESIDENTIAL OPPORTUNITIES AND SUPPORTIVE SERVICES	2 STATE/LOCAL	6.1 COMPONENT UNIT - DISCRETELY PRESENTED	COCC	ELIMINATION	TOTAL
<b>OTHER FINANCING SOURCES (USES)</b>										
10010	Operating transfers in	-	-	-	-	-	-	-	(2,780,330)	59,645
10020	Operating transfers out	-	-	-	-	-	-	(59,645)	2,780,330	(59,645)
10030	Operating transfers from/to primary government	10,171	-	-	-	-	-	-	-	-
10040	Operating transfers from/to component unit	-	-	-	-	-	447,864	-	-	-
10070	Extraordinary items, net gain/loss	-	-	-	-	-	-	-	-	-
10080	Special items (net gain/loss)	-	-	-	-	-	5,117,946	(3,338,440)	-	1,779,506
10091	Inter Project excess cash transfer in	-	-	-	-	-	-	-	-	-
10092	Inter Project excess cash transfer out	-	-	-	-	-	-	-	-	-
10093	Transfers between program and project in	-	-	-	-	-	-	-	-	-
10094	Transfers between program and project out	-	-	-	-	-	-	-	-	-
10100	<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	10,171	-	-	-	-	5,565,810	(3,398,085)	-	1,779,506
10000	<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>	602,370	(921)	-	-	(276,905)	4,938,598	(3,147,655)	-	3,438,904
<b>MEMO ACCOUNT INFORMATION:</b>										
11020	Required annual debt principal payments	-	-	-	-	-	-	-	-	-
11030	Beginning equity	20,525,130	921	-	-	998,824	5,971,058	(3,684,351)	-	46,170,262
11040	Prior period adjustments and equity transfers	(129,402)	-	-	-	-	-	3,275,639	-	-
11170	Administrative fee equity	-	-	-	-	-	-	-	-	-
11180	Housing assistance payments equity	-	-	-	-	-	-	-	-	-
11190	Unit months available	-	240	-	-	-	-	-	-	50,629
11210	Number of unit months leased	-	152	-	-	-	-	-	-	47,466
Equity Roll Forward Test:										
	Calculation from R/E Statement	\$ 20,998,098	\$ -	\$ -	\$ -	\$ 721,919	\$ 10,909,656	\$ (3,556,367)	\$ -	\$ 49,609,166
	B/S Line 513	\$ 20,998,098	\$ -	\$ -	\$ -	\$ 721,919	\$ 10,909,656	\$ (3,556,367)	\$ -	\$ 49,609,166
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Housing Authority of the City of Durham																							
NC013																							
Financial Data Schedule (FDS)																							
December 31, 2019																							
Line Item #	Account Description	1		3		4		5		6		7		8		9		10		11		12	
		OPERATING	CAPITAL	OPERATING	CAPITAL	OPERATING	CAPITAL	OPERATING	CAPITAL	OPERATING	CAPITAL	OPERATING	CAPITAL	OPERATING	CAPITAL	OPERATING	CAPITAL	OPERATING	CAPITAL	OPERATING	CAPITAL	OPERATING	CAPITAL
	REVENUE																						
7000	Net tenant rental revenue	\$ 744,899	\$ -	\$ 160,025	\$ -	\$ 229,879	\$ -	\$ 436,207	\$ -	\$ 203,690	\$ -	\$ 284,716	\$ -	\$ 84,106	\$ -	\$ 588,747	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7040	Tenant revenue - other	81,794	-	2,735	-	4,496	-	22,441	-	8,650	-	3,447	-	4,881	-	8,562	-	-	-	-	-	-	-
7090	Total tenant revenue	826,693	-	162,760	-	234,375	-	458,648	-	212,340	-	288,163	-	88,987	-	597,309	-	-	-	-	-	-	-
7060	HUD PHA grants	2,160,743	707,307	171,059	48,577	322,337	88,045	1,351,148	460,455	612,011	168,143	598,391	206,509	398,923	137,356	559,370	148,898	1,110	298,332	928	149,532	1,204,838	461,102
7070	Capital grants	-	99,554	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7075	Management fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7076	Asset management fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7078	Book keeping fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7079	Other fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7080	Other government grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7100	Investment income - amortized	25,165	-	101	-	219	-	1,151	-	428	-	511	-	350	-	338	-	-	-	-	-	1,155	-
7120	Mortgage interest income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7130	Proceeds from disposition of assets held for sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7140	Cost of sale of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7145	Franchise fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7150	Other revenue	29,353	-	7	-	2,897	-	20,038	-	756	-	984	-	769	-	29,495	-	-	-	-	-	-	4,466
7160	Gain or loss on sale of fixed assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7200	Investment income - overhead	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7000	TOTAL REVENUE	3,041,045	806,861	333,907	48,577	538,988	88,045	1,821,085	460,455	824,065	168,143	799,449	206,509	489,031	137,356	1,106,532	148,898	1,110	298,332	928	149,532	1,675,357	461,102
	EXPENSES																						
9100	Administrative salaries	133,043	-	22,546	-	34,968	-	108,847	-	48,799	-	31,363	-	39,720	-	79,437	-	-	-	-	-	-	73,825
9120	Auditing fees	978	-	57	-	1,214	-	6,371	-	2,371	-	2,829	-	1,937	-	1,083	-	-	-	-	-	-	6,382
9130	Outside management fees	238,052	93,664	34,851	5,227	64,682	11,394	127,532	39,784	82,437	22,266	51,145	26,552	22,961	18,189	126,326	18,607	-	-	-	-	177,877	68,003
9135	Book keeping fee	38,223	-	4,625	-	8,233	-	16,910	-	7,528	-	6,706	-	4,185	-	15,278	-	-	-	-	-	-	14,665
9140	Advertising and marketing	212	-	12	-	26	-	135	-	50	-	60	-	41	-	42	-	-	-	-	-	-	136
9145	Employee benefit contributions - administrative	32,509	-	6,663	-	11,779	-	37,767	-	22,308	-	13,669	-	18,856	-	32,145	-	-	-	-	-	-	31,643
9160	Office expenses	76,731	-	13,012	-	17,178	-	59,833	-	32,267	-	19,255	-	26,127	-	48,357	-	-	-	-	-	-	43,179
9170	Legal expenses	107,661	-	4,088	-	3,864	-	34,707	-	8,972	-	6,051	-	3,954	-	24,012	-	-	-	-	-	-	67,606
9180	Travel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	111
9185	Allocated overhead	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9190	Other	136,443	-	8,203	-	17,135	-	36,563	-	32,513	-	37,728	-	26,630	-	29,625	-	-	-	-	-	-	85,130
9195	Total administrative	777,938	93,664	96,587	5,227	151,059	11,394	475,948	39,784	218,045	22,266	169,520	26,552	136,660	18,189	351,205	18,607	-	-	-	-	-	481,194
9200	Asset Management Fee	41,200	-	8,000	-	12,700	-	24,000	-	12,900	-	9,240	-	8,440	-	21,360	-	-	-	-	-	-	20,680
	Tenant services																						
9210	Tenant services - salaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9220	Relocation costs	-	-	-	-	-	-	-	-	248	-	-	-	-	-	-	-	-	-	-	-	-	418
9230	Employee benefit contributions - tenant services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9240	Tenant services - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total tenant services	41,200	-	8,000	-	12,700	-	24,000	-	12,900	-	9,240	-	8,440	-	21,360	-	-	-	-	-	-	-
	Utilities																						
9310	Water	448,766	-	41,656	-	19,849	-	229,831	-	38,799	-	59,653	-	62,140	-	94,139	-	-	-	-	-	-	281,774
9320	Electricity	198,369	-	72,343	-	53,886	-	276,588	-	225,273	-	171,481	-	67,928	-	207,202	-	-	-	-	-	-	177,544
9330	Gas	142,769	-	-	-	-	-	-	-	-	-	42,737	-	34,248	-	-	-	-	-	-	-	-	117,664
9340	Fuel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9350	Labor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9360	Sewer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9370	Employee benefit contributions - utilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9380	Other utilities expense	11,421	-	6,325	-	1,328	-	9,376	-	2,594	-	446	-	1,667	-	3,180	-	-	-	-	-	-	8,660
	Total utilities	782,325	-	120,324	-	75,063	-	515,791	-	266,056	-	279,871	-	186,003	-	305,521	-	-	-	-	-	-	588,482
	Ordinary maintenance & operation																						
9410	Ordinary maintenance and operations - labor	204,446	-	23,968	-	24,725	-	64,633	-	48,321	-	33,270	-	39,317	-	76,668	-	-	-	-	-	-	36,877
9420	Ordinary maintenance and operations - materials & other	111,393	-	3,116	-	22,870	-	35,959	-	11,646	-	35,959	-	11,995	-	13,211	-	-	-	-	-	-	16,716
9430	Ordinary maintenance and operations - contract costs	644,019	-	62,261	-	203,863	-	402,947	-	220,720	-	140,838	-	229,390	-	276,928	-	-	-	-	-	-	318,138
9440	Employee benefit contributions - ordinary maintenance	62,266	-	7,329	-	8,766	-	19,803	-	18,818	-	11,681	-	13,520	-	22,625	-	-	-	-	-	-	27,661
	Total ordinary maintenance	1,027,123	-	94,664	-	366,024	-	511,140	-	299,505	-	199,518	-	283,123	-	395,342	-	-	-	-	-	-	439,592
	Protective services																						
9510	Protective services - labor	-	-	-	-	6,000	-	-	-	15,728	-	-	-	-	-	8,798	-	-	-	-	-	-	-
9520	Protective services - other contract costs	16,638	-	-	-	-	-	14,820	-	42	-	1,444	-	6,613	-	-	-	-	-	-	-	-	19,855
9530	Protective services - other	2,819	-	-	-	6,036	-	2,973	-	378	-	-	-	2,831	-	-	-	-	-	-	-	-	7,307
9550	Employee benefit contributions - protective services	-	-	-	-	-	-	-	-	-	-	-	-	1,035	-	-	-	-	-	-	-	-	-
	Total protective services	20,476	-	-	-	12,036	-	17,893	-	15,728	-	3,162	-	10,246	-	8,836	-	-	-	-	-	-	27,162
	General expenses																						
9610	Insurance premiums	56,380	-	5,732	-	15,953	-	35,138	-	19,777	-	12,695	-	12,665	-	40,191	-	-	-	-	-	-	33,932
9615	Property insurance	18,977	-	1,669	-	2,053	-	5,868	-	3,168	-	2,366	-	2,584	-	5,126	-	-	-	-	-	-	4,982
9620	Workers' Compensation	6,810	-	652	-	480	-	3,082	-	1,330	-	1,082	-	2,240	-	-	-	-	-	-	-	-	2,233
9630	All Other Insurance	3,113	-	411	-	1,520	-	17,188	-	10,897	-	9,247	-	10,224	-	17,744	-	-	-	-	-	-	2,516
9640	Other general expenses	7,490	-	1,600	-	126	-	14,226	-	1,828	-	1,360	-	2,115	-	8,384	-	1,110	928	-	-	-	11,142
9650</																							



Housing Authority of the City of Durham  
 NCRI  
 Financial Data Schedule (FDS)  
 December 31, 2019

Line Item #	Account Description	32		33		35		TOTAL OPERATING	TOTAL CAPITAL
		WORTH STREET		GOLEY POINTE		GOLEY POINTE			
		CAPITAL	OPERATING	CAPITAL	OPERATING	CAPITAL	OPERATING		
<b>REVENUE</b>									
7030	Net tenant rental revenue	\$	\$	\$	\$	\$	\$	3,320,549	\$
7040	Tenant revenue - other	-	-	-	-	-	-	173,323	\$
7050	Total tenant revenue	-	-	-	-	-	-	3,493,872	\$
7060	HUD PHA grants	-	2,368	-	77,481	-	23,682	7,565,823	\$
7061	Capital grants	-	-	-	-	-	-	3,114,633	\$
7070	Management fee	-	-	-	-	-	-	99,554	\$
7072	Asset management fee	-	-	-	-	-	-	-	\$
7073	Book keeping fee	-	-	-	-	-	-	-	\$
7075	Other fees	-	-	-	-	-	-	-	\$
7080	Other government grants	-	-	-	-	-	-	-	\$
7100	Investment income - nonrestricted	-	-	-	-	-	-	20,736	\$
7120	Mortgage interest income	-	-	-	-	-	-	-	\$
7130	Proceeds from disposition of assets held for sale	-	-	-	-	-	-	-	\$
7151	Cost of sale of assets	-	-	-	-	-	-	-	\$
7160	Fund recovery	-	-	-	-	-	-	-	\$
7150	Other revenue	-	-	-	-	-	-	93,766	\$
7160	Gain or loss on sale of fixed assets	-	-	-	-	-	-	-	\$
7200	Investment income - restricted	-	-	-	-	-	-	-	\$
<b>7000</b>	<b>TOTAL REVENUE</b>		<b>2,368</b>		<b>77,481</b>		<b>23,682</b>	<b>11,386,823</b>	<b>3,214,187</b>
<b>EXPENSES</b>									
<b>Administrative</b>									
9100	Administrative - salaries	-	-	-	-	-	-	607,588	\$
9120	Auditing fees	-	-	-	-	-	-	32,278	\$
9130	Outside management fees	314	-	-	-	3,136	\$	902,817	\$
9131	Book keeping fee	-	-	-	-	-	-	114,540	\$
9140	Advertising and marketing	-	-	-	-	-	-	748	\$
9150	Employee benefit contributions- administrative	-	-	-	-	-	-	243,164	\$
9160	Office expenses	-	81	-	-	-	-	353,148	\$
9170	Legal expenses	-	-	-	-	-	-	273,186	\$
9180	Travel	-	-	-	-	-	-	161	\$
9181	Allocated overhead	-	-	-	-	-	-	483,311	\$
9190	Other	-	-	-	-	-	-	-	\$
	Total administrative	314	81	-	-	3,136	\$	3,015,682	\$
9200	Asset Management Fee	-	-	-	-	-	-	126,020	\$
<b>Tenant services</b>									
9210	Tenant services - salaries	-	-	-	-	-	-	3,164	\$
9220	Relocation costs	-	-	-	-	-	-	-	\$
9230	Employee benefit contributions- tenant services	-	-	-	-	-	-	3,782	\$
9240	Tenant services - other	-	-	-	-	-	-	3,720	\$
	Total tenant services	-	-	-	-	-	-	10,866	\$
<b>Utilities</b>									
9310	Water	-	-	-	-	-	-	1,360,707	\$
9320	Electricity	-	-	-	-	-	-	1,545,677	\$
9330	Gas	-	-	-	-	-	-	349,096	\$
9340	Fuel	-	-	-	-	-	-	-	\$
9350	Labor	-	-	-	-	-	-	-	\$
9360	Sewer	-	-	-	-	-	-	-	\$
9370	Employee benefit contributions- utilities	-	-	-	-	-	-	-	\$
9380	Other utilities expense	-	-	-	-	-	-	48,977	\$
	Total utilities	-	-	-	-	-	-	3,305,260	\$
<b>Ordinary maintenance &amp; operation</b>									
9410	Ordinary maintenance and operations - labor	-	-	-	-	-	-	623,863	\$
9420	Ordinary maintenance and operations - materials & other	-	-	-	-	-	-	239,664	\$
9430	Ordinary maintenance and operations - contract costs	-	-	-	-	-	-	2,602,246	\$
9440	Employee benefit contributions- ordinary maintenance	-	-	-	-	-	-	212,282	\$
	Total ordinary maintenance	-	-	-	-	-	-	3,700,055	\$
<b>Protective services</b>									
9510	Protective services - labor	-	-	-	-	-	-	32,681	\$
9520	Protective services - other contract costs	-	-	-	-	-	-	66,285	\$
9530	Protective services - other	-	-	-	-	-	-	30,758	\$
9550	Employee benefit contributions- protective services	-	-	-	-	-	-	129,711	\$
	Total protective services	-	-	-	-	-	-	138,735	\$
<b>General expenses</b>									
9610	Insurance premiums	-	-	-	-	-	-	-	\$
9611	Property Insurance	-	-	-	-	-	-	243,346	\$
9612	Liability Insurance	-	-	-	-	-	-	48,821	\$
9613	Workers' Compensation	-	-	-	-	-	-	20,364	\$
9614	All Other Insurance	-	-	-	-	-	-	41,286	\$
9620	Other general expenses	-	97,846	-	-	-	-	228,197	\$
9621	Compensated absences	-	-	-	-	-	-	32,767	\$
9630	Payments in lieu of taxes	-	-	-	-	-	-	48,823	\$
9640	Bad debt - tenant costs	-	-	-	-	-	-	140,113	\$
9650	Bad debt - mortgage	-	-	-	-	-	-	-	\$
9660	Bad debt - other	-	-	-	-	-	-	-	\$
9670	Interest expense	-	-	-	-	-	-	-	\$
9671	Interest of mortgage (or bonds) payable	-	-	-	-	-	-	-	\$
9672	Interest on Notes Payable (Short and Long Term)	-	-	-	-	-	-	-	\$
9673	Amortization of bond issue costs	-	-	-	-	-	-	-	\$
9680	Severance expense	-	-	-	-	-	-	-	\$
	Total general expenses	-	97,846	-	-	-	-	797,524	\$
<b>9600</b>	<b>TOTAL OPERATING EXPENSES</b>		<b>314</b>		<b>98,027</b>		<b>3,136</b>	<b>11,221,366</b>	<b>334,303</b>
<b>9700</b>	<b>EXCESS OPERATING REVENUE OVER OPERATING EXPENSES</b>		<b>2,054</b>		<b>(20,546)</b>		<b>20,546</b>	<b>265,637</b>	<b>2,879,884</b>
9710	Extraordinary maintenance	-	-	-	-	-	-	16,918	\$
9720	Casualty losses - non-capitalized	-	-	-	-	-	-	-	\$
9730	Housing assistance payments	-	-	-	-	-	-	-	\$
9750	HAP Payability - id	-	-	-	-	-	-	-	\$
9760	Depreciation expense	-	-	-	-	-	-	1,036,304	\$
9760	Fraud losses	-	-	-	-	-	-	-	\$
9780	Dwelling units rent expense	-	-	-	-	-	-	-	\$
<b>9800</b>	<b>TOTAL EXPENSES</b>		<b>314</b>		<b>98,027</b>		<b>3,136</b>	<b>12,174,588</b>	<b>334,303</b>
<b>OTHER FINANCING SOURCES (USES)</b>									
1001	Operating transfers in	-	20,546	-	-	-	-	2,780,330	\$
1002	Operating transfers out	(2,054)	-	(20,546)	-	-	-	(2,780,330)	\$
1003	Operating transfers from primary government	-	-	-	-	-	-	(10,714)	\$
1004	Operating transfers from component unit	-	-	-	-	-	-	(463,226)	\$
1007	Extraordinary items, net gain/loss	-	-	-	-	-	-	-	\$
1008	Special items (net gain/loss)	-	-	-	-	-	-	-	\$
1009	Inter Project excess cash transfer in	-	-	-	-	-	-	-	\$
10092	Inter Project excess cash transfer out	-	-	-	-	-	-	-	\$
10093	Transfers between program and project in	-	-	-	-	-	-	-	\$
10094	Transfers between program and project out	-	-	-	-	-	-	-	\$
<b>1010</b>	<b>TOTAL OTHER FINANCING SOURCES (USES)</b>		<b>(2,054)</b>		<b>20,546</b>		<b>(20,546)</b>	<b>2,396,833</b>	<b>(2,780,330)</b>
<b>1000</b>	<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>							<b>1,519,608</b>	<b>99,524</b>
<b>MEMO ACCOUNT INFORMATION:</b>									
1102	Required annual debt principal payments	-	-	-	-	-	-	-	\$
1103	Beginning equity	-	-	-	-	-	-	11,804,984	\$
1104	Prior period adjustments and equity transfers	-	-	-	-	-	-	(5,146,277)	\$
1170	Administrative fee equity	-	-	-	-	-	-	-	\$
1180	Housing assistance payments equity	-	-	-	-	-	-	-	\$
1190	Unit months available	-	-	-	-	-	-	14,113	\$
1210	Number of unit months leased	-	-	-	-	-	-	12,843	\$
<b>Equity Roll Forward Test:</b>									
	Calculation from R.F. Statement	\$	\$	\$	\$	\$	\$	10,177,815	\$
	R.F. Line 513	\$	\$	\$	\$	\$	\$	99,554	\$
		\$	\$	\$	\$	\$	\$	10,277,369	\$