

**HOUSING AUTHORITY OF THE CITY OF EL PASO**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTAL INFORMATION**

**FOR THE YEAR ENDED JUNE 30, 2016**

**WITH**

**REPORT OF INDEPENDENT AUDITORS**

**HOUSING AUTHORITY OF THE CITY OF EL PASO**  
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## REPORT OF INDEPENDENT AUDITORS

The Board of Commissioners  
Housing Authority of the City of El Paso:

### **Report on the Financial Statements**

We have audited the accompanying financial statements and the aggregate discretely presented component units of the Housing Authority of the City of El Paso as of and for the year ended June 30, 2016, and the related notes to the financial statements, as listed in the accompanying table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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.

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

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

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the primary government and the aggregate discretely presented component units of the Housing Authority of the City of El Paso as of June 30, 2016 and the respective changes in net position and 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 basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Housing Authority of the City of El Paso'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 basic 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.

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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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 March 31, 2017 on our consideration of the Housing Authority of the City of El Paso'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 Housing Authority of the City of El Paso's internal control over financial reporting and compliance.

*Novogardac & Company LLP*

March 31, 2017  
Toms River, New Jersey

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



## **MANAGEMENT DISCUSSION AND ANALYSIS JUNE 30, 2016**

Management's Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their *Statement No. 34 Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* issued June 1999.

The following discussion and analysis of the Housing Authority of the City of El Paso's (HACEP) financial performance provides an overview of HACEP financial activities for the fiscal year ended June 30, 2016. MD&A is not intended to replace and/or substitute for the financial report (audit report) or its details and notes. Please read it in conjunction with the basic financial statements.

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

This annual report includes this Management Discussion and Analysis report, the Basic Financial Statements and the Notes to the Financial Statements. This annual report also contains the Financial Data Schedule (FDS) as referenced in the section of Supplemental Information. HACEP is a governmental, public corporation engaged 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 El Paso, Texas. Accordingly, fund financial statements are presented as the basic financial statements.

The financial statements of HACEP report information of HACEP (Primary Government) as well as its discretely presented component units using accounting methods in accordance with Generally Accepted Accounting Principles (GAAP). The statements provide short-term and long-term financial information about HACEP's activities.

The Statement of Net Position provides insight into the financial condition of HACEP and includes HACEP's assets and liabilities and provides information about investments in assets and liabilities to HACEP's creditors. It also provides the basis for evaluating the capital structure of HACEP and assessing the liquidity and financial strength of HACEP.

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**MANAGEMENT DISCUSSION AND ANALYSIS**  
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**Overview of the Financial Statements (continued)**

Current year revenues and expenses are accounted for in the Statement of Revenues, Expenses and Changes in Net Position. The statement reflects HACEP's operations for the current year and compares operations to the prior year. In addition, the report reflects the efficiency with which HACEP has recovered expenditures through revenues and other fees, profitability and credit worthiness.

The Statement of Cash Flows provides information about HACEP's cash receipts, cash payments and net changes in cash from operating, investing, and financing activities. The report provides information on HACEP's ability to generate future cash flows, meet obligations, and the difference between net income and net cash flow from operating activities.

The notes to the financial statements provide information on accounting policies and methods used for recording and reporting transactions and supplemental information and details for assets and liabilities.

The Supplemental Information section contains the Financial Data Schedule (FDS). HUD has established Uniform Financial Reporting Standards that require HACEP to submit financial information electronically to the United States Department of Housing and Urban Development (HUD) using the FDS format. This financial information has been electronically transmitted to the Real Estate Assessment Center (REAC) for the year ended June 30, 2016.

**Purpose and Programs**

HACEP's mission is to provide safe, decent, sanitary and affordable housing for assisted families at or below 80% of median income by maintaining HACEP's existing housing units and ensuring that private rentals under the Housing Choice Voucher (HCV) programs meet the quality standard of HUD.

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. HACEP, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related requirements. HACEP has only one fund type, namely an enterprise fund that is a proprietary fund type. The proprietary fund type is comprised of several programs. The significant programs of HACEP are as follows:



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**JUNE 30, 2016**

**Purpose and Programs (continued)**

**Public and Indian Housing (PIH)** – Under this program, HACEP rents units to low-income families. The program is operated under an Annual Contribution Contract (ACC) with HUD, and HUD provides an operating subsidy to enable HACEP to provide housing at a rent that is based upon the greater of 30% of adjusted household income or 10% of gross income.

**Capital Fund Program (CFP)** – The CFP is the primary funding source for physical and management improvements to HACEP's properties. Funding is based on a formula allocation from HUD determined on the size and age of HACEP's housing stock.

**Housing Choice Voucher Program (HCV)** – The HCV is the federal government's major program for assisting very low-income families, the elderly, and the disabled to afford safe, decent and sanitary housing in the private market. Housing choice vouchers are administered locally by HACEP. HACEP receives funds from HUD to administer the voucher program. A housing subsidy is paid to the landlord directly by HACEP on behalf of the participating family. The family then pays the difference between the actual rent charged by the landlord and the amount subsidized by HUD.

**Veterans Housing Assistance (VASH)** – The VASH program are vouchers set aside for veterans. This is a referral program and is operated in conjunction with the local Office of Veterans Administration.

**Section 8 New Construction Program** – This program assists low-income families in affording safe, decent and sanitary housing by encouraging property owners, including HACEP, to construct new housing or rehabilitate substandard housing and then lease the units to low-income families with rental subsidy from HUD.

**Low Income Housing Tax Credit (LIHTC) Program** – HACEP and HACEP Acquisition Corporation, a wholly owned affiliate, is general partners in various LIHTC partnerships. These partnerships are accounted for in the accompanying financials statements under the equity method and presented on the FDS as component units. The partnerships own apartment properties and rent housing to low-income families and the elderly.

**Non-Subsidized Housing Program** – HACEP owns and manages apartments and single-family properties that were purchased without the use of Federal Funds. HACEP rents a major portion of the units in these properties to low-income families using HUD programs, such as the HCV program, and rents remaining units at market rates. Cash flow generated from these properties is used to supplement other programs of HACEP.

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**Purpose and Programs (continued)**

**Community Service Programs** – HACEP receives grant funds from HUD and various other agencies to provide ancillary services to the residents of its communities. The grants are used to fund programs for education, drug abuse prevention, family self-sufficiency and various activities for youth and the elderly.

**Rental Assistance Demonstration Program (RAD)** – RAD is a voluntary program of HUD that seeks to preserve public housing by providing Public Housing Authorities (PHAs) with access to more stable funding to make needed improvements to properties. With stabilized funding, it is easier for PHAs to borrow money and use low income housing tax credits as well as other forms of financing. These private sources of additional money will enable PHAs to make improvements essential for preserving public housing.

**Financial Highlights – Primary Government**

- Implementation of the Authority’s RAD program. As of June 30, 2016, the Authority began the process of converting 6,100 public housing units into their RAD program. The Authority, in conjunction with institutional investors, has created several entities to facilitate the rehabilitation of these units. As of June 30, 2016, the Authority has transferred several properties to these newly created entities.
- As of June 30, 2016, the assets of the Authority exceeded its liabilities by \$299 million (value of net position).
- Cash, cash equivalents and restricted cash decreased \$22 million for the year ended June 30, 2016. The decrease is largely due to the \$25 million in net principle payments on long term debt as well as the \$18 million in capital purchases, the Authority has also generated \$21 million from operations.
- Capital assets, net decreased from June 30, 2015 to June 30, 2016 by \$14.5 million. The decrease is the result of the Authority transferring land and building with a net book value of \$26.5 million to the RAD program and recording \$6 million in depreciation expense which was offset by \$18 million in capital purchases.

**HOUSING AUTHORITY OF THE CITY OF EL PASO, TEXAS  
MANAGEMENT DISCUSSION AND ANALYSIS  
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**Financial Highlights – Primary Government (continued)**

- Noncurrent liabilities decreased \$25 million from June 30, 2015 to June 30, 2016. The decrease is primarily due to the payment of Series A proceeds from El Paso RAD I Ltd. to the Authority through the disbursements of RAD loan as described on the previous page.
- HACEP had operating revenues of \$86 million and operating expenses (inclusive of depreciation of \$6 million) of \$73 million for the year ended June 30, 2016.
- HACEP’s Low Rent Public Housing Program achieved 87% occupancy for the year ended June 30, 2016.

**Financial Statements**

**Statement of Net Position**

The following represents a condensed Statement of Net Position.

(in thousands)	June 30,		
	2016	2015	Net Change
<b>Assets</b>			
Current assets	\$70,967	\$79,487	\$(8,520)
Restricted assets	69,021	82,831	(13,810)
Other assets, noncurrent	206,555	188,557	17,998
Capital assets, net	80,310	94,899	(14,589)
<b>Total Assets</b>	\$426,853	\$445,774	\$(18,921)
<b>Liabilities</b>			
Current liabilities	\$7,731	\$6,583	\$1,148
Noncurrent liabilities	119,870	144,719	(24,849)
<b>Total Liabilities</b>	127,601	151,302	(23,701)
<b>Net Position</b>	299,252	294,472	4,780
<b>Total Liabilities and Net Position</b>	\$426,853	\$445,774	\$(18,921)

**HOUSING AUTHORITY OF THE CITY OF EL PASO, TEXAS**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**JUNE 30, 2016**

**Analysis of Assets, Liabilities and Net Position**

- As of June 30, 2016, working capital, defined as current assets less current liabilities, totaled \$63 million, a decrease of \$10 million from June 30, 2015.
- Current assets decreased \$8.5 million from June 30, 2015 to June 30, 2016. This is primarily due to a decrease in unrestricted cash of the same amount.
- Restricted assets decreased by \$14 million at June 30, 2016 primarily due to disbursements of the RAD loan.
- Other assets, noncurrent increased \$18 million as a result of the Authority converting several buildings from their public housing program to the RAD program. As part of the transaction, the Authority took back \$12 million notes receivable and recorded \$3 million investment in numerous land leases. The Authority also loaned \$2 million to the Tays South project.
- Capital assets, net decreased from June 30, 2015 to June 30, 2016 by \$14.5 million. The decrease is the result of the Authority transferring land and building with a net book value of \$24 million to the RAD program and recording \$9.5 million in depreciation expense.
- Non-current liabilities decreased \$25 million from June 30, 2015 to June 30, 2016. The decrease is primarily due to the payment of Series A proceeds from El Paso RAD I Ltd. to the Authority through the disbursements of RAD loan.
- The Authority's net position increased \$5 million from June 30, 2015 to June 30, 2016 primarily due to the Authority reporting \$13 million of operating gain, \$3 million of Investment Income resulting from the accrued interest of loans to RAD properties, and an \$11 million loss from the transfer of numerous properties to the RAD program.

**HOUSING AUTHORITY OF THE CITY OF EL PASO, TEXAS**  
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**Statements of Revenues, Expenses and Changes in Net Position**

The following reflects the condensed Statements of Revenues, Expenses and Changes in Net Position.

(in thousands)	Year Ended June 30,		
	2016	2015	Net Change
<b>Operating Revenue</b>			
Dwelling Rental	\$14,478	\$17,527	\$(3,049)
Federal, State & Local Grants	61,423	62,390	(967)
Other Revenues	9,627	13,908	(4,281)
<b>Total Operating Revenues</b>	<b>85,528</b>	<b>93,825</b>	<b>(8,297)</b>
<b>Operating Expenses</b>			
Operating Expenses	35,074	38,991	(3,917)
Depreciation Expense	5,937	9,187	(3,250)
Housing Assistance Payments	31,531	29,015	2,516
<b>Total Operating Expenses</b>	<b>72,542</b>	<b>77,193</b>	<b>(4,651)</b>
Operating Profit (Loss)	12,986	16,632	(3,646)
<b>Non-Operating Revenues (Expenses), net</b>	<b>(8,022)</b>	<b>62,030</b>	<b>62,030</b>
Net Income (Loss) Before Transfers, Adjustments and Capital Grants	4,964	78,662	(73,698)
Capital Grants and Special Items	(184)	537	(721)
Increase in Net Position	4,780	79,199	(74,419)
Net Position, Beginning of the Year	294,472	215,273	79,199
<b>Net Position, End of the Year</b>	<b>\$299,252</b>	<b>\$294,472</b>	<b>\$4,780</b>

**HOUSING AUTHORITY OF THE CITY OF EL PASO, TEXAS**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**JUNE 30, 2016**

**Analysis of Statements of Revenues, Expenses and Changes in Net Position**

- Federal, state and local grants decreased by \$1 million from June 30, 2015. Low Income Public Housing received \$6 million less largely due to the conversion of approximately one third of the original Public Housing portfolio to RAD, the Housing Choice Voucher program received \$3 million more in subsidy and the capital fund program utilized \$1 million dollars more of its allocation for operations.
- Dwelling rental revenues decreased \$3 million from June 30, 2015 to June 30, 2016 primarily due to converting several properties from Public Housing program to the RAD program as mentioned above.
- Other revenues decreased \$4 million dollars due to the Authority earning \$7 million in developer fees in 2015 for the RAD conversions in comparison to no developer fees in 2016.
- Housing Assistance Payments increased from \$29 million for the year ended June 30, 2015 to \$31 million in 2016 or \$2 million. This increase primarily was due to the Authority having approximately 3,900 more units under lease in 2015.
- The Authority recognized a loss of \$8 million largely due to \$11 million loss from the transfer of various properties to the RAD program which was offset by \$3 million in accrued interest for loans to RAD properties.

**Notes to Financial Statements**

Notes to the Financial Statements provide additional information essential to a full understanding of the data provided in the basic financial statements.

**HOUSING AUTHORITY OF THE CITY OF EL PASO, TEXAS  
MANAGEMENT DISCUSSION AND ANALYSIS  
JUNE 30, 2016**

**Capital Assets**

HACEP's capital assets are summarized as follows:

(in thousands)	June 30,		
	2016	2015	Net Change
<b>Capital Assets:</b>			
Land	\$27,584	\$27,615	\$(31)
Building and Improvement	221,500	249,358	(27,858)
Furniture and Equipment	11,526	11,987	(461)
Construction in Progress	11,728	7,480	4,248
Total Capital Assets	272,338	296,440	(24,102)
Less Accumulated Depreciation	(192,027)	(201,541)	9,514
<b>Capital Assets, Net</b>	<b>\$80,311</b>	<b>\$94,899</b>	<b>\$(14,588)</b>

- HACEP had a net decrease to their capital assets for the fiscal year ended June 30, 2016 in the amount of \$14.5 million. The decrease is the result of the Authority transferring land and building with a net book value of \$26.5 million to the RAD program and recording \$6 million in depreciation expense which was offset by \$18 million in capital purchases.

**Long-term Debt**

A summary of the Authority's long-term debt is as follows.

(in thousands)	June 30,	Advances	Payments	June 30,
	2015			2016
Development Program	\$14,125	\$-	\$(6,083)	\$8,042
USDA Program	975	-	(46)	929
Community Development Program	289	-	(13)	276
RAD Program	126,625	1,204	(20,316)	107,513
Equipment	138	-	(138)	-
<b>Total Long-term Debt</b>	<b>\$142,152</b>	<b>\$1,204</b>	<b>\$(26,596)</b>	<b>\$116,760</b>

**HOUSING AUTHORITY OF THE CITY OF EL PASO, TEXAS  
MANAGEMENT DISCUSSION AND ANALYSIS  
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**Long-term Debt (continued)**

- During fiscal year ended June 30, 2016, HACEP total principal payments were \$26.6 million, of which \$20 million were payments towards long term debt related to RAD.

Please refer to note 11 in the financial statements for more information on HACEP's long-term debt.

**ECONOMIC FACTORS AND NEXT YEARS' BUDGET AND RATES**

HACEP is principally dependent upon HUD for the funding of operations. Accordingly, HACEP is affected more by the federal budget than by local economic conditions, although local economic conditions have affected the ability of Section 8 Housing Choice Voucher clients to find suitable housing that meet program guidelines. The funding of programs could be significantly affected by the 2016 and 2017 federal budgets.

**FUTURE EVENTS THAT COULD FINANCIALLY IMPACT THE AUTHORITY**

HACEP is dependent on HUD and other governmental grants for revenue and material reduction of these funds would likely have an adverse financial impact on HACEP. HUD established the operating subsidy for the calendar year 2016 at 88%. Accordingly, the operating subsidy for the year ended June 30, 2016 was \$20 million and the subsidy proration totaled \$3 million for the year ended June 30, 2016. HACEP continues to operate with the expectation of continued operating subsidy proration and budget sequestration.

HACEP was awarded a portfolio wide allocation to convert Public Housing to Project Based Rental Assistance (PBRA) through the Rental Assistance Demonstration (RAD) program. Under RAD, HACEP enters into a multiple year contract with HUD to take ownership of the multifamily properties currently managed by HACEP on behalf of HUD, transitioning from the Section 9 program to the Section 8 program. RAD enables HACEP to partner with investors and lenders on financing tools to fund the capital rehabilitation of the properties and convert them from Rental Supplement and Rental Assistance Payments to project-based vouchers. HACEP projects the capital investment to be \$800 million over a five year plan.



**HOUSING AUTHORITY OF THE CITY OF EL PASO, TEXAS  
MANAGEMENT DISCUSSION AND ANALYSIS  
JUNE 30, 2016**

**FUTURE EVENTS THAT COULD FINANCIALLY IMPACT THE AUTHORITY  
(continued)**

RAD construction began April 2015 and is financed with tax credits under IRS code 42. Subsequent to conversion, ownership was organized as limited partnerships and will be accounted for as discretely presented component units under generally accepted accounting principles.

**CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide a general overview of the Authority's finances for all those interested parties. Questions related to any of the information provided in this report should be addressed to the Office of the Chief Financial Officer, Housing Authority of City of El Paso, 5300 Paisano Dr., El Paso, Texas 79905 or call 915-849-3611.

Requests for additional financial information should be submitted from the [HACEP](#) website via the Opens Records Requests link in the About Us menu.

## **FINANCIAL STATEMENTS**

**HOUSING AUTHORITY OF THE CITY OF EL PASO**  
**STATEMENT OF NET POSITION**  
**AS OF JUNE 30, 2016**

ASSETS			
	Primary Government	Discretely Presented Component Units	Total Reporting Entity
Current assets:			
Cash and cash equivalents	\$ 65,208,426	\$ 2,476,341	\$ 67,684,767
Tenant security deposits	574,746	307,716	882,462
Accounts receivable, net	4,019,473	104,230	4,123,703
Current portion of notes receivable	207,435	-	207,435
Prepaid expenses	370,666	143,603	514,269
Inventories	586,245	-	586,245
Total current assets	70,966,991	3,031,890	73,998,881
Non-current assets:			
Restricted cash	69,021,012	51,790,627	120,811,639
Long-term portion of notes receivable	182,246,000	-	182,246,000
Accrued interest on notes receivable	3,827,851	-	3,827,851
Capital assets, net	80,310,556	136,595,741	216,906,297
Other assets	20,481,023	4,656,627	25,137,650
Total non-current assets	355,886,442	193,042,995	548,929,437
Total assets	426,853,433	196,074,885	622,928,318
LIABILITIES			
Current liabilities:			
Accounts payable	2,374,977	135,902	2,510,879
Accrued expenses	365,331	-	365,331
Accrued compensated absences, current	149,014	-	149,014
Tenant security deposits	574,744	146,252	720,996
Current portion of bonds and notes payable	1,000,727	-	1,000,727
Other current liabilities	3,265,920	2,713,656	5,979,576
Total current liabilities	7,730,713	2,995,810	10,726,523
Non-current liabilities:			
Accrued compensated absences, net of current portion	644,746	-	644,746
Bonds, loans, and notes payable, net of current portion	115,758,486	175,151,500	290,909,986
Non-current liabilities - other	3,467,084	3,471,448	6,938,532
Total non-current liabilities	119,870,316	178,622,948	298,493,264
Total liabilities	127,601,029	181,618,758	309,219,787
NET POSITION			
Net position:			
Net investment in capital assets	77,081,607	12,715,589	89,797,196
Restricted	26,561,863	-	26,561,863
Unrestricted	195,608,934	1,740,538	197,349,472
Total net position	\$ 299,252,404	\$ 14,456,127	\$ 313,708,531

See accompanying notes to financial statements.

**HOUSING AUTHORITY OF THE CITY OF EL PASO  
STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2016**

	Primary Government	Discretely Presented Component Units	Total Reporting Entity
<b>Operating revenues:</b>			
Tenant revenue	\$ 14,477,671	\$ 5,391,127	\$ 19,868,798
HUD operating grants	61,423,175	-	61,423,175
Other government grants	124,449	-	124,449
Fraud recovery revenue	5,380	-	5,380
Other shared fee revenues	1,095,398	-	1,095,398
Other revenues	<u>8,744,432</u>	<u>65,621</u>	<u>8,810,053</u>
<b>Total operating revenues</b>	<u><b>85,870,505</b></u>	<u><b>5,456,748</b></u>	<u><b>91,327,253</b></u>
<b>Operating expenses:</b>			
Administrative	19,792,721	1,242,807	21,035,528
Tenant services	585,235	90,125	675,360
Utilities	4,317,448	770,387	5,087,835
Ordinary maintenance and operations	5,882,800	744,293	6,627,093
Protective services	609,025	58,422	667,447
Insurance expense	1,444,180	217,350	1,661,530
General expenses	2,784,979	164,968	2,949,947
Housing assistance payments	31,530,607	-	31,530,607
Depreciation	<u>5,937,180</u>	<u>2,577,390</u>	<u>8,514,570</u>
<b>Total operating expenses</b>	<u><b>72,884,175</b></u>	<u><b>5,865,742</b></u>	<u><b>78,749,917</b></u>
<b>Operating gain (loss)</b>	<u><b>12,986,330</b></u>	<u><b>(408,994)</b></u>	<u><b>12,577,336</b></u>
<b>Non-operating revenues (expenses):</b>			
Investment income	3,192,542	-	3,192,542
Interest expense	(293,874)	(1,862,052)	(2,155,926)
Casualty losses, non-capitalized	(10,000)	-	(10,000)
Gain (loss) on sale of fixed assets	<u>(10,910,457)</u>	<u>-</u>	<u>(10,910,457)</u>
<b>Net non-operating revenues (expenses)</b>	<u><b>(8,021,789)</b></u>	<u><b>(1,862,052)</b></u>	<u><b>(9,883,841)</b></u>
<b>Income (loss) before capital grants and special items and transfers</b>	4,964,541	(2,271,046)	2,693,495
Capital grants	1,736,690	-	1,736,690
Special items and transfers in (out)	<u>(1,920,936)</u>	<u>8,497,551</u>	<u>6,576,615</u>
<b>Change in net position</b>	4,780,295	6,226,505	11,006,800
<b>Net position, beginning of year</b>	<u><b>294,472,109</b></u>	<u><b>8,229,622</b></u>	<u><b>302,701,731</b></u>
<b>Net position, end of year</b>	<u><u><b>\$ 299,252,404</b></u></u>	<u><u><b>\$ 14,456,127</b></u></u>	<u><u><b>\$ 313,708,531</b></u></u>

See accompanying notes to financial statements.

**HOUSING AUTHORITY OF THE CITY OF EL PASO**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Primary Government</u>
Cash Flows from Operating Activities:	
Cash received from tenants and other income	\$ 23,465,231
Cash received from grantors	62,206,812
Cash paid to suppliers and vendors	(51,594,111)
Cash paid to employees	<u>(12,935,488)</u>
Net cash flows provided by operating activities	<u>21,142,444</u>
Cash Flows from Non Capital Related Financing Activities:	
Special items - transfer to component unit	<u>(1,920,936)</u>
Net cash flows used by non capital financing activities	<u>(1,920,936)</u>
Cash Flows from Capital and Financing Activities:	
Capital grant contributions	1,736,690
Casualty losses	(10,000)
Proceeds from the issuance of debt	1,204,278
Principal payments on long term debt	(26,597,322)
Interest paid on long term debt	(293,874)
Purchases of capital assets	<u>(17,813,284)</u>
Net cash flows used by capital and related financing activities	<u>(41,773,512)</u>
Cash Flows from Investing Activities:	
Collection of notes receivable	113,395
Investment income	<u>41,238</u>
Net cash flows provided by investing activities	<u>154,633</u>
Net decrease in cash	(22,397,371)
Cash and cash equivalents, beginning of year	<u>157,201,555</u>
Cash and cash equivalents, end of year	<u>\$ 134,804,184</u>

See accompanying notes to financial statements.

**HOUSING AUTHORITY OF THE CITY OF EL PASO**  
**STATEMENT OF CASH FLOWS (continued)**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Primary Government</u>
Reconciliation of operating gain to net cash provided by operating activities:	
Operating gain	\$ 12,986,330
Items which did not use cash:	
Depreciation	5,937,180
Bad debts	75,540
Working capital changes which provided (used) cash:	
Accounts receivable - HUD and other government	495,610
Accounts receivable - tenants	(160,416)
Accounts receivable - miscellaneous	(252,264)
Prepaid expenses	(41,517)
Inventories	22,867
Other assets	387,097
Accounts payable	805,709
Accrued compensated absences	(404,070)
Accrued expenses	(400,273)
Tenant security deposits	(14,863)
Other current liabilities	643,090
Other liabilities	<u>1,062,424</u>
Net cash provided by operating activities	<u>\$ 21,142,444</u>

A reconciliation of cash and cash equivalents  
to Statement of Net Position is as follows:

Cash and cash equivalents	\$ 65,208,426
Tenant security deposits	574,746
Restricted cash and cash equivalents	<u>69,021,012</u>
	<u>\$ 134,804,184</u>

See accompanying notes to financial statements.

**HOUSING AUTHORITY OF THE CITY OF EL PASO**  
**COMBINING STATEMENT OF NET POSITION -**  
**DISCRETELY PRESENTED COMPONENT UNITS**  
**AS OF JUNE 30, 2016**

ASSETS

	<u>El Paso RAD I, Ltd.</u>	<u>Eastside Crossings, Ltd.</u>	<u>Haymon Krupp, L.P.</u>	<u>El Paso Tays, L.P.</u>	<u>Total</u>
Current assets:					
Cash and cash equivalents	\$ 1,639,649	\$ 734,692	\$ 85,000	\$ 17,000	\$ 2,476,341
Tenant security deposits	129,288	178,428	-	-	307,716
Accounts receivable, net	100,695	3,535	-	-	104,230
Prepaid expenses	<u>99,812</u>	<u>43,791</u>	<u>-</u>	<u>-</u>	<u>143,603</u>
Total current assets	<u>1,969,444</u>	<u>960,446</u>	<u>85,000</u>	<u>17,000</u>	<u>3,031,890</u>
Non-current assets:					
Restricted cash	51,790,627	-	-	-	51,790,627
Capital assets, net	102,886,155	17,759,574	6,699,926	9,250,086	136,595,741
Other assets	<u>2,157,083</u>	<u>2,296,144</u>	<u>130,900</u>	<u>72,500</u>	<u>4,656,627</u>
Total non-current assets	<u>156,833,865</u>	<u>20,055,718</u>	<u>6,830,826</u>	<u>9,322,586</u>	<u>193,042,995</u>
Total assets	<u>158,803,309</u>	<u>21,016,164</u>	<u>6,915,826</u>	<u>9,339,586</u>	<u>196,074,885</u>

LIABILITIES

Current liabilities:					
Accounts payable	135,802	100	-	-	135,902
Tenant security deposits	118,858	27,394	-	-	146,252
Other current liabilities	<u>2,230,364</u>	<u>377,570</u>	<u>82,885</u>	<u>22,837</u>	<u>2,713,656</u>
Total current liabilities	<u>2,485,024</u>	<u>405,064</u>	<u>82,885</u>	<u>22,837</u>	<u>2,995,810</u>
Non-current liabilities:					
Bonds, loans, and notes payable, net of current portion	148,190,254	13,871,984	6,447,125	6,642,137	175,151,500
Non-current liabilities - other	<u>1,224,050</u>	<u>1,284,128</u>	<u>305,499</u>	<u>657,771</u>	<u>3,471,448</u>
Total non-current liabilities	<u>149,414,304</u>	<u>15,156,112</u>	<u>6,752,624</u>	<u>7,299,908</u>	<u>178,622,948</u>
Total liabilities	<u>151,899,328</u>	<u>15,561,176</u>	<u>6,835,509</u>	<u>7,322,745</u>	<u>181,618,758</u>

NET POSITION

Net position:					
Net investment in capital assets	5,867,249	3,987,590	252,801	2,607,949	12,715,589
Unrestricted	<u>1,036,732</u>	<u>1,467,398</u>	<u>(172,484)</u>	<u>(591,108)</u>	<u>1,740,538</u>
Total net position	<u>\$ 6,903,981</u>	<u>\$ 5,454,988</u>	<u>\$ 80,317</u>	<u>\$ 2,016,841</u>	<u>\$ 14,456,127</u>

See accompanying notes to financial statements.

**HOUSING AUTHORITY OF THE CITY OF EL PASO  
COMBINING STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN NET POSITION -  
DISCRETELY PRESENTED COMPONENT UNITS  
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>El Paso RADI, Ltd.</u>	<u>Eastside Crossings, Ltd.</u>	<u>Haymon Krupp, L.P.</u>	<u>El Paso Tavs, L.P.</u>	<u>Total</u>
Operating revenues:					
Tenant revenue	\$ 4,105,112	\$ 1,286,015	\$ -	\$ -	\$ 5,391,127
Other revenues	<u>65,621</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>65,621</u>
Total operating revenue	<u>4,170,733</u>	<u>1,286,015</u>	<u>-</u>	<u>-</u>	<u>5,456,748</u>
Operating expenses:					
Administrative	927,862	314,945	-	-	1,242,807
Tenant services	89,420	705	-	-	90,125
Utilities	618,356	152,031	-	-	770,387
Ordinary maintenance and operations	678,926	65,367	-	-	744,293
Protective services	30,106	28,316	-	-	58,422
Insurance expense	205,049	12,301	-	-	217,350
General expenses	49,185	115,783	-	-	164,968
Depreciation	<u>1,815,737</u>	<u>761,653</u>	<u>-</u>	<u>-</u>	<u>2,577,390</u>
Total operating expenses	<u>4,414,641</u>	<u>1,451,101</u>	<u>-</u>	<u>-</u>	<u>5,865,742</u>
Operating gain (loss)	<u>(243,908)</u>	<u>(165,086)</u>	<u>-</u>	<u>-</u>	<u>(408,994)</u>
Non-operating revenues (expenses):					
Interest expense	<u>(1,275,672)</u>	<u>(586,380)</u>	<u>-</u>	<u>-</u>	<u>(1,862,052)</u>
Net non-operating revenue (expense)	<u>(1,275,672)</u>	<u>(586,380)</u>	<u>-</u>	<u>-</u>	<u>(1,862,052)</u>
Loss before capital grants and special items and transfers	(1,519,580)	(751,466)	-	-	(2,271,046)
Special items and transfers	<u>578,941</u>	<u>5,821,452</u>	<u>80,317</u>	<u>2,016,841</u>	<u>8,497,551</u>
Change in net position	(940,639)	5,069,986	80,317	2,016,841	6,226,505
Net position, beginning of year	<u>7,844,620</u>	<u>385,002</u>	<u>-</u>	<u>-</u>	<u>8,229,622</u>
Net position, end of year	<u>\$ 6,903,981</u>	<u>\$ 5,454,988</u>	<u>\$ 80,317</u>	<u>\$ 2,016,841</u>	<u>\$ 14,456,127</u>

See accompanying notes to financial statements.



**HOUSING AUTHORITY OF THE CITY OF EL PASO  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

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

**A. Organization**

The Housing Authority of the City of El Paso ("the Authority") is a governmental, public corporation created on February 1, 1938 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 El Paso, Texas ("the City"). The Authority is responsible for operating certain safe, decent, sanitary, and affordable low-rent housing programs in the City 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 board of five members who serve two year terms. The governing board is essentially autonomous but responsible to HUD. A Chief Executive Officer is appointed by the Authority's board of commissioners to manage the day-to-day operations of the Authority.

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

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.

Section 8 Housing Choice Vouchers Program

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 rent on a dwelling unit, as approved by HUD, and the amount of rent contribution by a participating family.

Public Housing Capital Fund Program

The purpose of the Public Housing 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 improving the central office facilities. Funding for this program is provided by grants from HUD.

Business Activities

The Authority owns non-federal housing units and various interests in low income housing tax credit partnerships. Revenues earned from these activities are recorded in the Business Activities fund.

Community Development Block Grant

The primary objective of Community Development Block Grant Program ("CDBG") is to develop viable urban communities by providing decent housing, a suitable living environment, and expanded economic opportunities, principally for persons of low and moderate income.

**HOUSING AUTHORITY OF THE CITY OF EL PASO**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED JUNE 30, 2016**

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

**A. Organization (continued)**

Farm Labor Housing Loans and Grants

The Authority administers a Farm Labor Housing Loan program whereby such financed housing is occupied by domestic farm laborers or individuals who derive a substantial portion of their income from farm labor and their families. The loans and grants may be used for construction, repair, or purchase of year-round or seasonal housing; acquiring the necessary land and making improvements on land for housing; and developing related support facilities, small infirmaries, laundry facilities, day care centers, other essential equipment or recreation areas.

State and Local Programs

Periodically, the Authority administers various grants from the State of Texas and / or the City of El Paso. These activities as well as the Authority's internal service funds are reported in this fund.

Resident Opportunity and Supportive Services - Service Coordinators Program

The purpose of the Resident Opportunities and Self Sufficiency (ROSS) grant program is to provide funds for job training and supportive services to help residents of public housing transition from welfare to work. ROSS also provides funding to link elderly/disabled residents to critical services which can help them continue to live independently.

Supportive Housing for Persons with Disabilities Program

The purpose of the Supportive Housing for Persons with Disabilities Program is to expand the supply of supportive housing for very low-income persons with disabilities.

Shelter Plus Care Program

Shelter Plus Care is a program designed to provide housing and supportive services on a long-term basis for homeless persons with disabilities, (primarily those with serious mental illness, chronic problems with alcohol and/or drugs, and acquired immunodeficiency syndrome (AIDS) or related diseases) and their families who are living in places not intended for human habitation (e.g., streets) or in emergency shelters.

Section 8 New Construction and Substantial Rehabilitation Program

The Section 8 New Construction and Substantial Rehabilitation program allows for the construction, purchase and rehabilitation of low-income housing units to be subsidized for a contracted period of time. Both for profit and not-for-profit developers may provide low-income housing under this program. Developers must obtain their own financing and HUD subsidizes rents once the units are occupied. The Authority administers the program for HUD in conjunction with a not-for-profit landlord that owns the contracted units.

Supportive Housing for the Elderly Program

The program provides assistance to expand the supply of housing with supportive services for the elderly. Capital advances are made to non-profit sponsors to finance the development of rental housing and project rental assistance covers the difference between the HUD-approved operating cost of the project and the tenant's contribution towards rent.

**HOUSING AUTHORITY OF THE CITY OF EL PASO**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED JUNE 30, 2016**

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

**A. Organization (continued)**

Central Office Cost Center

The Central Office Cost Center (COCC) is mandated by HUD to account for "centralized" services and functions necessary to the Authority's operations. Funding for the COCC is in the form of fees charged to other Authority programs and activities as well as to affiliate entities. The fees charged include those specified by HUD as management fees, bookkeeping fees, asset management fees and other fees for service. HUD regulates which and how fees may be charged to HUD programs.

Rental Assistance Demonstration Program

The Rental Assistance Demonstration Program ("RAD") was created in order to give public housing authorities ("PHA's) a powerful tool to preserve and improve public housing properties. RAD allows PHA's to leverage public and private debt and equity in order to reinvest in public housing stock. Public housing units move to a Section 8 platform with a long-term contract under which residents continued to pay 30% of their income towards rent.

**B. Reporting Entity**

In accordance with statement No. 61 of the Government Accounting Standards Board ("GASB"), the Authority's financial statements include those of the Housing Authority of the City of El Paso and any component units. Under the provisions of these Statement, the Authority is considered a primary government, since it is a special purpose government that has a separate governing body, is legally separate, and it is fiscally independent of other state or local governments.

The Authority is a related organization of the City of El Paso since the Mayor of the City of El Paso appoints Commissioners. The City of El Paso is not financially accountable for the Authority as it cannot impose its will on the Authority and there is no potential for the Authority to provide financial benefit to, or impose financial burdens on, the City of El Paso. Accordingly, the Authority is not a component unit of the financial reporting entity of the City of El Paso. Furthermore, the Authority is not included in any other reporting entity on the basis of such criteria.

In determining how to define the reporting entity, management has considered all potential component units. Component units are legally separate, tax-exempt organizations for which the Board is financially accountable or other organizations whose nature and significant relationship with the Authority are such that exclusion would cause the Authority's financial statements to be misleading or incomplete. Financial accountability is defined as the appointment of a voting majority of the component unit's board, and (i) either the Authority's ability to impose its will on the organization or (ii) there is potential for the organization to provide a financial benefit to or impose a burden on the Authority regardless of the organization of the governing board of the component unit.

**HOUSING AUTHORITY OF THE CITY OF EL PASO  
NOTES TO FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED JUNE 30, 2016**

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

**B. Reporting Entity (continued)**

The financial reporting entity includes blended and discretely presented component units. The blended component units are, although legally separate entities, in substance part of the Authority's operations and so data from these units are combined with data of the primary government and reflected in the "Primary Government" column on the financial statements. The discretely presented component units are reported in a separate column to emphasize that they are legally separate from the primary government. For financial reporting purposes, the Authority's reporting entity include all financial activities that are controlled or dependent upon the actions taken by the Authority's Board.

Based upon the application of these criteria, this report includes the following component units:

**Discretely Presented Component Units:**

**El Paso RAD I, Ltd.**

El Paso RAD I, Ltd, was formed as a Texas Limited Partnership on April 9, 2015. The purpose of the partnership is to: acquire, hold, invest in, construct, develop, improve and operate a 1,590 unit multifamily rental housing development located across thirteen sites in the City of El Paso, Texas. El Paso RAD I, Ltd. ownership interests are as follows:

<u>Partner</u>	<u>Type</u>	<u>Ownership</u>
Paisano El Paso RAD I, Inc.	General partner	.005%
Hunt El Paso RAD I, LLC	Special limited partner	.005%
Hunt Capital Partners Tax Credit Fund 17, L.P.	Limited partner	<u>99.990%</u>
	Total	<u><u>100.00%</u></u>

**Eastside Crossings, Ltd.**

Eastside Crossings, Ltd. (the "Partnership"), a Texas limited partnership, was formed on September 12, 2012 to construct, develop and operate a 188 unit apartment project known as Eastside Crossings (the "Project") in El Paso, Texas. Partnership ownership interests are as follows:

<u>Partner</u>	<u>Type</u>	<u>Ownership</u>
Eastside Crossings GP, LLC	General partner	.01%
HCP-ILP, LLC	Limited partner	<u>99.99%</u>
	Total	<u><u>100.00%</u></u>

**HOUSING AUTHORITY OF THE CITY OF EL PASO  
NOTES TO FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED JUNE 30, 2016**

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

**B. Reporting Entity (continued)**

**Discretely Presented Component Units (continued):**

**Haymon Krupp, L.P.**

Haymon Krupp, L.P. was formed as a Texas limited partnership on September 2, 2014 to construct, develop and operate a 96 unit apartment project known as Haymon Krupp Memorial Apartments. Partnership ownership interests are as follows:

<u>Partner</u>	<u>Type</u>	<u>Ownership</u>
Paisano Haymon Krupp GP, LLC	General partner	.01%
Hunt Companies	Limited partner	<u>99.99%</u>
	Total	<u><u>100.00%</u></u>

**El Paso Tays, L.P.**

El Paso Tays, L.P. was formed as a Texas limited partnership on December 1, 2015 to construct, develop and operate a 198 unit apartment project known as Tays Apartment Complex. Partnership ownership interests are as follows:

<u>Partner</u>	<u>Type</u>	<u>Ownership</u>
Paisano Tays GP, LLC	General partner	.01%
Carleton Development	Limited partner	<u>99.99%</u>
	Total	<u><u>100.00%</u></u>

The discretely presented component units have qualified for and been allocated low-income housing credits pursuant to Internal Revenue Code Section 42 ("Section 42"), which regulates the use of the building as to occupant eligibility and unit gross rent, among other requirements. The Partnerships must meet the provisions of these regulations during each of fifteen (15) consecutive years in order to receive the credits. The Texas Department of Housing and Community Affairs administers the housing tax credit program in the State of Texas.

**Discrete Presentation**

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.

**HOUSING AUTHORITY OF THE CITY OF EL PASO  
NOTES TO FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED JUNE 30, 2016**

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

**B. Reporting Entity (continued)**

**Blended Component Units:**

**Affordable Housing Acquisitions, Inc. (“AHA”)**

AHA is a wholly owned not-for-profit subsidiary of the Authority which owns 369 units in the Villa Alegre apartment complex. The five-member Board of Directors of AHA is identical to the Authority’s Board of Commissioners.

**HACEP Acquisition Corp. (“HAC”)**

HAC is a wholly owned for-profit subsidiary of the Authority, created for the principal purpose of acting as general partner of a limited partnership and/or managing non-federally subsidized housing properties for the benefit of the Authority. HAC created seven limited liability companies (LLC’s) for the purpose of acquiring seven general partner interests in Low Income Housing Tax Credit (“LIHTC”) partnerships. HAC serves as member to the following:

<u>General Partner</u>	<u>Partnership</u>	<u>Interest %</u>
Affordable Housing Pellicano, LLC	Western Pellicano, Ltd.	0.01 %
Affordable Housing Pebble Hills, LLC	Western Pebble Hills, Ltd.	0.01 %
Affordable Housing Saul Kleinfeld, LLC	Saul Kleinfeld, Ltd.	0.01 %
Affordable Housing Parkside Elderly, LLC	Bienvivir Parkside Senior Community, Ltd.	0.0147 %
Affordable Housing Meadowbrook, LLC	Meadowbrook Townhouses, Ltd.	0.01 %
HAC Cedar Oak, Inc.	Cedar Oak, Ltd.	0.01 %
HAC North Mountain, Inc.	North Mountain, Ltd.	0.01 %

The five-member Board of directors of HAC is identical to the Authority’s Board of Commissioners.

**Paisano Housing Redevelopment Corporation (“PHRC”)**

Paisano Housing Redevelopment Corporation (PHRC), a non-profit subsidiary of the Authority, serves as general partner to Bienvivir Parkside Senior Community Ltd., a low income housing tax credit real estate partnership in which it holds a .0153% interest as the general partner. The five-member Board of Directors of Paisano Housing Redevelopment Corporation is identical to the Authority’s Board of Commissioners.

In 2007, PHRC created Alamito Terrace, GP, LLC, in which PHRC owns 100%, in order it to serve as general partner in a LIHTC real estate partnership.

PHRC acquired a managing general partnership interest as a qualified non-profit corporation in three limited partnerships on October 25, 2012. These limited partnerships own affordable housing apartments under the LIHTC Program.

**HOUSING AUTHORITY OF THE CITY OF EL PASO**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED JUNE 30, 2016**

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

**B. Reporting Entity (continued)**

On March 6, 2013 PHRC completed 15 affordable housing units for the elderly in Elvin Estates. The project was funded by the City of El Paso through the Neighborhood Stabilization Program (NSP).

PHRC purchased a 61 unit apartment community on June 18, 2013 known as Chai Manor. The purchase was funded by a combination of cash and a \$700,000 HOME loan with a ten (10) year term. The community is operated under the HUD Section 202 program.

In June, 2014, PHRC through its wholly owned subsidiary, Paisano Western Yarbrough, LLC, acquired the 99.99% limited partnership interest in Western Yarbrough, Ltd. Western Yarbrough, Ltd. developed and operates a thirty-three (33) unit housing project located in El Paso, Texas known as Western Yarbrough Apartments.

In June, 2014, PHRC through its wholly owned subsidiary, Paisano Redd Road, LLC, acquired the 99.99% limited partnership interest in Western Redd Road, Ltd. Western Redd Road, Ltd. developed and operates a thirty (30) unit housing project located in El Paso, Texas known as Western Redd Road Apartments.

**Alamito Public Facilities Corporation ("APFC")**

Alamito Public Facilities Corporation (APFC), a non stock, nonprofit public facilities corporation was created for the purpose of assisting the Authority in carrying out the purposes of the Authority as authorized in the Texas Local Government Code (the Code), in financing, refinancing, or providing "public facilities" (as defined in Chapter 392 of the Code). As such, APFC, on behalf of the Authority, issued Multi-family Housing Revenue Note, Series 2015A totaling \$59,625,000 and Multifamily Housing Revenue Bonds, Series 2015B totaling \$67,000,000, in conjunction with the HACEP RAD conversion program.

**El Paso RAD-2, PFC**

El Paso RAD-2, a public facilities corporation and an instrumentality of the Authority, is the sole owner of EP-RAD-2 Paisano Green Community, LLC, EP RAD-2 Montwood Heights 10, LLC and RAD-2 Alamito Place Casitas, LLC. The entities were created as part of the Authority's conversion to RAD.

**EP RAD-2 Paisano Green Community, LLC**

EP RAD-2 Paisano Green Community LLC was formed as a Texas Limited Liability Company to develop and operate a 73 unit multifamily rental housing development located in the City of El Paso, Texas, known as Paisano Green Community.

**HOUSING AUTHORITY OF THE CITY OF EL PASO**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED JUNE 30, 2016**

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

**B. Reporting Entity (continued)**

**EP RAD-2 Montwood Heights 10, LLC**

EP RAD-2 Montwood Heights 10, LLC was formed as a Texas Limited Liability Company to develop and operate a 10 unit multifamily rental housing development located in the City of El Paso, Texas, known as Montwood Heights 10.

**EP RAD-2 Alamito Place Casitas, LLC**

EP RAD-2 Alamito Place Casitas, LLC was formed as a Texas Limited Liability Company to develop and operate an 89 unit multifamily rental housing development located in the City of El Paso, Texas, known as Alamito Casitas and Alamito Place.

**Other Component Units**

The Authority has created numerous other wholly owned entities as part of the Authority's conversion to RAD. These entities do not yet possess assets or liabilities and have had no financial activity.

**Blended Presentation**

The Authority's blended component units are combined for financial reporting purposes and included under the "Primary Government" column on the Statement of Net Position and Statement of Revenues, Expenses and Changes in Net Position.

**HUD Subsidized Housing**

As of June 30, 2016, the Authority owned 3,881 units which received subsidy through the Public and Indian Housing Program and 60 units receiving subsidy through the Supportive Housing Program.

As of June 30, 2016, the Section 8 Housing Choice Voucher Program had 5,627 housing units authorized and provides vouchers for use by low-income persons for housing rental. Under this program, qualifying low-income persons lease housing units from private owners. The Authority pays a portion of the tenant's rental payments (Housing Assistance Payments or HAP) based upon the income of the tenant.



**HOUSING AUTHORITY OF THE CITY OF EL PASO  
NOTES TO FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED JUNE 30, 2016**

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

**B. Reporting Entity (continued)**

**HUD Subsidized Housing (continued)**

As of June 30, 2016, the Section 8 New Construction Program consisted of 495 units of Authority owned and managed properties as follows:

<u>Property Name</u>	<u>Units</u>
Henderson	144
Hervey	124
Muñoz Manor	160
Sitgraves	<u>67</u>
	<u><u>495</u></u>

**Migrant Farm Worker Community**

As of June 30, 2016, the Authority owned and operated a 50–unit apartment property to provide Housing to low and moderate-income farm workers. The Authority and the U.S. Department of Agriculture (USDA) provided development financing for the Herbert “Tio” Cooper Community. The USDA also provides an operating subsidy to supplement rent paid by the residents of the community.

**Non-Subsidized Housing**

As of June 30, 2016, the Authority owned and managed 514 units, across 11 properties that were purchased without the use of federal funds:

<u>Property Name</u>	<u>Units</u>
Ville Alegre’ Apartments	369
Western Redd Road Apartments	30
Western Yarbrough Apartments	32
Las Casita Apartments	5
St. Johns Apartments	12
Lomaland Apartments	14
Orchard/Shelter Apartments	4
Desert Sun Apartments	28
Elvin Estates	15
Kennedy Estates	2
Sitgraves	<u>3</u>
	<u><u>514</u></u>

**HOUSING AUTHORITY OF THE CITY OF EL PASO**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED JUNE 30, 2016**

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

**B. Reporting Entity (continued)**

**Community Service Grants**

In addition to subsidies and grants received from HUD for the development, modernization and operation of affordable housing, the Authority also receives grant funds from HUD and various other Federal, State, and local agencies to provide ancillary services to the residents of its communities. The grants are used to fund programs for education, drug abuse prevention, family self-sufficiency and various activities for the youth and the elderly.

All grants are restricted. Expenditures are to be made specifically for the programs covered by the grants and in accordance with the grant budgets. Any grant funds received in advance and not used by the end of the specified grant period are required to be returned to the grantor.

**C. Basis of Accounting**

The Authority's financial statements are prepared in accordance with GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* ("Statement"), as amended.

The Statement requires the basic financial statements to be prepared using the economic resources measurement focus and the accrual basis of accounting and requires the presentation of a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Net Position and Statement of Cash Flows. The Statement also requires the Authority to include management's discussion and analysis as part of the Required Supplemental Information.

The Authority has also adopted GASB Statement No. 33, *Accounting and Financial Reporting for Non-exchange Transactions* (GASB 33). GASB 33 established accounting and financial reporting standards for nonexchange transactions including financial or capital resources. Grants and subsidies 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 housing assistance payments ("HAP") under proprietary fund reporting should be reported as restricted net position, with the associated cash and investments also being reported on the Statement of Net Position and HUD's Financial Data Schedule ("FDS") as restricted. Any unused administrative fees should be reported as unrestricted net position, with the associated assets being reported on the FDS as unrestricted.

**HOUSING AUTHORITY OF THE CITY OF EL PASO**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED JUNE 30, 2016**

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

**C. Basis of Accounting (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 Voucher 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 GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, the Authority incorporates FASB and AICPA guidance into GASB authoritative literature.

**Funds**

The accounts of the Authority are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements. The Authority maintains the following types of proprietary funds:

*Enterprise Fund* – The Authority’s operations are presented as a single enterprise fund. The transactions for each of the programs of the Authority are accounted for in separate funds for internal purposes and grant requirements.

*Internal Service Fund* – The Authority maintains two internal service funds for the self-funded, health insurance plan and workers’ compensation plan. However, pursuant to GASB 34, paragraph 62, if an enterprise fund is the only participant in an internal service fund, the government should report the internal service fund’s residual assets and liabilities within the enterprise fund. As such, the activities of the internal service funds are combined with the enterprise fund on the Statement of Net Position and all inter-company transactions have been eliminated.

**Measurement Focus and Basis of Accounting**

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with proprietary funds’ principal on going operations. The principal operating revenues of the Authority’s funds are rent and maintenance charges to residents, operating grants and subsidies from HUD, and administration fees earned.

**HOUSING AUTHORITY OF THE CITY OF EL PASO**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED JUNE 30, 2016**

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

**C. Basis of Accounting (continued)**

**Measurement Focus and Basis of Accounting (continued)**

Operating expenses for proprietary funds include the administrative costs of providing services to residents and the housing assistance payments to residents. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**D. Use of Management Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (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, amortization of leasehold improvements and contingencies. Actual results could differ significantly from these estimates.

**E. 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 state and HUD requirements.

**F. Accounts Receivable**

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 and vacated tenants. 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.

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 EL PASO**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED JUNE 30, 2016**

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

**G. Allowance for Doubtful Accounts**

Management evaluates the collectability of outstanding receivables on a regular basis and establishes an allowance for doubtful accounts based on its assessment of outstanding accounts. Collection losses on accounts receivable are charged against the allowance for doubtful accounts.

**H. Prepaid Expenses**

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

**I. Inventory**

Inventories consist of miscellaneous supplies and appliances and 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 writes down inventory to its net realizable value through the establishment of an allowance for obsolete inventory.

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

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

**K. Notes Receivable**

The Housing Authority of the City of El Paso 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 generally accepted accounting principles, 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; the Authority reviews current economic trends and conditions. Management utilizes these estimates and judgements in connection with establishing an allowance for uncollectable amounts during an accounting period.

**HOUSING AUTHORITY OF THE CITY OF EL PASO**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED JUNE 30, 2016**

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

**L. Capital Assets**

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:

• Buildings	27.5 Years
• Site Improvements	10 Years
• Computers and Equipment	5 Years
• Furniture and Vehicles	5 Years

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

**M. 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.

**N. Advance Payments**

The Authority's advance payments primarily consist of the prepayment of rent by residents and the receipt of HUD and other grant funding applicable to future periods prior to incurring the corresponding expense.

**O. Equity Classifications**

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

Net investment in capital assets - Consists of 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.

**HOUSING AUTHORITY OF THE CITY OF EL PASO**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED JUNE 30, 2016**

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

**O. Equity Classifications (continued)**

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 another outside regulatory agency; or (2) law through constitutional provisions or enabling legislation. When the Authority incurs an expense for which it may use either restricted or unrestricted assets, it uses the restricted assets first unless this would cause loss of unrestricted resources.

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

**P. 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.

**Q. Fair Value**

The carrying amount of the Authority's financial instruments including cash deposits, accounts receivable, notes receivable and certain investments closely approximates fair value.

**R. Taxes**

The Authority is a unit of local government under Texas law and is exempt from real estate, sales 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 of El Paso.

**HOUSING AUTHORITY OF THE CITY OF EL PASO**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED JUNE 30, 2016**

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

**S. Investment in Leased Property**

As part of its development activities, the Authority routinely enters into ground lease agreements. Under terms of the agreements, the Authority leases land it owns to the lessee and the lessee owns the improvements built on the land. Typically, the lease terms range from fifty (50) to ninety-nine (99) years. Accordingly, these lease agreements (land only) are recorded as operating leases and accounted for as follows:

Rent will be reported as income over the lease term as it becomes receivable according to the provisions of the lease. However, if the rentals vary from the straight-line basis, the Authority will recognize the income on a straight-line basis unless another systematic and rational basis is more representative of the time pattern in which the benefit from the leased property is diminished, in which case that basis will be used.

Initial indirect costs will be deferred and allocated over the lease term in proportion to the recognition of rental income. However, initial direct costs may be charged to expense as incurred if the effect is not materially different from that which would have resulted from the use of the method prescribed in the preceding sentence.

If at the inception of the lease, the fair value of the property is less than its cost or carrying amount, then a loss equal to that difference will be recognized at the inception of the lease.

**T. Investment in Limited Partnerships**

The Authority holds minority ownership interests in various limited partnerships whereby its maximum exposure to loss is its current investment. The Authority does not consolidate the limited partnerships since it does not have the power to direct their activities that most significantly impact their economic performance and does not have an obligation to absorb losses or the right to receive benefits that could potentially be significant to the limited partnerships.

The Authority accounts for its investments in the various limited partnerships under the equity method, which requires that the investments are recorded at cost and adjusted for the Authority's share of income or loss. Since the Authority has no obligation to fund liabilities of the limited partnerships beyond its investment, the investment may not be reduced below zero.

The Authority regularly assesses its investment in limited partnerships for the existence of impairment. Impairment typically occurs when the carrying value of the Authority's investment in a limited partnership exceeds the estimated value of the investment as determined by management. The estimated value generally consists of remaining future housing tax credits and other tax benefits allocable to, and the estimated residual value if any, of the investment available to the Authority. The residual value is estimated by management based on current economic and capital market conditions, operational results and the terms of the limited partnership's agreements which provide for distributions to the Authority upon the liquidation of the limited partnership or sale or disposition of its assets.



**HOUSING AUTHORITY OF THE CITY OF EL PASO**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED JUNE 30, 2016**

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

**T. Investment in Limited Partnerships (continued)**

An impairment loss has no effect on the actual fair value of the underlying property or performance of the overall investment, nor does it have any effect on the remaining low-income housing tax credits to be generated. If an investment in a limited partnership is considered to be impaired, the Authority reduces its investment in such limited partnership on the statement of revenues, expenses, and changes in net position. Accordingly, the Authority did not recognize an impairment loss on its investments in limited partnerships for the year ended June 30, 2016.

**U. Budgets and Budgetary Accounting**

The Authority adopts annual, appropriated operating budgets for all its programs receiving federal expenditure awards and are used as a management tool throughout the accounting cycle. All budgets are prepared on a HUD basis, which differs with accounting principles generally accepted in the United States of America. All appropriations lapse at HUD's program year end or at the end of grant periods.

The Public Housing Program prepares its budget annually. The Board of Commissioners adopts the budget through passage of a budget resolution and submits it to HUD at least ninety days prior to the beginning of the program year. Capital fund budgets are adopted on a "Project length" basis. However, budgets are not legally adopted and, consequently, are not required for financial statement presentation.

**V. Economic Dependency**

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

**HOUSING AUTHORITY OF THE CITY OF EL PASO**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED JUNE 30, 2016**

**NOTE 2. CASH ON DEPOSIT**

At June 30, 2016, the Authority had funds on deposit in checking accounts and money market accounts.

As of June 30, 2016, the carrying amount of the Authority's cash and cash equivalents (including restricted cash) was \$189,378,868 and the bank balances were \$190,249,963. Cash on deposit consists of the following:

<u>Cash Category</u>	<u>Primary Government</u>	<u>Discretely Presented Component Units</u>	<u>Total Reporting Entity</u>
Unrestricted	\$ 65,208,426	\$ 2,476,341	\$ 67,684,767
Tenant security deposits	574,746	307,716	882,462
Restricted	<u>69,021,012</u>	<u>51,790,627</u>	<u>120,811,639</u>
	<u>\$ 134,804,184</u>	<u>\$ 54,574,684</u>	<u>\$ 189,378,868</u>

Of the bank balances, \$1,000,000 was covered by federal depository insurance and the remaining \$189,249,963 was collateralized with the pledging financial institution as of June 30, 2016.

<u>Depository Account</u>	<u>Primary Government</u>
Insured:	
FDIC	\$ 1,000,000
Collateralized:	
Collateralized amount held by pledging financial institution	<u>189,249,963</u>
	<u>\$ 190,249,963</u>

Custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. The Authority does not have a formal policy for custodial credit risk. As of June 30, 2016, the Authority's bank balances were not exposed to custodial credit risk.

**HOUSING AUTHORITY OF THE CITY OF EL PASO**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED JUNE 30, 2016**

**NOTE 3. ACCOUNTS RECEIVABLE, NET**

Accounts receivable, net consists of the following at June 30, 2016:

<u>Description</u>	<u>Primary Government</u>	<u>Discretely Presented Component Units</u>	<u>Total Reporting Entity</u>
Accounts receivable - HUD	\$ 2,232,221	\$ -	\$ 2,232,221
Accounts receivable - tenants	212,834	104,230	317,064
Accounts receivable - fraud	1,550	-	1,550
Accounts receivable - miscellaneous	<u>1,572,868</u>	<u>-</u>	<u>1,572,868</u>
 Total accounts receivable, net	 <u>\$ 4,019,473</u>	 <u>\$ 104,230</u>	 <u>\$ 4,123,703</u>

Accounts receivable - HUD

Accounts receivable - HUD represents amounts due to the Authority for amounts expended under grant agreements that have not yet been reimbursed. As of June 30, 2016, Accounts receivable - HUD consisted of reimbursable expenses within the following grants:

<u>Program</u>	<u>Amount</u>
Public Housing Capital Fund Program	\$ 1,970,744
Section 8 Housing Choice Voucher	208,305
Supportive Housing for Persons with Disabilities	3,231
Shelter Plus Care Program	7,028
Resident Opportunity and Supportive Services	<u>42,913</u>
	<u>\$ 2,232,221</u>

Accounts receivable - tenants

Accounts receivable - tenants consists of tenant balances owed for rent to the Authority for providing housing and are shown net of an allowance established by the Authority. As of June 30, 2016, accounts receivable - tenants consisted of the following:

<u>Category</u>	<u>Amount</u>
Tenant receivables	\$ 363,655
Allowance for doubtful accounts	<u>(46,591)</u>
	<u>\$ 317,064</u>

**HOUSING AUTHORITY OF THE CITY OF EL PASO**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED JUNE 30, 2016**

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

Accounts receivable - fraud

Accounts receivable - fraud represents the full amount of the receivable from tenants and other program participants who committed fraud or misrepresentation and now owe additional retroactive rent. As of June 30, 2016, accounts receivable - fraud consisted of the following:

<u>Program</u>	<u>Amount</u>
Low Rent Public Housing	\$ <u>1,550</u>
Housing Choice Vouchers Program	420,012
Allowance for doubtful accounts - HCV	<u>(420,012)</u>
Total Housing Choice Vouchers Program, net	<u>-</u>
	\$ <u><u>1,550</u></u>

Accounts receivable - miscellaneous

Accounts receivable - miscellaneous consist of amounts owed from managed properties and other miscellaneous sources from normal ongoing operations. Total accounts receivable - miscellaneous totaled \$1,572,868 as of June 30, 2016. The Authority believes these funds to be fully collectible and as such does not have an allowance on these funds.

**NOTE 4. CAPITAL ASSETS, NET**

The following is a summary of the primary government's changes in capital assets for the fiscal year ended June 30, 2016:

<u>Description</u>	<u>June 30, 2015</u>	<u>Additions</u>	<u>Dispositions</u>	<u>Transfers</u>	<u>June 30, 2016</u>
<u>Non-depreciable capital assets:</u>					
Land	\$ 27,615,683	\$ 1,330,000	\$ (1,361,680)	\$ -	\$ 27,584,003
Construction in progress	<u>7,480,226</u>	<u>4,247,828</u>	<u>-</u>	<u>-</u>	<u>11,728,054</u>
Total	<u>35,095,909</u>	<u>5,577,828</u>	<u>(1,361,680)</u>	<u>-</u>	<u>39,312,057</u>
<u>Depreciable capital assets:</u>					
Buildings	249,357,907	12,235,456	(40,093,188)	-	221,500,175
Furniture and equipment	<u>11,986,667</u>	<u>-</u>	<u>(461,053)</u>	<u>-</u>	<u>11,525,614</u>
Total	<u>261,344,574</u>	<u>12,235,456</u>	<u>(40,554,241)</u>	<u>-</u>	<u>233,025,789</u>
Less: accumulated depreciation	<u>201,541,222</u>	<u>5,937,180</u>	<u>(15,451,112)</u>	<u>-</u>	<u>192,027,290</u>
Net capital assets	<u>\$ 94,899,261</u>	<u>\$ 11,876,104</u>	<u>\$ (26,464,809)</u>	<u>\$ -</u>	<u>\$ 80,310,556</u>

Depreciation expense for the fiscal year ended June 30, 2016 amounted to \$5,937,180.

**HOUSING AUTHORITY OF THE CITY OF EL PASO**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED JUNE 30, 2016**

**NOTE 4. CAPITAL ASSETS, NET (continued)**

The Authority's discretely presented component unit's capital assets activity for the year ended June 30, 2016 was as follows:

Description	June 30, 2015	Additions	Dispositions	Transfers	June 30, 2016
<u>Non-depreciable capital assets:</u>					
Construction in progress	\$ -	\$ 1,529,561	\$ -	\$ -	\$ 1,529,561
Total	<u>-</u>	<u>1,529,561</u>	<u>-</u>	<u>-</u>	<u>1,529,561</u>
<u>Depreciable capital assets:</u>					
Buildings	106,118,990	31,303,207	-	-	137,422,197
Furniture and equipment	1,050,779	-	-	-	1,050,779
Total	<u>107,169,769</u>	<u>31,303,207</u>	<u>-</u>	<u>-</u>	<u>138,472,976</u>
Less: accumulated depreciation	<u>829,406</u>	<u>2,577,390</u>	<u>-</u>	<u>-</u>	<u>3,406,796</u>
Net capital assets	<u>\$ 106,340,363</u>	<u>\$ 30,255,378</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 136,595,741</u>

Depreciation expense for the fiscal year ended June 30, 2016 amounted to \$2,577,390.

**NOTE 5. RESTRICTED CASH**

Restricted cash consists of the following as of June 30, 2016:

<u>Cash Category</u>	<u>Primary Government</u>	<u>Discretely Presented Component Units</u>	<u>Total Reporting Entity</u>
Villa Allegre loan proceeds	\$ 5,096,382	\$ -	\$ 5,096,382
Family Self Sufficiency escrows	369,109	-	369,109
OIG escrow	4,580,941	-	4,580,941
2015 Series A and B bond proceeds	56,385,944	51,171,348	107,557,292
Project reserves	<u>2,588,636</u>	<u>619,279</u>	<u>3,207,915</u>
	<u>\$ 69,021,012</u>	<u>\$ 51,790,627</u>	<u>\$ 120,811,639</u>

Villa Allegre loan proceeds represent unspent proceeds from a \$5.2 million loan to rehabilitate Villa Allegre Apartments.

Family Self Sufficiency ("FSS") program escrows are restricted for use in the Housing Choice Voucher and Low Rent Public Housing programs by FSS program participants.

**HOUSING AUTHORITY OF THE CITY OF EL PASO  
NOTES TO FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED JUNE 30, 2016**

**NOTE 5. RESTRICTED CASH (continued)**

OIG escrow funds are restricted as per an escrow agreement with HUD whereby, the Authority agreed to place an original amount of \$8,212,571 in escrow pending HUD's review of certain expenditures made in the capital fund program as well as certain relocation costs made in conjunction with the Authority's implementation of their Rental Assistance Demonstration program.

Series A and Series B bond reserves represent unspent proceeds from the Alamito Public Facilities Corp Multifamily Housing Revenue Bond Series 2015A and 2015B. The proceeds will be used as part of the Authority's conversion of their public housing stock to HUD's Rental Assistance Demonstration program.

Project reserves represent amounts held under the terms of various agreements by which the Authority is required to set aside specified amounts for future Project expenditures. These restricted deposits are held in separate accounts in trust and generally are not available for operating purposes.

**NOTE 6. NOTES RECEIVABLE**

The Authority has utilized RAD, Hope VI, mixed finance and other development funds in accordance with HUD guidelines to assist in the construction of numerous public housing developments through the issuance of mortgage loans. Outstanding notes receivable as of June 30, 2016 consisted of the following:

<u>Description</u>	<u>Amount</u>
The Authority issued notes receivable as second mortgage dwelling assistance loans to individuals. As part of the Authority's Revitalization for Severely Distressed Public Housing (HOPE VI) Program, loans are provided to individuals in connection with the costs, fees and expenses associated with the acquisition of real property. Notes do not bear interest and are forgiven according to a set amortization schedule. Repayment is due in the event that the original borrower sells or transfers the property.	\$ 157,414
Construction loan provided to El Paso RAD I Ltd. from the proceeds of the Alamito Public Facilities Series 2015 A Bonds in the amount of \$59,625,000. Interest only, calculated at 4.17% is paid until April, 2017 at which time the loan will be termed out to May, 2033	51,171,348
Loan receivable from Saul Klienfeld, Ltd. in the original principal sum of \$644,000. Monthly payments of \$4,019 include interest at 6%. The loan matures in October, 2017 with a balloon payment of \$157,898. The loan is secured by a lien on the underlying building.	207,435

**HOUSING AUTHORITY OF THE CITY OF EL PASO  
NOTES TO FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED JUNE 30, 2016**

**NOTE 6. NOTES RECEIVABLE (continued)**

<u>Description</u>	<u>Amount</u>
The Authority issued a mortgage loan to Alamito Terrace on December 18, 2008 to facilitate the construction of new buildings and building improvements. The principal balance was \$8,690,629 and interest accrues at a rate of .5% per annum. The loan matures on September 30, 2062 at which time the entire unpaid balance of principal and interest shall be due and payable in full. The loan is secured by the real property. Accrued interest at June 30, 2016 amounted to \$44,439.	8,259,638
The Authority issued a mortgage loan to Alamito Gardens on August 1, 2008 to facilitate the construction of new buildings and building improvements. The principal balance was \$13,036,683 and interest accrues at a rate of .4% per annum. The loan is payable from available cash and matures on December 31, 2063 at which time all sums payable under the note shall be due and payable in full. The loan is secured by real property and any ensuing structures. Accrued interest at June 30, 2016 amounted to \$312,447.	12,695,000
The Authority issued a construction mortgage to Eastside Crossings, LTD in the amount not to exceed \$6,232,000. The loan accrues interest at the rate of 3% per annum. The note matures 40 years after project completion. Accrued interest at June 30, 2016 amounted to \$375,997.	6,232,000
HOME Funds loan to Eastside Crossings LTD dated May 23, 2013 in the amount of \$100,000. The loan accrues interest at 3% per annum; is due February 5, 2046 and is secured by real property. Accrued interest at June 30, 2016 amounted to \$7,850.	100,000
Loan Receivable from El Paso RAD I, LTD for the transfer of the buildings and improvements for thirteen properties. The principal sum of \$77,080,000, which accrues interest of 3.5% and principal on this note, shall be paid in full on the Maturity date of April 1, 2065. Required payments prior to maturity date will consist of annual cash flow, to the extent of insufficient cash flow, borrower will make installment payments owing hereunder. Accrued interest at June 30, 2016 amounted to \$2,976,568	77,080,000
The Paisano Housing Redevelopment Corporation issued a GAP Financing Loan to El Paso RAD I, LTD in the total amount of \$31,747,976. The loan is interest free and matures in April of 2065.	23,037,605
The Paisano Housing Redevelopment Corporation issued a GAP Financing Loan to Haymon Krupp, LP in the maximum amount of \$4,450,000. This Note shall accrue interest 4.5% per annum, compounded annually and maturing in November, 2065. This Note is issued pursuant to the terms of, a Line of Credit Agreement between Maker and Lender of even date herewith Pursuant to the Loan Agreement. Accrued interest at June 30, 2016 amounted to \$49,762.	1,756,395

**HOUSING AUTHORITY OF THE CITY OF EL PASO**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED JUNE 30, 2016**

**NOTE 6. NOTES RECEIVABLE (continued)**

<u>Description</u>	<u>Amount</u>
Loan receivable from Haymon Krupp, LP in the principal sum of \$1,111,500 which accrues interest at 4.5%. Payments on the note will be made from net cash flow as defined in the partnership agreement. Unpaid principal and accrued interest on this note shall be paid in full on November 1, 2065. Accrued interest at June 30, 2016 amounted to \$33,123.	1,104,100
Loan receivable from Tays Phase 1 in the principal sum of \$652,500 which accrues interest at 6%. Payments on the note will be made from net cash flow as defined in the partnership agreement. Unpaid principal and accrued interest on this note shall be paid in full on December 1, 2065. Accrued interest at June 30, 2016 amounted to \$22,838.	<u>652,500</u>
Total notes receivable	182,453,435
Less: current portion	<u>207,435</u>
Notes receivable, net of current portion	<u>\$ 182,246,000</u>

As of June 30, 2016, accrued interest on the aforementioned notes receivable totaled \$3,827,851 and is included on the Authority's Statement of Net Position.

**NOTE 7. OTHER ASSETS, NET**

Other assets consisted of the following at June 30, 2016:

<u>Description</u>	<u>Primary Government</u>	<u>Discretely Presented Component Units</u>	<u>Total Reporting Entity</u>
Developer fees receivable	\$ 7,279,825	\$ -	\$ 7,279,825
Investment in joint ventures	2,161,306	-	2,161,306
Investment in land leases	10,200,000	-	10,200,000
Prepaid land lease, noncurrent portion	-	2,035,246	2,035,246
Loan fees, net	118,296	2,621,381	2,739,677
Deferred charges and other reimbursements	<u>721,596</u>	<u>-</u>	<u>721,596</u>
	<u>\$20,481,023</u>	<u>\$ 4,656,627</u>	<u>\$25,137,650</u>

Developer fees receivable represent amounts due to the Authority from acting as developer of El Paso RAD I, LTD. The total development fee of \$19,044,042 shall be payable from equity investments by the limited partner.



**HOUSING AUTHORITY OF THE CITY OF EL PASO  
NOTES TO FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED JUNE 30, 2016**

**NOTE 7. OTHER ASSETS, NET (continued)**

Investment in joint ventures represents ownership interests in numerous limited partnerships. The limited partnerships operate apartment complexes which provide low income housing eligible for tax credits in accordance with Section 42 of the Internal Revenue Code. The investment in the limited partnerships is accounted for under the equity method, because the Authority exercises significant influence over its operating and financial activities. Accordingly, the investment is carried at cost and adjusted for the proportionate share of earnings or losses.

Investment in land leases represents the Authority's basis in a Ground Lease issued by HACEP to El Paso RAD I, Ltd. The lease commenced on April 1, 2015 and terminates on the 75th anniversary. Rent will commence on the 2nd lease year with an annual rent in the sum of \$136,000 payable solely from cash flow. In the extent of insufficient funds to pay annual rent, unpaid amounts shall accrue without interest.

Prepaid land lease represents the advanced portion of the payment for land leases with the Authority.

Loan fees are shown net of accumulated amortization of \$50,700 (primary government) and \$183,062 (discretely presented component units).

Deferred charges represent development costs paid on behalf of future projects and miscellaneous receivables from managed properties and certain vendors.

**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 15th day of the first month following the initial date of employment, but vests upon completion of the probationary period. Employees accrue compensated absences according to the following schedule:

Years of Service	Accrual Rate per Pay Period	Annual Accrual	Maximum Hours
<u>Vacation:</u>			
0-5	3.08 hours	80 hours	160 hours
6-10	4.62 hours	120 hours	240 hours
11 or more	6.16 hours	160 hours	320 hours
<u>Sick:</u>			
All years of service	3.08 hours	80 hours	320 hours

**HOUSING AUTHORITY OF THE CITY OF EL PASO**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED JUNE 30, 2016**

**NOTE 8. COMPENSATED ABSENCES (continued)**

The Authority's policy for voluntary departure from service is to pay all vacation and prior paid time off up to 480 hours. If officially retiring, the employee is paid all vacation, prior paid time off, and sick time up to 480 hours. Additionally, if the employee is retiring and they have grandfathered leave time (an employee prior to 1993), they are paid these hours up to 900 hours. Nothing is paid to employees for involuntary departure.

As of June 30, 2016, accrued compensated absences amounted to \$793,760 and consisted of the following activity:

<u>Description</u>	<u>Primary Government</u>	<u>Discretely Presented Component Units</u>	<u>Total Reporting Entity</u>
Beginning compensated absences	\$ 1,197,830	\$ -	\$ 1,197,830
Compensated absences expense	556,354	-	556,354
Compensated absences redeemed	<u>(960,424)</u>	<u>-</u>	<u>(960,424)</u>
Ending compensated absences	793,760	-	793,760
Less: current portion	<u>149,014</u>	<u>-</u>	<u>149,014</u>
Compensated absences, net of current portion	<u>\$ 644,746</u>	<u>\$ -</u>	<u>\$ 644,746</u>

**NOTE 9. OTHER LIABILITIES**

As of June 30, 2016, other liabilities (current and non-current) totaled \$6,733,004, and consisted of the following:

<u>Description</u>	<u>Balances at July 01, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balances at June 30, 2016</u>
FSS Escrows	\$ 421,634	\$ -	\$ (52,522)	\$ 369,112
Construction contract retention	509,737	-	(509,737)	-
Escheat liabilities	175,618	190,619	(175,618)	190,619
Farm labor accruals	130,053	93	(130,053)	93
Insurance accruals	586,096	543,849	(586,096)	543,849
Lease security deposit	4,300	-	-	4,300
Prepaid land lease	1,831,129	218,500	(31,500)	2,018,129
Tax accruals	6,471	49,975	(6,471)	49,975
Advance payments	476,276	720,770	(476,276)	720,770
Developer fee payable	468,451	570,854	-	1,039,305
Other liabilities	<u>417,724</u>	<u>2,265,303</u>	<u>(886,175)</u>	<u>1,796,852</u>
Total	<u>\$ 5,027,489</u>	<u>\$ 4,559,963</u>	<u>\$ (2,854,448)</u>	6,733,004
Due within one year				<u>3,265,920</u>
Non-current portion				<u>\$ 3,467,084</u>

**HOUSING AUTHORITY OF THE CITY OF EL PASO**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED JUNE 30, 2016**

**NOTE 9. OTHER LIABILITIES (continued)**

The Authority's discretely presented component unit's activity for other liabilities for the year ended June 30, 2016 was as follows:

<u>Description</u>	<u>Balances at July 01, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balances at June 30, 2016</u>
Developer fee payable	\$ 1,284,128	\$ -	\$ -	\$ 1,284,128
Accrued interest	524,331	2,095,486	(524,331)	2,095,486
Prepaid rent	-	35,587	-	35,587
Accrued construction costs	1,313,641	2,187,320	(1,313,641)	2,187,320
Other accrued expenses	<u>470,209</u>	<u>614,561</u>	<u>(502,187)</u>	<u>582,583</u>
Total	<u>\$ 3,592,309</u>	<u>\$ 4,932,954</u>	<u>\$ (2,340,159)</u>	6,185,104
Due within one year				<u>2,713,656</u>
Non-current portion				<u>\$ 3,471,448</u>

**NOTE 10. PAYMENTS IN LIEU OF TAXES (PILOT)**

In accordance with Section 392.005 of the Texas Local Government Code, property owned by a Housing Authority is exempt from all taxes and special assessments of a municipality, but the Housing Authority may make an annual "Payment in Lieu of Taxes" ("PILOT"), to assist with costs associated with services furnished by the municipality. Under the Cooperation Agreement with the City of El Paso, PILOT is calculated by using the lesser of ten percent (10%) of the aggregate shelter rent charged by the Authority or the amount permitted by State law.

Included in General Expenses on the Authority's Statement of Revenues, Expenses and Changes in Net Position for the year ended June 30, 2016 is \$624,521 of PILOT expenses for the Primary Government.

**NOTE 11. LONG TERM DEBT**

Long-term debt consisted of the following as of June 30, 2016:

<u>Description</u>	<u>Amount</u>
Loan payable to the United States Department of Agriculture (USDA) in connection with the development of the 50-unit Herbert "Tio" Cooper apartment community for migrant farm worker families. The loan with the original amount of \$1,500,000 carries an annual interest rate of 1%, requires monthly principal and interest payments of \$4,640, matures in March, 2035 and is secured by the underlying property.	\$ 928,410

**HOUSING AUTHORITY OF THE CITY OF EL PASO  
NOTES TO FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED JUNE 30, 2016**

**NOTE 11. LONG TERM DEBT (continued)**

<u>Description</u>	<u>Amount</u>
Community Development Loan payable from the City of El Paso in the original amount of \$400,000 for the Siesta Gardens project. The loan is non-recourse and non-interest bearing with monthly principal payments of \$1,111 and matures in May, 2037.	\$ 275,558
Loan payable to a bank for the rehabilitation of a 369 unit housing project located in East El Paso, Texas. Interest shall accrue on the outstanding principal balance of the loan on a fixed rate of 3.65%. The loan will be interest only through June, 2013 at which time the loan will amortize over 10 years. The loan is secured by a first lien and security on the underlying property and improvements.	4,509,427
Loan payable to the City of El Paso dated September 28, 2011, in connection with the rehabilitation of a 369 unit housing project located in East El Paso, Texas. The loan is interest free and payable in one hundred twenty (120) equal monthly installments commencing ninety (90) days after the first day of the month following the completion date of the project.	800,000
Loans payable in the maximum amount of \$1,700,000 and \$157,052 to the City of El Paso dated April 17, 2012, in connection with the construction of the property known as Elvin Estates. The loans are interest free and shall be forgiven in its entirety in 20 years after project completion so long as the Authority maintains compliance with the Neighborhood Stabilization Program Development Agreement.	1,857,052
Loan payable to the City of El Paso dated June, 2013 in connection with the construction of the property known as Chai Manor. The loan bears interest at 0% and is due in 120 equal monthly payments of \$6,667. The loan is secured by a deed of trust on the property located at 406 Wallenberg, El Paso, Texas.	575,772
Loan payable to the City of El Paso dated June, 2013 in connection with the construction of the property known as Chai Manor. The loan bears interest at 0% and is due in 120 equal monthly payments of \$1,667. However, as long as the Authority maintains compliance with the terms of the Community Development Rental Housing Program, such monthly payments shall be deferred and the original balance shall be forgiven in its entirety ten (10) years after the date of project completion.	200,000
HOME funds loan payable to the City of El Paso in connection with the construction of the property known as Eastside Crossing. The loan accrues interest at three percent (3%) per annum and is due forty-two (42) years from the first advance or February 5, 2056. The loan is secured by a deed of trust on the property.	100,000

**HOUSING AUTHORITY OF THE CITY OF EL PASO**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED JUNE 30, 2016**

**NOTE 11. LONG TERM DEBT (continued)**

<u>Description</u>	<u>Amount</u>
Alamito Pubic Facilities Series 2015 A Bonds in the amount of \$59,625,000. Bonds were issued under the provisions of Texas Housing Authority Laws, Chapter 392, Texas Local Government Code, as amended. This note is a special limited obligation, payable solely from moneys and properties pledged from securities available for this purpose. The bonds are payable in interest only payments calculated at 4.16% through April, 2017, at which time principal and interest payments of \$274,111 are due monthly through April, 2033. In May, 2033 a balloon payment of \$42,724,502 will be due.	\$ 41,152,219
Alamito Pubic Facilities Series 2015 B Bonds in the amount of \$65,375,000 plus capitalized interest of \$1,625,000. Bonds were issued under the provisions of Texas Housing Authority Laws, Chapter 392, Texas Local Government Code, as amended. The proceeds of the loan were used to make a loan to El Paso RAD I, Ltd. Interest accrues at 1% per annum and is payable at the maturity date of October 1, 2018.	<u>66,360,775</u>
Total long-term debt	116,759,213
Less: current portion	<u>1,000,727</u>
Long-term debt, excluding current portion	<u>\$ 115,758,486</u>

Annual debt service for principal and interest over the next five years and in five-year increments thereafter are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 1,000,727	\$ 3,396,969	\$ 4,397,696
2018	67,806,592	2,914,891	70,721,483
2019	1,495,976	2,641,763	4,137,739
2020	1,548,202	2,589,537	4,137,739
2021	1,602,580	2,535,159	4,137,739
2022-2026	7,767,943	11,778,632	19,546,575
2027-2031	6,499,368	10,392,327	16,891,695
2032-2036	28,928,908	22,087,390	51,016,298
2037-2041	8,917	-	8,917
2052-2056	<u>100,000</u>	<u>155,024</u>	<u>255,024</u>
	<u>\$ 116,759,213</u>	<u>\$ 58,491,692</u>	<u>\$ 175,250,905</u>

**HOUSING AUTHORITY OF THE CITY OF EL PASO**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED JUNE 30, 2016**

**NOTE 11. LONG TERM DEBT (continued)**

Debt activity for the primary government for the year ended June 30, 2016 consisted of the following:

Description	June 30, 2015	Advances	Principal Payments	June 30, 2016
Loans payable	\$ <u>142,152,257</u>	\$ <u>1,204,278</u>	\$( <u>26,597,322</u> )	\$ <u>116,759,213</u>

Interest expense for the year ended June 30, 2016 totaled \$293,874.

A summary of the Authority's discretely presented component units long-term debt is as follows:

Loans payable to the Authority as evidenced by a Note Receivable:

(see Note 6)	<u>Amount</u>
Authority loan for El Paso RAD I Ltd. for the purchase of buildings	\$ 77,080,000
Paisano Housing Redevelopment loan for El Paso RAD I Ltd.	11,485,254
Authority construction loan to El Paso RAD 1 Ltd.	59,625,000
Housing Authority of the City of El Paso loan for Eastside Crossing Ltd.	100,000
Housing Authority of the City of El Paso loan for Eastside Crossing Ltd.	6,232,000
GAP Loan payable to the Authority for Haymon Krupp, LP	1,756,213
GAP Loan payable to the Authority for El Paso Tays, LP	<u>287,767</u>
Total primary government loans to discretely presented component units	<u>156,566,234</u>

Other Loans:

Construction loan payable to Chase bank for Eastside Crossing, Ltd.	7,539,983
Construction loan payable to City of El Paso for Haymon Krupp, LP	160,000
Construction loan payable to Bank of the West for Haymon Krupp, LP	4,530,913
Construction loan payable to City of El Paso for El Paso Tays, LP	34,000
Construction loan payable to Citi Bank for El Paso Tays, LP	<u>6,320,370</u>
Total long-term debt for discretely presented component units	<u>\$ 175,151,500</u>

**HOUSING AUTHORITY OF THE CITY OF EL PASO**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED JUNE 30, 2016**

**NOTE 12. PENSION PLAN**

The Authority has a defined contribution pension plan entitled the "Housing Authority of the City of El Paso Retirement Plan" (the Plan), covering all permanent employees. The Plan is administered by a third party administrator at the direction of a Board of Trustees representing the population of HACEP employees. Each employee directs the third party administrator as how to invest his or her contributions. Employees are eligible to participate six months from the date the employee is considered permanent. Participation in the Plan is mandatory. The employees are entitled to receive the amount contributed by them on their behalf plus interest earned. Retirement benefits vest after five years of credited service. The Plan is funded through employee and HACEP contributions of 5% and 7%, respectively, of the base monthly compensation as defined by the Plan. During the fiscal year ended June 30, 2016, employees of HACEP contributed \$573,023 to the Plan and HACEP contributed \$802,265 to the Plan.

A summary of the Plan's activity for the year ended June 30, 2016 is as follows:

<u>Description</u>	<u>Amount</u>
Balance, beginning of year	\$ 19,456,939
Contributions	1,375,288
Roll-ins	25,009
Forfeitures applied as contributions	(325,335)
Loan issuances	(168,958)
Loan repayments	142,090
Distributions	(1,997,152)
Adjustments	15,549
Forfeit transfers	50,466
Service fees	(22,597)
Earnings	(549,874)
Dividends/Interest	<u>584,854</u>
Balance, end of year	18,586,279
Loan balance	<u>322,599</u>
Plan assets, end of year	<u>\$ 18,908,878</u>

**NOTE 13. RESTRICTED NET POSITION**

Restricted net position consists of the following at June 30, 2016:

<u>Description</u>	<u>Amount</u>
HOPE VI revolving loan reserves and accrued interest	\$ 21,311,524
Reserves for replacement of property and equipment	669,398
HUD OIG Reserve	<u>4,580,941</u>
Total restricted net position	<u>\$ 26,561,863</u>

**HOUSING AUTHORITY OF THE CITY OF EL PASO  
NOTES TO FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED JUNE 30, 2016**

**NOTE 13. RESTRICTED NET POSITION (continued)**

Hope VI mortgage loan reserves and the related accrued interest are loans made to Alamito Terrace LP and Alamito Gardens LP which are restricted for use in the Public and Indian Housing program upon collection of the loan and related accrued interest.

Reserves for replacement of property and equipment are restricted for use within their respective project for the replacement of property and equipment.

HUD OIG reserve funds are restricted as per an escrow agreement with HUD whereby, the Authority agreed to place an original amount of \$8,212,571 in escrow pending HUD's review of certain expenditures made in the capital fund program as well as certain relocation costs made in conjunction with the Authority's implementation of their Rental Assistance Demonstration program.

**NOTE 14. LEASING ACTIVITIES**

Dwelling Units

The Authority is the lessor of dwelling units mainly to low-income residents. The rents under the leases are determined generally by the resident's income as adjusted for eligible deductions regulated by HUD, although the resident may opt for a flat rent. Leases may be cancelled by the lessee at any time. The Authority may cancel the lease only for cause.

Revenues associated with these leases are recorded in the financial statements and schedules as "Tenant Revenue". Tenant Revenue per dwelling unit generally remains consistent from year to year, but is affected by general economic conditions which impact personal income and local job availability.

Land Leases

The Authority entered into several ground leases as part of the Authority's Rental Assistance Demonstration Program. In accordance with generally accepted accounting principles, the leases are classified as operating leases.

The leases are summarized as follows:

Lessee	Settlement Date	Lease Term	Expiration Date	Lease Price
Eastside Crossing, Ltd.	May, 2013	65 years	May, 2078	\$1,890,000
El Paso RAD 1, Ltd. (13 Leases)	April, 2015	75 years	April, 2090	\$10,200,000
EP-RAD-2 Montwood Heights 10, LLC	December, 2015	75 years	December, 2090	\$150,000
RAD-2 Alamito Place Casitas, LLC	December, 2015	75 years	December, 2090	\$6,210,000
Haymon Krupp, L.P.	November, 2015	75 years	November, 2090	\$1,242,500
RAD-2 Paisano Green Community, LLC	December, 2015	75 years	December, 2090	\$5,210,000
RAD-2 Paisano Green Community, LLC	December, 2015	75 years	December, 2090	\$590,000
El Paso Tays, LP	December, 2015	75 years	December, 2090	\$725,000



**HOUSING AUTHORITY OF THE CITY OF EL PASO**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED JUNE 30, 2016**

**NOTE 15. RISK MANAGEMENT**

The Authority is exposed to various risks of loss related to torts, theft, damage, and destruction of assets; errors and omissions; and natural disasters. The Authority maintains insurance policies acquired from independent insurance carriers covering all structural property, automobiles, crime coverage, personal property and general liability.

The Authority sponsors a self-funded medical and dental benefits plan (the Medical Plan) and utilizes a third party administrator for Medical Plan administration. The Medical Plan is accounted for in an Internal Service Fund. Regular, full-time employees are provided medical coverage at no cost to the employee and may voluntarily choose to cover spouses and dependents subject to a premium. Total expenditures for the Medical Plan, net of employee premiums, amounted to \$7,722,951 for the fiscal year ended June 30, 2016.

Liabilities of the Medical Plan are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include amounts for claims that have been incurred but not reported (IBNRs), as estimated by the third party administrator. The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. An excess insurance policy covers individual claims in excess of \$250,000 and \$2,000,000 in the aggregate. The accrual of IBNR claims provided by the third party administrator, as of June 30, 2016 amounted to \$344,396.

The Authority provides workers compensation benefits under a self-insurance program administered by a risk management services company, and accounts for this program in an internal service fund. In addition, the Authority purchases an excess workers compensation and employer's liability indemnity policy to cover workers compensation claims in excess of \$450,000 per accident per individual. The total cost of all workers compensation claims was \$196,102 for the year ended June 30, 2016. No amount has been accrued for IBNR claims. The total liability as of June 30, 2016 totaled \$155,165 and is included in accrued liabilities in the Internal Service Fund.

Activity of the Internal Service Funds is summarized as follows:

Self-Insurance Liability	Beginning Fiscal Year Liability as of July 1, 2015	Current Year Claims & Changes in Estimate	Employee Contributions	Claim Payments	Balance at Fiscal Year End as of June 30, 2016
Worker's Comp.	\$ 93,388	\$ 196,102	\$ -	\$ (134,325)	\$ 155,165
Medical	<u>492,709</u>	<u>7,722,951</u>	<u>(323,422)</u>	<u>(7,547,842)</u>	<u>344,396</u>
Total	<u>\$ 586,097</u>	<u>\$ 7,919,053</u>	<u>\$ (323,422)</u>	<u>\$ (7,682,167)</u>	<u>\$ 499,561</u>

**HOUSING AUTHORITY OF THE CITY OF EL PASO**  
**NOTES TO FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED JUNE 30, 2016**

**NOTE 16. COMMITMENTS AND 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 June 30, 2016, the Authority has set aside \$4,580,941 as reserve against such audits.

The Authority is the general partner in several single-property LIHTC partnerships that have extensive compliance requirements. A lack of compliance with the various regulations could adversely impact the Authority's ownership in the partnerships by jeopardizing the tax credits received by the investor limited partners. As of June 30, 2016, the Authority estimates that no material liabilities will result from such noncompliance.

**NOTE 17. SUBSEQUENT EVENTS**

Events that occur after the financial statement date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the financial statement date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the financial statement date require disclosure in the accompanying notes to the financial statements. Management evaluated the activity of the Authority through March 31, 2017 (the date the financial statements were available to be issued) and concluded that no subsequent events occurred that would require disclosure in the notes to the financial statements.



**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  
Housing Authority of the City of El Paso:

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 Housing Authority of the City of El Paso as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise Housing Authority of the City of El Paso's basic financial statements, and have issued our report thereon dated March 31, 2017.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Housing Authority of the City of El Paso'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 Housing Authority of the City of El Paso's internal control. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority of the City of El Paso'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 Housing Authority of the City of El Paso'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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's 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*

March 31, 2017  
Toms River, New Jersey



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Commissioners  
Housing Authority of the City of El Paso:

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

We have audited Housing Authority of the City of El Paso's compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Housing Authority of the City of El Paso's major federal programs for the year ended June 30, 2016. The Housing Authority of the City of El Paso'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 Housing Authority of the City of El Paso'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 *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards 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 Housing Authority of the City of El Paso'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 Housing Authority of the City of El Paso's compliance.

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

In our opinion, the Housing Authority of the City of El Paso 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 its major federal programs for the year ended June 30, 2016.

### **Report on Internal Control Over Compliance**

Management of the Housing Authority of the City of El Paso 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 Housing Authority of the City of El Paso'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 Housing Authority of the City of El Paso's internal control over compliance.

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

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

### **Purpose of this Report**

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.

March 31, 2017  
Toms River, New Jersey

*Novogradac & Company LLP*

**SUPPLEMENTAL INFORMATION**

**HOUSING AUTHORITY OF THE CITY OF EL PASO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2016**

<u>Federal Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Grant Expenditures</u>
U.S. Department of Housing and Urban Development:		
Public and Indian Housing Program	14.850	\$ 13,037,215
Public Housing Capital Fund Program	14.872	11,958,321
Resident Opportunity and Supportive Services	14.871	218,597
Section 8 Housing Choice Voucher Program	14.870	34,206,709
Supportive Housing for Persons with Disabilities	14.181	389,945
Supportive Housing for the Elderly	14.157	392,582
Shelter Plus Care	14.238	42,407
Section 8 Project-Based Cluster		
Section 8 New Construction and Substantial Rehabilitation	14.182	2,653,620
CDBG - Entitlement Grants Cluster		
Community Development Block Grant	14.218	125,992
U.S. Department of Agriculture:		
Farm Labor Housing Loans and Grants	10.405	<u>124,449</u>
		<u>\$ 63,149,837</u>

See Notes to Schedule of Expenditure of Federal Awards



**HOUSING AUTHORITY OF THE CITY OF EL PASO**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

**NOTE 1. BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards ("the Schedule") includes the federal grant activity of the Housing Authority of the City of El Paso under programs of the federal government for the year ended June 30, 2016. 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 Housing Authority of the City of El Paso, it is not intended to and does not present the net position, changes in financial position or cash flows of the Housing Authority of the City of El Paso.

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**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 EL PASO**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (continued)**  
**FOR THE YEAR ENDED JUNE 30, 2016**

**NOTE 4. SCHEDULE OF CAPITAL FUND PROGRAM COSTS AND ADVANCES**

The total amount of Capital Fund Program Costs and Advances incurred and earned by the Housing Authority of the City of El Paso as of and for the year ended June 30, 2016 are provided herein.

	<u>501-10</u>	<u>501-11</u>	<u>501-12</u>	<u>501-13</u>	<u>501-14</u>	<u>501-15</u>	<u>Totals</u>
Budget	\$ <u>10,152,425</u>	\$ <u>8,747,083</u>	\$ <u>7,054,018</u>	\$ <u>8,948,442</u>	\$ <u>7,727,103</u>	\$ <u>8,070,910</u>	\$ <u>50,699,981</u>
<u>Advances:</u>							
Cumulative through 7/1/15	\$ 7,306,493	\$ 3,871,610	\$ 6,654,018	\$ 3,727,071	\$ 972,710	\$ -	\$ 22,531,902
Current Year	<u>1,274,403</u>	<u>4,635,776</u>	<u>-</u>	<u>4,878,175</u>	<u>-</u>	<u>1,107,091</u>	<u>11,895,445</u>
Cumulative through 6/30/16	<u>8,580,896</u>	<u>8,507,386</u>	<u>6,654,018</u>	<u>8,605,246</u>	<u>972,710</u>	<u>1,107,091</u>	<u>34,427,347</u>
<u>Costs:</u>							
Cumulative through 7/1/15	9,053,373	4,047,031	6,654,018	3,727,071	958,277	-	24,439,770
Current Year	<u>561,460</u>	<u>4,599,364</u>	<u>-</u>	<u>4,961,051</u>	<u>721,105</u>	<u>1,115,341</u>	<u>11,958,321</u>
Cumulative through 6/30/16	<u>9,614,833</u>	<u>8,646,395</u>	<u>6,654,018</u>	<u>8,688,122</u>	<u>1,679,382</u>	<u>1,115,341</u>	<u>36,398,091</u>
Excess / (Deficiency)	\$ <u>(1,033,937)</u>	\$ <u>(139,009)</u>	\$ <u>-</u>	\$ <u>(82,876)</u>	\$ <u>(706,672)</u>	\$ <u>(8,250)</u>	\$ <u>(1,970,744)</u>

**HOUSING AUTHORITY OF THE CITY OF EL PASO  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2016**

I. Summary of Auditors' Results

Financial Statement Section

- |    |   |            |
|----|---|------------|
| 1. | Type of auditors' report issued:                    | Unmodified |
| 2. | Internal control over financial reporting:          |            |
| a. | Material weakness(es) identified?                   | No         |
| b. | Were significant deficiency(ies) identified         | No         |
| 3. | Noncompliance material to the financial statements? | No         |

Federal Awards

- |    |  |             |
|----|--|-------------|
| 1. | Dollar threshold used to distinguish between Type A and Type B Programs:                               | \$1,894,495 |
| 2. | Auditee qualified as low-risk Auditee?   | Yes         |
| 3. | Type of auditors' report on compliance for major programs:   | Unmodified  |
| 4. | Internal Control over compliance:  |             |
| a. | Material weakness(es) identified?  | No          |
| b. | Were significant deficiency(ies) identified  | No          |
| c. | Any audit findings disclosed that are required to be reported in accordance with the 2 CFR 200.516(a)? | No          |
| 5. | Identification of major programs:  |             |

<u>CFDA Number</u>	<u>Name of Federal Program</u>
14.871	Section 8 Housing Choice Vouchers Program

**HOUSING AUTHORITY OF THE CITY OF EL PASO  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2016**

II. Financial Statement Findings

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

III. Federal Award Findings and Questioned Costs

There were no findings or questioned costs relating to federal awards.

IV. Schedule of Prior Year Audit Findings

None reported.

El Paso Housing Authority										
TX003										
Financial Data Schedule (FDS)										
June 30, 2016										
Line Item #		Account Description	PROJECTS	14.218 Community Development Block Grants/Entitlement Grants	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	14.182 N/C S/R Section 8 Programs			
<b>ASSETS:</b>										
CURRENT ASSETS:										
Cash:										
111		Cash - unrestricted	\$ 21,984,962	\$ 219,417	\$ -	\$ 605,726	\$ 22,493,369			
112		Cash - restricted - modernization and development	-	-	-	-	-			
113		Cash - other restricted	128,378	-	-	240,731	4,580,941			
114		Cash - tenant security deposits	372,980	-	-	-	94,319			
115		Cash - restricted for payment of current liabilities	-	-	-	-	-			
100		Total cash	22,486,320	219,417	-	846,457	27,168,629			
Accounts and notes receivables:										
121		Accounts receivable - PHA projects	-	-	-	-	-			
122		Accounts receivable - HUD other projects	1,792,316	-	42,913	208,305	-			
124		Accounts receivable - other government	-	-	-	-	-			
125		Accounts receivable - miscellaneous	23,768	-	-	35,524	-			
126		Accounts receivable- tenants	208,281	4,366	-	-	7,235			
126.1		Allowance for doubtful accounts - tenants	(27,108)	(4,366)	-	-	(1,769)			
126.2		Allowance for doubtful accounts - other	-	-	-	-	-			
127		Notes and mortgages receivable- current	-	-	-	-	-			
128		Fraud recovery	1,550	-	-	420,012	-			
128.1		Allowance for doubtful accounts - fraud	-	-	-	(420,012)	-			
129		Accrued interest receivable	-	-	-	-	-			
120		Total receivables, net of allowances for doubtful accounts	1,998,807	-	42,913	243,829	5,466			
Current investments										
131		Investments - unrestricted	-	-	-	-	-			
132		Investments - restricted	-	-	-	-	-			
135		Investments - restricted for payment of current liability	-	-	-	-	-			
142		Prepaid expenses and other assets	19,259	-	-	10,819	4,095			
143		Inventories	-	-	-	-	-			
143.1		Allowance for obsolete inventories	-	-	-	-	-			
144		Interprogram - due from	-	-	-	-	-			
145		Assets held for sale	-	-	-	-	-			
150		TOTAL CURRENT ASSETS	24,504,386	219,417	42,913	1,101,105	27,178,190			
NONCURRENT ASSETS:										
Fixed assets:										
161		Land	17,116,263	127,670	-	-	992,675			
162		Buildings	167,415,773	781,596	-	-	12,294,250			
163		Furniture, equipment & machinery - dwellings	5,942,339	-	-	-	212,737			
164		Furniture, equipment & machinery - administration	48,436	-	-	119,733	60,965			
165		Leasehold improvements	-	-	-	-	-			
166		Accumulated depreciation	(161,812,075)	(272,375)	-	(119,733)	(11,733,359)			
167		Construction in Progress	11,231,165	-	-	-	-			
168		Infrastructure	-	-	-	-	-			
160		Total fixed assets, net of accumulated depreciation	39,941,901	636,891	-	-	1,827,268			
Other non-current assets:										
171		Notes and mortgages receivable - non-current	-	-	-	-	24,794,000			
171.1		Accrued Interest on mortgages receivable-non-current	-	-	-	-	4,827			
174		Other assets	-	-	-	-	-			
175		Undistributed debits	-	-	-	-	-			
176		Investment in joint ventures	-	-	-	-	-			
180		TOTAL NONCURRENT ASSETS	39,941,901	636,891	-	-	26,626,095			
190		TOTAL ASSETS	\$ 64,446,287	\$ 856,308	\$ 42,913	\$ 1,101,105	\$ 53,804,285			

El Paso Housing Authority										
TX003										
Financial Data Schedule (FDS)										
June 30, 2016										
Line Item #		Account Description	PROJECTS	14.218 Community Development Block Grants/Entitlement Grants	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	14.182 N/C S/R Section 8 Programs			
<b>LIABILITIES AND EQUITY:</b>										
<b>Liabilities:</b>										
<b>Current Liabilities:</b>										
311		Bank overdraft	\$ -	\$ -	\$ -	\$ -				
312		Accounts payable ≤ 90 days	715,708	236	-	25,379	47,576			
313		Accounts payable > 90 days past due	-	-	-	-	-			
321		Accrued wage/payroll taxes payable	47,156	-	4,730	29,790	4,048			
322		Accrued compensated absences - current portion	20,501	-	-	14,797	5,406			
324		Accrued contingency liability	-	-	-	-	-			
325		Accrued interest payable	-	-	-	-	-			
331		Accounts payable - HUD PHA programs	-	-	-	-	-			
332		Accounts payable - PHA projects	-	-	-	-	-			
333		Accounts payable - other government	-	-	-	-	-			
341		Tenant security deposits	372,980	-	-	-	94,318			
342		Deferred revenue	301,764	5,091	-	-	9,874			
343		Current portion of L-T debt - capital projects	-	13,333	-	-	-			
344		Current portion of L-T debt - operating borrowings	-	-	-	-	-			
345		Other current liabilities	47,759	3,638	-	102,027	10,323			
346		Accrued liabilities - other	-	-	-	-	-			
347		Interprogram - due to	4,246,626	-	38,182	372,809	17,490			
348		Loan liability - Current	-	-	-	-	-			
310		<b>TOTAL CURRENT LIABILITIES</b>	<b>5,752,494</b>	<b>22,298</b>	<b>42,912</b>	<b>544,802</b>	<b>189,035</b>			
<b>NONCURRENT LIABILITIES:</b>										
351		Long-term debt, net of current - capital projects	-	262,224	-	-	-			
352		Long-term debt, net of current - operating borrowings	-	-	-	-	-			
353		Non-current liabilities- other	128,380	-	-	240,732	-			
354		Accrued compensated absences - noncurrent	77,122	-	-	55,665	20,337			
355		Loan Liability - Non Current	-	-	-	-	-			
356		FASB 5 Liabilities	-	-	-	-	-			
357		Accrued pension and OPEB liabilities	-	-	-	-	-			
350		<b>TOTAL NONCURRENT LIABILITIES</b>	<b>205,502</b>	<b>262,224</b>	<b>-</b>	<b>296,397</b>	<b>20,337</b>			
300		<b>TOTAL LIABILITIES</b>	<b>5,957,996</b>	<b>284,522</b>	<b>42,912</b>	<b>841,199</b>	<b>209,372</b>			
<b>EQUITY:</b>										
508.4		Invested in Capital Assets, Net of Related Debt	39,941,901	361,334	-	-	1,827,268			
511.4		Restricted Net Assets	-	-	-	-	4,580,941			
512.4		Unrestricted Net Assets	18,546,390	210,452	1	259,906	47,186,704			
513		<b>TOTAL EQUITY</b>	<b>58,488,291</b>	<b>571,786</b>	<b>1</b>	<b>259,906</b>	<b>53,594,913</b>			
600		<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$ 64,446,287</b>	<b>\$ 856,308</b>	<b>\$ 42,913</b>	<b>\$ 1,101,105</b>	<b>\$ 53,804,285</b>			
<b>Proof of concept</b>										
			-	-	-	-	-			

El Paso Housing Authority							
TX003							
Financial Data Schedule (FDS)							
June 30, 2016							
Line Item #	Account Description	14.181 Supportive Housing for Persons with Disabilities	14.238 Shelter Plus Care	10.405 Farm Labor Housing Loans and Grants	8 Other Federal Program 1	2 State/Local	1 Business Activities
<b>ASSETS:</b>							
CURRENT ASSETS:							
Cash:							
111	Cash - unrestricted	\$ -	\$ -	\$ 69,760	\$ -	\$ -	\$ 7,537,829
112	Cash - restricted - modernization and development	-	-	-	-	-	29,271
113	Cash - other restricted	-	-	338,738	-	-	56,385,944
114	Cash - tenant security deposits	-	-	4,500	-	-	2,850
115	Cash - restricted for payment of current liabilities	-	-	-	-	-	-
100	Total cash	-	-	412,998	-	-	63,955,894
Accounts and notes receivables:							
121	Accounts receivable - PHA projects	-	-	-	-	-	-
122	Accounts receivable - HUD other projects	3,231	7,028	-	-	-	-
124	Accounts receivable - other government	-	-	-	-	-	-
125	Accounts receivable - miscellaneous	-	-	-	-	43,685	812,700
126	Accounts receivable- tenants	-	-	2,939	-	-	3,258
126.1	Allowance for doubtful accounts - tenants	-	-	(2,910)	-	-	-
126.2	Allowance for doubtful accounts - other	-	-	-	-	-	-
127	Notes and mortgages receivable- current	-	-	-	-	-	-
128	Fraud recovery	-	-	-	-	-	-
128.1	Allowance for doubtful accounts - fraud	-	-	-	-	-	-
129	Accrued interest receivable	-	-	-	-	-	-
120	Total receivables, net of allowances for doubtful accounts	3,231	7,028	29	-	43,685	815,958
Current investments							
131	Investments - unrestricted	-	-	-	-	-	-
132	Investments - restricted	-	-	-	-	-	-
135	Investments - restricted for payment of current liability	-	-	-	-	-	-
142	Prepaid expenses and other assets	-	-	12	-	54,892	384
143	Inventories	-	-	-	-	-	-
143.1	Allowance for obsolete inventories	-	-	-	-	-	-
144	Interprogram - due from	46,370	8,209	-	-	1,242,219	-
145	Assets held for sale	-	-	-	-	-	-
150	TOTAL CURRENT ASSETS	49,601	15,237	413,039	-	1,340,796	64,772,236
NONCURRENT ASSETS:							
Fixed assets:							
161	Land	-	-	253,382	-	-	5,935,871
162	Buildings	-	-	3,475,481	-	-	5,113,531
163	Furniture, equipment & machinery - dwellings	-	-	11,955	-	-	38,021
164	Furniture, equipment & machinery - administration	-	-	-	-	-	-
165	Leasehold improvements	-	-	-	-	-	-
166	Accumulated depreciation	-	-	(1,596,772)	-	-	(248,577)
167	Construction in Progress	-	-	-	-	-	4,215
168	Infrastructure	-	-	-	-	-	-
160	Total fixed assets, net of accumulated depreciation	-	-	2,144,046	-	-	10,843,061
Other non-current assets:							
171	Notes and mortgages receivable - non-current	-	-	-	-	-	171,552,741
171.1	Accrued Interest on mortgages receivable-non-current	-	-	-	-	-	3,823,024
174	Other assets	-	-	-	-	-	18,054,295
175	Undistributed debits	-	-	-	-	-	-
176	Investment in joint ventures	-	-	-	-	-	2,092,195
180	TOTAL NONCURRENT ASSETS	-	-	2,144,046	-	-	206,365,316
190	TOTAL ASSETS	\$ 49,601	\$ 15,237	\$ 2,557,085	\$ -	\$ 1,340,796	\$ 271,137,552

El Paso Housing Authority							
TX003							
Financial Data Schedule (FDS)							
June 30, 2016							
Line Item #	Account Description	14.181 Supportive Housing for Persons with Disabilities	14.238 Shelter Plus Care	10.405 Farm Labor Housing Loans and Grants	8 Other Federal Program 1	2 State/Local	1 Business Activities
<b>LIABILITIES AND EQUITY:</b>							
<b>Liabilities:</b>							
<b>Current Liabilities:</b>							
311	Bank overdraft	\$ -	\$ -	\$ -	\$ -	\$ 649	\$ -
312	Accounts payable ≤ 90 days	-	-	10,599	-	-	12,510
313	Accounts payable > 90 days past due	-	-	-	-	-	-
321	Accrued wage/payroll taxes payable	-	-	161	-	-	43,909
322	Accrued compensated absences - current portion	-	-	937	-	-	12,787
324	Accrued contingency liability	-	-	-	-	-	-
325	Accrued interest payable	-	-	-	-	-	124,753
331	Accounts payable - HUD PHA programs	-	-	-	-	-	-
332	Accounts payable - PHA projects	-	-	-	-	-	-
333	Accounts payable - other government	-	-	-	-	-	-
341	Tenant security deposits	-	-	4,500	-	-	2,850
342	Deferred revenue	-	-	81	-	-	186,894
343	Current portion of L-T debt - capital projects	-	-	42,314	-	-	-
344	Current portion of L-T debt - operating borrowings	-	-	-	-	-	-
345	Other current liabilities	-	-	130,146	-	-	731,649
346	Accrued liabilities - other	-	-	-	-	499,561	5,099
347	Interprogram - due to	-	-	180,009	-	-	(485,944)
348	Loan liability - Current	-	-	-	-	-	123,116
310	<b>TOTAL CURRENT LIABILITIES</b>	-	-	368,747	-	500,210	757,623
<b>NONCURRENT LIABILITIES:</b>							
351	Long-term debt, net of current - capital projects	-	-	886,095	-	-	1,857,052
352	Long-term debt, net of current - operating borrowings	-	-	-	-	-	-
353	Non-current liabilities- other	-	-	-	-	-	2,022,411
354	Accrued compensated absences - noncurrent	-	-	3,524	-	-	83,706
355	Loan Liability - Non Current	-	-	-	-	-	107,765,073
356	FASB 5 Liabilities	-	-	-	-	-	-
357	Accrued pension and OPEB liabilities	-	-	-	-	-	-
350	<b>TOTAL NONCURRENT LIABILITIES</b>	-	-	889,619	-	-	111,728,242
300	<b>TOTAL LIABILITIES</b>	-	-	1,258,366	-	500,210	112,485,865
<b>EQUITY:</b>							
508.4	Invested in Capital Assets, Net of Related Debt	-	-	1,215,637	-	-	8,986,009
511.4	Restricted Net Assets	-	-	338,738	-	-	21,340,795
512.4	Unrestricted Net Assets	49,601	15,237	(255,656)	-	840,586	128,324,883
513	<b>TOTAL EQUITY</b>	49,601	15,237	1,298,719	-	840,586	158,651,687
600	<b>TOTAL LIABILITIES AND EQUITY</b>	\$ 49,601	\$ 15,237	\$ 2,557,085	\$ -	\$ 1,340,796	\$ 271,137,552
<b>Proof of concept</b>							
		-	-	-	-	-	-



El Paso Housing Authority							
TX003							
Financial Data Schedule (FDS)							
June 30, 2016							
Line Item #	Account Description	14.157 Supportive Housing for the Elderly	6.2 Component Unit- Blended	Component Unit - Discrete	COCC	ELIM	TOTAL
<b>ASSETS:</b>							
CURRENT ASSETS:							
Cash:							
111	Cash - unrestricted	\$ 655,374	\$ 4,543,741	\$ 2,476,341	\$ 7,098,897	\$ -	\$ 67,685,416
112	Cash - restricted - modernization and development	-	5,209,522	51,171,348	-	-	56,410,141
113	Cash - other restricted	128,024	1,979,463	619,279	-	-	64,401,498
114	Cash - tenant security deposits	11,178	88,919	307,716	-	-	882,462
115	Cash - restricted for payment of current liabilities	-	-	-	-	-	-
100	Total cash	794,576	11,821,645	54,574,684	7,098,897	-	189,379,517
Accounts and notes receivables:							
121	Accounts receivable - PHA projects	-	-	-	-	-	-
122	Accounts receivable - HUD other projects	-	-	-	178,428	-	2,232,221
124	Accounts receivable - other government	-	-	-	-	-	-
125	Accounts receivable - miscellaneous	50	232,356	-	917,181	(492,396)	1,572,868
126	Accounts receivable- tenants	4,644	33,068	104,230	-	-	368,021
126.1	Allowance for doubtful accounts - tenants	-	(14,804)	-	-	-	(50,957)
126.2	Allowance for doubtful accounts - other	-	-	-	-	-	-
127	Notes and mortgages receivable- current	-	207,435	-	-	-	207,435
128	Fraud recovery	-	-	-	-	-	421,562
128.1	Allowance for doubtful accounts - fraud	-	-	-	-	-	(420,012)
129	Accrued interest receivable	-	-	-	-	-	-
120	Total receivables, net of allowances for doubtful accounts	4,694	458,055	104,230	1,095,609	(492,396)	4,331,138
Current investments							
131	Investments - unrestricted	-	-	-	-	-	-
132	Investments - restricted	-	-	-	-	-	-
135	Investments - restricted for payment of current liability	-	-	-	-	-	-
142	Prepaid expenses and other assets	3,050	64,909	143,603	213,246	-	514,269
143	Inventories	-	-	-	617,098	-	617,098
143.1	Allowance for obsolete inventories	-	-	-	(30,853)	-	(30,853)
144	Interprogram - due from	-	-	-	3,072,374	(4,369,172)	-
145	Assets held for sale	-	-	-	-	-	-
150	TOTAL CURRENT ASSETS	802,320	12,344,609	54,822,517	12,066,371	(4,861,568)	194,811,169
NONCURRENT ASSETS:							
Fixed assets:							
161	Land	80,681	1,869,495	-	1,207,966	-	27,584,003
162	Buildings	2,474,308	23,968,863	137,422,197	5,976,373	-	358,922,372
163	Furniture, equipment & machinery - dwellings	57,351	-	1,050,779	-	-	7,313,182
164	Furniture, equipment & machinery - administration	-	220,032	-	4,814,045	-	5,263,211
165	Leasehold improvements	-	-	-	-	-	-
166	Accumulated depreciation	(307,550)	(7,623,967)	(3,406,796)	(8,312,882)	-	(195,434,086)
167	Construction in Progress	-	-	1,529,561	492,674	-	13,257,615
168	Infrastructure	-	-	-	-	-	-
160	Total fixed assets, net of accumulated depreciation	2,304,790	18,434,423	136,595,741	4,178,176	-	216,906,297
Other non-current assets:							
171	Notes and mortgages receivable - non-current	-	-	-	2,235,839	(16,336,580)	182,246,000
171.1	Accrued Interest on mortgages receivable-non-current	-	-	-	403,319	(403,319)	3,827,851
174	Other assets	-	118,296	4,656,627	147,126	-	22,976,344
175	Undistributed debits	-	-	-	-	-	-
176	Investment in joint ventures	-	-	-	69,111	-	2,161,306
180	TOTAL NONCURRENT ASSETS	2,304,790	18,552,719	141,252,368	7,033,571	(16,739,899)	428,117,798
190	TOTAL ASSETS	\$ 3,107,110	\$ 30,897,328	\$ 196,074,885	\$ 19,099,942	\$ (21,601,467)	\$ 622,928,967

El Paso Housing Authority							
TX003							
Financial Data Schedule (FDS)							
June 30, 2016							
Line Item #	Account Description	14.157 Supportive Housing for the Elderly	6.2 Component Unit- Blended	Component Unit - Discrete	COCC	ELIM	TOTAL
<b>LIABILITIES AND EQUITY:</b>							
<b>Liabilities:</b>							
<b>Current Liabilities:</b>							
311	Bank overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 649
312	Accounts payable ≤ 90 days	18,419	71,576	135,902	1,472,974	-	2,510,879
313	Accounts payable > 90 days past due	-	-	-	-	-	-
321	Accrued wage/payroll taxes payable	975	10,955	-	223,607	-	365,331
322	Accrued compensated absences - current portion	-	3,196	-	91,390	-	149,014
324	Accrued contingency liability	-	-	-	-	-	-
325	Accrued interest payable	-	278,564	-	-	(403,317)	-
331	Accounts payable - HUD PHA programs	-	-	-	-	-	-
332	Accounts payable - PHA projects	-	-	-	-	-	-
333	Accounts payable - other government	-	-	-	-	-	-
341	Tenant security deposits	11,178	88,918	146,252	-	-	720,996
342	Deferred revenue	-	-	-	205,736	-	709,440
343	Current portion of L-T debt - capital projects	80,000	-	-	-	-	135,647
344	Current portion of L-T debt - operating borrowings	-	741,964	-	-	-	741,964
345	Other current liabilities	1,178	894,518	340,017	149,708	(492,398)	1,918,565
346	Accrued liabilities - other	5,294	87,325	2,373,639	380,653	-	3,351,571
347	Interprogram - due to	-	-	-	-	(4,369,172)	-
348	Loan liability - Current	-	-	-	-	-	123,116
310	<b>TOTAL CURRENT LIABILITIES</b>	<b>117,044</b>	<b>2,177,016</b>	<b>2,995,810</b>	<b>2,524,068</b>	<b>(5,264,887)</b>	<b>10,727,172</b>
<b>NONCURRENT LIABILITIES:</b>							
351	Long-term debt, net of current - capital projects	695,771	14,100,741	175,051,500	-	(14,100,741)	178,752,642
352	Long-term debt, net of current - operating borrowings	-	4,567,463	100,000	-	-	4,667,463
353	Non-current liabilities- other	-	1,075,561	3,471,448	-	-	6,938,532
354	Accrued compensated absences - noncurrent	-	60,592	-	343,800	-	644,746
355	Loan Liability - Non Current	-	1,960,647	-	-	(2,235,839)	107,489,881
356	FASB 5 Liabilities	-	-	-	-	-	-
357	Accrued pension and OPEB liabilities	-	-	-	-	-	-
350	<b>TOTAL NONCURRENT LIABILITIES</b>	<b>695,771</b>	<b>21,765,004</b>	<b>178,622,948</b>	<b>343,800</b>	<b>(16,336,580)</b>	<b>298,493,264</b>
300	<b>TOTAL LIABILITIES</b>	<b>812,815</b>	<b>23,942,020</b>	<b>181,618,758</b>	<b>2,867,868</b>	<b>(21,601,467)</b>	<b>309,220,436</b>
<b>EQUITY:</b>							
508.4	Invested in Capital Assets, Net of Related Debt	1,529,019	4,941,522	12,715,589	4,178,176	14,100,741	89,797,196
511.4	Restricted Net Assets	128,024	173,365	-	-	-	26,561,863
512.4	Unrestricted Net Assets	637,252	1,840,421	1,740,538	12,053,898	(14,100,741)	197,349,472
513	<b>TOTAL EQUITY</b>	<b>2,294,295</b>	<b>6,955,308</b>	<b>14,456,127</b>	<b>16,232,074</b>	<b>-</b>	<b>313,708,531</b>
600	<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$ 3,107,110</b>	<b>\$ 30,897,328</b>	<b>\$ 196,074,885</b>	<b>\$ 19,099,942</b>	<b>\$ (21,601,467)</b>	<b>\$ 622,928,967</b>
<b>Proof of concept</b>							
		-	-	-	-	-	-

El Paso Housing Authority							
TX003							
Financial Data Schedule (FDS)							
June 30, 2016							
Line Item #	Account Description	OPERATING	CAPITAL	14.218 Community Development Block Grants/Entitlement Grants	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	14.182 N/C S/R Section 8 Programs
	<b>REVENUE:</b>						
70300	Net tenant rental revenue	\$ 9,537,540	\$ -	\$ 16,585	\$ -	\$ -	\$ 1,110,365
70400	Tenant revenue - other	215,118	-	116,128	-	-	5,210
70500	Total tenant revenue	9,752,658	-	132,713	-	-	1,115,575
70600	HUD PHA grants	13,037,215	10,221,631	125,992	218,597	34,341,186	2,653,620
70610	Capital grants	-	1,659,682	-	-	-	-
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	1,540	-	11	-	72	5,953
71200	Mortgage interest income	-	-	-	-	-	-
71300	Proceeds from disposition of assets held for sale	-	-	-	-	-	-
71301	Cost of sale of assets	-	-	-	-	-	-
71400	Fraud recovery	-	-	-	-	5,380	-
71500	Other revenue	371,038	-	333	-	12,121	18,934
71600	Gain or loss on sale of fixed assets	(632,382)	-	-	-	-	-
72000	Investment income - restricted	-	-	-	-	-	-
70000	<b>TOTAL REVENUE</b>	<b>22,530,069</b>	<b>11,881,313</b>	<b>259,049</b>	<b>218,597</b>	<b>34,358,759</b>	<b>3,794,082</b>
	<b>EXPENSES:</b>						
	Administrative						
91100	Administrative salaries	1,193,875	-	-	174,356	1,023,799	181,795
91200	Auditing fees	63,605	-	-	-	8,496	4,343
91300	Outside management fees	2,108,810	807,091	7,363	-	785,148	308,627
91310	Book-keeping fee	314,498	-	1,860	-	490,718	-
91400	Advertising and marketing	-	-	-	-	-	-
91500	Employee benefit contributions- administrative	381,261	4,192	-	40,683	414,838	58,402
91600	Office expenses	391,372	26,239	6,576	2,048	330,513	79,546
91700	Legal expenses	10,042	-	-	-	-	3,401
91800	Travel	-	-	-	-	1,249	-
91810	Allocated overhead	-	-	-	-	-	-
91900	Other	3,269	-	-	-	-	-
92000	Asset Management Fee	478,470	-	-	-	-	-
	Tenant services						
92100	Tenant services - salaries	166,995	-	-	-	(21,781)	-
92200	Relocation costs	-	-	-	-	-	-
92300	Employee benefit contributions- tenant services	55,429	-	-	-	-	-
92400	Tenant services - other	121,335	82,876	-	-	(5,093)	551
	Utilities						
93100	Water	729,749	-	3,056	-	-	85,555
93200	Electricity	1,487,573	-	15,555	-	-	33,043
93300	Gas	498,645	-	-	-	-	5,180
93400	Fuel	-	-	-	-	-	-
93500	Labor	-	-	-	-	-	-
93600	Sewer	481,554	-	3,598	-	-	43,507
93700	Employee benefit contributions- utilities	-	-	-	-	-	-
93800	Other utilities expense	266,802	-	-	-	-	37,149

El Paso Housing Authority							
TX003							
Financial Data Schedule (FDS)							
June 30, 2016							
Line Item #	Account Description	OPERATING	CAPITAL	14.218 Community Development Block Grants/Entitlement Grants	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	14.182 N/C S/R Section 8 Programs
	Ordinary maintenance & operation						
94100	Ordinary maintenance and operations - labor	74,167	-	-	-	-	-
94200	Ordinary maintenance and operations - materials & other	3,819	-	-	-	-	586
94300	Ordinary maintenance and operations - contract costs	5,230,994	-	23,542	-	16,699	633,704
94500	Employee benefit contributions- ordinary maintenance	44,543	-	-	-	-	-
	Protective services						
95100	Protective services - labor	445,480	-	-	-	-	-
95200	Protective services- other contract costs	1,515	-	-	-	-	-
95300	Protective services - other	-	-	-	-	-	-
95500	Employee benefit contributions- protective services	131,296	-	-	-	-	-
	General expenses						
96110	Insurance premiums	392,646	-	1,211	-	-	72,629
96120	Liability Insurance	77,974	-	490	-	-	9,818
96130	Workmen's Comp	54,625	-	885	1,510	26,287	2,592
96140	All Other Insurance	161,216	-	-	-	334	17,874
96200	Other general expenses	901,012	-	-	-	49,750	90
96210	Compensated absences	10,298	-	-	-	13,906	-
96300	Payments in lieu of taxes	624,521	-	-	-	-	-
96400	Bad debt - tenant rents	64,772	-	508	-	-	2,005
96500	Bad debt- mortgages	-	-	-	-	-	-
96600	Bad debt - other	-	-	-	-	-	-
96700	Interest expense	-	-	-	-	-	-
96710	Interest on Mortgages	-	-	-	-	-	-
96720	Interest on Notes Payable (short and long term)	-	-	-	-	-	-
96730	Amortization of bond issue costs	-	-	-	-	-	-
96800	Severance expense	-	-	-	-	-	-
96900	<b>TOTAL OPERATING EXPENSES</b>	16,972,162	920,398	64,644	218,597	3,134,863	1,580,397
97000	<b>EXCESS OPERATING REVENUE OVER OPERATING EXPENSES</b>	5,557,907	10,960,915	194,405	-	31,223,896	2,213,685
97100	Extraordinary maintenance	-	-	-	-	-	-
97200	Casualty losses - non capitalized	10,000	-	-	-	-	-
97300	Housing assistance payments	-	-	116,128	-	31,071,846	-
97350	HAP Portability - in	-	-	-	-	-	-
97400	Depreciation expense	4,019,882	-	28,419	-	-	146,381
97500	Fraud losses	-	-	-	-	-	-
97800	Dwelling units rent expense	-	-	-	-	-	-
90000	<b>TOTAL EXPENSES</b>	21,002,044	920,398	209,191	218,597	34,206,709	1,726,778

El Paso Housing Authority							
TX003							
Financial Data Schedule (FDS)							
June 30, 2016							
Line Item #	Account Description	OPERATING	CAPITAL	14.218 Community Development Block Grants/Entitlement Grants	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	14.182 N/C S/R Section 8 Programs
<b>OTHER FINANCING SOURCES (USES)</b>							
10010	Operating transfers in	780,306	-	-	-	-	31,747,976
10020	Operating transfers out	(477,806)	(302,500)	-	-	-	(35,247,976)
10030	Operating transfers from/to primary government	-	-	-	-	-	-
10040	Operating transfers from/to component unit	(828,941)	-	-	-	-	630,015
10070	Extraordinary items, net gain/loss	-	-	-	-	-	-
10080	Special items (net gain/loss)	(937,981)	-	-	-	-	-
10091	Inter Project excess cash transfer in	-	-	-	-	-	-
10092	Inter Project excess cash transfer out	-	-	-	-	-	-
10093	Transfers between program and project in	1,225,197	-	-	-	-	7,334,566
10094	Transfers between program and project out	(40,297,353)	(153,471)	-	-	-	-
10100	<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(40,536,578)</b>	<b>(455,971)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,464,581</b>
10000	<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>	<b>(39,008,553)</b>	<b>10,504,944</b>	<b>49,858</b>	<b>-</b>	<b>152,050</b>	<b>6,531,885</b>
<b>MEMO ACCOUNT INFORMATION:</b>							
11020	Required annual debt principal payments	-	-	-	-	-	-
11030	Beginning equity	86,991,900	-	521,928	1	100,708	47,063,028
11040	Prior period adjustments and equity transfers	-	-	-	-	7,148	-
11170	Administrative fee equity	-	-	-	-	259,906	-
11180	Housing assistance payments equity	-	-	-	-	-	-
11190	Unit months available	48,871	-	264	-	66,865	5,886
11210	Number of unit months leased	42,835	-	264	-	65,386	5,820
Equity Roll Forward Test:							
	Calculation from R/E Statement	\$ 58,488,291	\$ -	\$ 571,786	\$ 1	\$ 259,906	\$ 53,594,913
	B/S Line 513	\$ 58,488,291	\$ -	\$ 571,786	\$ 1	\$ 259,906	\$ 53,594,913
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

El Paso Housing Authority							
TX003							
Financial Data Schedule (FDS)							
June 30, 2016							
Line Item #	Account Description	14.181 Supportive Housing for Persons with Disabilities	14.238 Shelter Plus Care	10.405 Farm Labor Housing Loans and Grants	8 Other Federal Program 1	2 State/Local	1 Business Activities
<b>REVENUE:</b>							
70300	Net tenant rental revenue	\$ -	\$ -	\$ 139,585		\$ -	\$ 120,549
70400	Tenant revenue - other	-	-	737	-	-	30
70500	Total tenant revenue	-	-	140,322	-	-	120,579
70600	HUD PHA grants	389,945	42,407	-	-	-	-
70610	Capital grants	-	-	-	-	-	-
70710	Management fee	-	-	-	-	-	-
70720	Asset management fee	-	-	-	-	-	-
70730	Book keeping fee	-	-	-	-	-	-
70740	Front line service fee	-	-	-	-	-	-
70750	Other fees	-	-	-	-	-	-
70800	Other government grants	-	-	124,449	-	-	-
71100	Investment income - unrestricted	-	-	40	-	-	382,610
71200	Mortgage interest income	-	-	-	-	-	2,782,705
71300	Proceeds from disposition of assets held for sale	-	-	-	-	-	-
71301	Cost of sale of assets	-	-	-	-	-	-
71400	Fraud recovery	-	-	-	-	-	-
71500	Other revenue	-	-	8,950	-	4,838,366	2,418,115
71600	Gain or loss on sale of fixed assets	-	-	-	-	-	(10,278,075)
72000	Investment income - restricted	-	-	-	-	-	31
70000	<b>TOTAL REVENUE</b>	<b>389,945</b>	<b>42,407</b>	<b>273,761</b>	<b>-</b>	<b>4,838,366</b>	<b>(4,574,035)</b>
<b>EXPENSES:</b>							
Administrative							
91100	Administrative salaries	-	-	43,123	-	-	1,181,041
91200	Auditing fees	-	-	5,300	-	-	1,794
91300	Outside management fees	9,960	-	-	-	-	187,393
91310	Book-keeping fee	6,225	944	-	-	-	-
91400	Advertising and marketing	-	-	-	-	-	14,183
91500	Employee benefit contributions- administrative	-	-	13,464	-	5,764,535	303,766
91600	Office expenses	-	2,896	10,496	-	377,428	426,012
91700	Legal expenses	-	-	-	-	-	145,268
91800	Travel	-	-	-	-	-	3,358
91810	Allocated overhead	-	-	-	-	-	-
91900	Other	-	-	-	-	-	15,489
92000	Asset Management Fee	-	-	-	-	-	-
Tenant services							
92100	Tenant services - salaries	-	-	-	-	-	52,739
92200	Relocation costs	-	-	-	-	-	24,398
92300	Employee benefit contributions- tenant services	-	-	-	-	-	-
92400	Tenant services - other	-	-	-	-	-	96,963
Utilities							
93100	Water	-	-	12,865	-	-	4,075
93200	Electricity	-	-	14,391	-	-	25,466
93300	Gas	-	-	8,785	-	-	2,034
93400	Fuel	-	-	-	-	-	-
93500	Labor	-	-	-	-	-	-
93600	Sewer	-	-	6,694	-	-	2,386
93700	Employee benefit contributions- utilities	-	-	-	-	-	-
93800	Other utilities expense	-	-	3,000	-	-	214

El Paso Housing Authority							
TX003							
Financial Data Schedule (FDS)							
June 30, 2016							
Line Item #	Account Description	14.181 Supportive Housing for Persons with Disabilities	14.238 Shelter Plus Care	10.405 Farm Labor Housing Loans and Grants	8 Other Federal Program 1	2 State/Local	1 Business Activities
	Ordinary maintenance & operation						
94100	Ordinary maintenance and operations - labor	-	-	-	-	-	3,453
94200	Ordinary maintenance and operations - materials & other	-	-	-	-	-	2,999
94300	Ordinary maintenance and operations - contract costs	-	-	91,882	-	-	26,436
94500	Employee benefit contributions- ordinary maintenance	-	-	-	-	-	1,142
	Protective services						
95100	Protective services - labor	-	-	-	-	-	-
95200	Protective services- other contract costs	-	-	-	-	-	-
95300	Protective services - other	-	-	-	-	-	-
95500	Employee benefit contributions- protective services	-	-	-	-	-	-
	General expenses						
96110	Insurance premiums	-	-	4,445	-	-	2,341
96120	Liability Insurance	-	-	1,115	-	-	1,900
96130	Workmen's Comp	-	-	701	-	253,475	13,740
96140	All Other Insurance	-	-	2,011	-	-	15,603
96200	Other general expenses	-	-	-	-	-	836,810
96210	Compensated absences	-	-	-	-	-	34,213
96300	Payments in lieu of taxes	-	-	-	-	-	-
96400	Bad debt - tenant rents	-	-	3,513	-	-	-
96500	Bad debt- mortgages	-	-	-	-	-	-
96600	Bad debt - other	-	-	-	-	-	-
96700	Interest expense	-	-	-	-	-	-
96710	Interest on Mortgages	-	-	9,541	-	-	24,580
96720	Interest on Notes Payable (short and long term)	-	-	-	-	-	101,755
96730	Amortization of bond issue costs	-	-	-	-	-	-
96800	Severance expense	-	-	-	-	-	-
96900	<b>TOTAL OPERATING EXPENSES</b>	16,185	3,840	231,326	-	6,395,438	3,551,551
97000	<b>EXCESS OPERATING REVENUE OVER OPERATING EXPENSES</b>	373,760	38,567	42,435	-	(1,557,072)	(8,125,586)
97100	Extraordinary maintenance	-	-	-	-	-	-
97200	Casualty losses - non capitalized	-	-	-	-	-	-
97300	Housing assistance payments	307,269	35,364	-	-	-	-
97350	HAP Portability - in	-	-	-	-	-	-
97400	Depreciation expense	-	-	127,103	-	-	74,833
97500	Fraud losses	-	-	-	-	-	-
97800	Dwelling units rent expense	-	-	-	-	-	-
90000	<b>TOTAL EXPENSES</b>	323,454	39,204	358,429	-	6,395,438	3,626,384

El Paso Housing Authority							
TX003							
Financial Data Schedule (FDS)							
June 30, 2016							
Line Item #	Account Description	14.181 Supportive Housing for Persons with Disabilities	14.238 Shelter Plus Care	10.405 Farm Labor Housing Loans and Grants	8 Other Federal Program 1	2 State/Local	1 Business Activities
<b>OTHER FINANCING SOURCES (USES)</b>							
10010	Operating transfers in	-	-	-	-	3,350,179	3,037,767
10020	Operating transfers out	-	-	-	-	-	(3,037,767)
10030	Operating transfers from/to primary government	-	-	-	-	-	-
10040	Operating transfers from/to component unit	-	-	-	-	-	1,269,985
10070	Extraordinary items, net gain/loss	-	-	-	-	-	-
10080	Special items (net gain/loss)	-	-	-	-	-	(154,014)
10091	Inter Project excess cash transfer in	-	-	-	-	-	-
10092	Inter Project excess cash transfer out	-	-	-	-	-	-
10093	Transfers between program and project in	-	-	-	-	-	31,546,504
10094	Transfers between program and project out	-	-	-	-	-	(193,996)
10100	<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	-	-	-	-	3,350,179	32,468,479
10000	<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>	66,491	3,203	(84,668)	-	1,793,107	24,268,060
<b>MEMO ACCOUNT INFORMATION:</b>							
11020	Required annual debt principal payments	-	-	-	-	-	-
11030	Beginning equity	(16,890)	12,034	1,383,387	7,148	(952,521)	134,383,627
11040	Prior period adjustments and equity transfers	-	-	-	(7,148)	-	-
11170	Administrative fee equity	-	-	-	-	-	-
11180	Housing assistance payments equity	-	-	-	-	-	-
11190	Unit months available	-	180	50	-	-	-
11210	Number of unit months leased	-	26	45	-	-	-
Equity Roll Forward Test:							
Calculation from R/E Statement		\$ 49,601	\$ 15,237	\$ 1,298,719	\$ -	\$ 840,586	\$ 158,651,687
B/S Line 513		\$ 49,601	\$ 15,237	\$ 1,298,719	\$ -	\$ 840,586	\$ 158,651,687
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -



El Paso Housing Authority							
TX003							
Financial Data Schedule (FDS)							
June 30, 2016							
Line Item #	Account Description	14.157 Supportive Housing for the Elderly	6.2 Component Unit- Blended	Component Unit - Discrete	COCC	ELIM	TOTAL
	<b>REVENUE:</b>						
70300	Net tenant rental revenue	\$ 143,185	\$ 2,926,699	\$ 5,391,127	\$ -	\$ -	\$ 19,385,635
70400	Tenant revenue - other	17,304	128,636	-	-	-	483,163
70500	Total tenant revenue	160,489	3,055,335	5,391,127	-	-	19,868,798
70600	HUD PHA grants	392,582	-	-	-	-	61,423,175
70610	Capital grants	-	-	-	77,008	-	1,736,690
70710	Management fee	-	-	-	4,214,392	(4,214,392)	-
70720	Asset management fee	-	-	-	478,470	(478,470)	-
70730	Book keeping fee	-	-	-	814,245	(814,245)	-
70740	Front line service fee	-	-	-	6,980,375	(6,980,375)	-
70750	Other fees	-	1,095,398	-	-	-	1,095,398
70800	Other government grants	-	-	-	-	-	124,449
71100	Investment income - unrestricted	117	38,907	-	90,320	(409)	519,161
71200	Mortgage interest income	-	-	-	-	(109,355)	2,673,350
71300	Proceeds from disposition of assets held for sale	-	-	-	-	-	-
71301	Cost of sale of assets	-	-	-	-	-	-
71400	Fraud recovery	-	-	-	-	-	5,380
71500	Other revenue	18	97,656	65,621	2,562,327	(1,925,495)	8,467,984
71600	Gain or loss on sale of fixed assets	-	-	-	-	-	(10,910,457)
72000	Investment income - restricted	-	-	-	-	-	31
70000	<b>TOTAL REVENUE</b>	<b>553,206</b>	<b>4,287,296</b>	<b>5,456,748</b>	<b>15,217,137</b>	<b>(14,522,741)</b>	<b>85,003,959</b>
	<b>EXPENSES:</b>						
	Administrative						
91100	Administrative salaries	31,513	615,794	314,136	3,836,918	-	8,596,350
91200	Auditing fees	5,317	18,980	92,072	7,912	-	207,819
91300	Outside management fees	-	-	-	-	(4,214,392)	-
91310	Book-keeping fee	-	-	-	-	(814,245)	-
91400	Advertising and marketing	-	16,953	12,198	92,606	-	135,940
91500	Employee benefit contributions- administrative	9,088	64,458	92,755	910,986	(1,041,351)	7,017,077
91600	Office expenses	11,576	113,303	65,019	2,209,155	(516,829)	3,535,350
91700	Legal expenses	-	1,917	1,363	111,768	-	273,759
91800	Travel	-	-	-	81,170	-	85,777
91810	Allocated overhead	-	-	-	-	-	-
91900	Other	10,358	489,077	665,264	-	-	1,183,457
92000	Asset Management Fee	-	-	-	-	(478,470)	-
	Tenant services						
92100	Tenant services - salaries	-	-	-	26,207	-	224,160
92200	Relocation costs	-	-	-	-	-	24,398
92300	Employee benefit contributions- tenant services	-	-	-	17,047	(49,238)	23,238
92400	Tenant services - other	12,652	4,155	90,125	-	-	403,564
	Utilities						
93100	Water	12,759	81,981	204,749	31,987	-	1,166,776
93200	Electricity	29,570	66,954	218,231	181,356	-	2,072,139
93300	Gas	2,607	5,429	74,497	9,876	-	607,053
93400	Fuel	-	-	-	-	-	-
93500	Labor	-	-	-	-	-	-
93600	Sewer	5,834	56,779	143,579	5,770	-	749,701
93700	Employee benefit contributions- utilities	-	-	-	-	-	-
93800	Other utilities expense	317	40,413	129,331	14,940	-	492,166

El Paso Housing Authority							
TX003							
Financial Data Schedule (FDS)							
June 30, 2016							
Line Item #	Account Description	14.157 Supportive Housing for the Elderly	6.2 Component Unit- Blended	Component Unit - Discrete	COCC	ELIM	TOTAL
	Ordinary maintenance & operation						
94100	Ordinary maintenance and operations - labor	41,310	119,330	168,970	3,248,265	-	3,655,495
94200	Ordinary maintenance and operations - materials & other	7,950	173,572	9,159	1,108,152	-	1,306,237
94300	Ordinary maintenance and operations - contract costs	55,253	438,365	500,702	539,369	(6,463,546)	1,093,400
94500	Employee benefit contributions- ordinary maintenance	9,035	34,213	65,462	1,157,271	(739,705)	571,961
	Protective services						
95100	Protective services - labor	-	-	27,966	93,040	-	566,486
95200	Protective services- other contract costs	-	-	28,316	-	-	29,831
95300	Protective services - other	-	-	-	-	-	-
95500	Employee benefit contributions- protective services	-	-	2,140	32,894	(95,200)	71,130
	General expenses						
96110	Insurance premiums	9,911	78,656	131,475	7,587	-	700,901
96120	Liability Insurance	1,435	50,350	59,333	77	-	202,492
96130	Workmen's Comp	1,782	7,304	19,304	104,166	-	486,371
96140	All Other Insurance	-	8,778	7,238	58,712	-	271,766
96200	Other general expenses	-	64,282	64,142	70,637	-	1,986,723
96210	Compensated absences	-	15,220	-	(342,069)	-	(268,432)
96300	Payments in lieu of taxes	-	-	36,525	-	-	661,046
96400	Bad debt - tenant rents	-	-	-	657	-	71,455
96500	Bad debt- mortgages	-	-	-	-	-	-
96600	Bad debt - other	-	-	-	4,085	-	4,085
96700	Interest expense	-	-	-	-	-	-
96710	Interest on Mortgages	-	-	-	-	-	34,121
96720	Interest on Notes Payable (short and long term)	-	266,262	1,862,052	1,501	(109,765)	2,121,805
96730	Amortization of bond issue costs	-	50,700	64,301	-	-	115,001
96800	Severance expense	-	-	-	38,000	-	38,000
96900	<b>TOTAL OPERATING EXPENSES</b>	<b>258,267</b>	<b>2,883,225</b>	<b>5,150,404</b>	<b>13,660,042</b>	<b>(14,522,741)</b>	<b>40,518,598</b>
97000	<b>EXCESS OPERATING REVENUE OVER OPERATING EXPENSES</b>	<b>294,939</b>	<b>1,404,071</b>	<b>306,344</b>	<b>1,557,095</b>	<b>-</b>	<b>44,485,361</b>
97100	Extraordinary maintenance	-	-	-	-	-	-
97200	Casualty losses - non capitalized	-	-	-	-	-	10,000
97300	Housing assistance payments	-	-	-	-	-	31,530,607
97350	HAP Portability - in	-	-	-	-	-	-
97400	Depreciation expense	105,419	644,307	2,577,390	790,836	-	8,514,570
97500	Fraud losses	-	-	-	-	-	-
97800	Dwelling units rent expense	-	-	-	-	-	-
90000	<b>TOTAL EXPENSES</b>	<b>363,686</b>	<b>3,527,532</b>	<b>7,727,794</b>	<b>14,450,878</b>	<b>(14,522,741)</b>	<b>80,573,775</b>

El Paso Housing Authority							
TX003							
Financial Data Schedule (FDS)							
June 30, 2016							
Line Item #	Account Description	14.157 Supportive Housing for the Elderly	6.2 Component Unit- Blended	Component Unit - Discrete	COCC	ELIM	TOTAL
<b>OTHER FINANCING SOURCES (USES)</b>							
10010	Operating transfers in	-	-	-	3,500,000	-	42,416,228
10020	Operating transfers out	-	-	-	(3,350,179)	-	(42,416,228)
10030	Operating transfers from/to primary government	-	-	-	-	-	-
10040	Operating transfers from/to component unit	-	(1,900,000)	828,941	-	-	-
10070	Extraordinary items, net gain/loss	-	-	-	-	-	-
10080	Special items (net gain/loss)	-	-	7,668,610	-	-	6,576,615
10091	Inter Project excess cash transfer in	-	-	-	-	-	-
10092	Inter Project excess cash transfer out	-	-	-	-	-	-
10093	Transfers between program and project in	-	-	-	538,707	-	40,644,974
10094	Transfers between program and project out	-	-	-	(154)	-	(40,644,974)
10100	<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	-	(1,900,000)	8,497,551	688,374	-	6,576,615
10000	<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>	189,520	(1,140,236)	6,226,505	1,454,633	-	11,006,799
<b>MEMO ACCOUNT INFORMATION:</b>							
11020	Required annual debt principal payments	-	-	-	-	-	-
11030	Beginning equity	2,104,775	8,095,544	8,229,622	14,777,441	-	302,701,732
11040	Prior period adjustments and equity transfers	-	-	-	-	-	-
11170	Administrative fee equity	-	-	-	-	-	259,906
11180	Housing assistance payments equity	-	-	-	-	-	-
11190	Unit months available	720	5,928	-	-	-	128,764
11210	Number of unit months leased	708	5,001	-	-	-	120,085
Equity Roll Forward Test:							
	Calculation from R/E Statement	\$ 2,294,295	\$ 6,955,308	\$ 14,456,127	\$ 16,232,074	\$ -	\$ 313,708,531
	B/S Line 513	\$ 2,294,295	\$ 6,955,308	\$ 14,456,127	\$ 16,232,074	\$ -	\$ 313,708,531
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -