Comprehensive Annual Financial Report and Independent Auditors' Report

ATLANTA HOUSING
LIVE • WORK • THRIVE

For the fiscal years ended June 30, 2019 and 2018

The Housing Authority of the City of Atlanta, Georgia

COMPREHENSIVE ANNUAL FINANCIAL REPORT AND INDEPENDENT AUDITORS' REPORT

THE HOUSING AUTHORITY OF THE CITY OF ATLANTA, GEORGIA

For the fiscal years ended June 30, 2019 and 2018

Issued by the Finance Department of Atlanta Housing

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TABLE OF CONTENTS

TABLE OF CONTENTS (continued)

INTRODUCTORY SECTION

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December 3, 2019

Members of the Board of Commissioners
The Housing Authority of the City of Atlanta, Georgia

Introduction

We are pleased to present The Housing Authority of the City of Atlanta, Georgia (referred to as "Atlanta Housing," "AH" or "Authority") Comprehensive Annual Financial Report (CAFR) for the fiscal years ended June 30, 2019 and June 30, 2018. This report was prepared by the Authority's Finance staff and the Authority's financial statements included in this CAFR were audited by the public accounting firm CohnReznick. The Independent Auditors' Report of CohnReznick is presented as the first component of the Financial Section on page 17.

The independent audit of the financial statements of the Authority is part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require an independent auditor to report not only on the fair presentation of the financial statements, but also on the Authority's internal controls and compliance with federal program requirements.

The data presented in this report is the responsibility of the management of the Authority. To the best of our knowledge and belief, the information as presented is accurate in all material respects, is presented in a manner designed to fairly state the financial position and the results of operations of the Authority, and includes all necessary disclosures to enable the reader to gain a thorough understanding of the Authority's financial affairs. To provide a reasonable basis for making these representations, management of the Authority has established internal controls that are designed to protect its assets and the integrity of its operations, and to obtain reasonable, rather than absolute, assurance that the Authority's financial statements are free of any material misstatements, and presented in conformity with generally accepted accounting principles (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB).

For a complete overview and analysis of the Authority's financial position and results of operations, please review the Management's Discussion and Analysis (MD&A) located immediately following the report of the independent public accountants, in tandem with this transmittal letter. We invite the public to review AH's CAFR on its website, atlantahousing.org.

Profile of the Authority

Independent Public Jurisdiction: AH is a public body corporate and politic created by the City of Atlanta in 1938 pursuant to the Housing Authorities Laws of the State of Georgia. AH has broad corporate powers including, but not limited to, the power to acquire, manage, own, operate, develop and renovate housing; invest and lend money; create for-profit and not-for-profit entities; administer Housing Choice Vouchers (HCVs); issue bonds for affordable housing purposes; and acquire, own and develop commercial, retail and market-rate properties that benefit affordable housing.

AH has created affiliate entities to implement and execute a number of the Authority's program activities and initiatives. The financial statements of these affiliates are included in AH's financial statements as blended component units. AH has one affiliate that is not a component unit, but is considered a related entity; therefore, the financial activities for this entity have been excluded from the Authority's financial statements (see Note A of **Notes to the Financial Statements**, page 53, for further details).

Moving to Work (MTW) Housing Authority: AH is one of the 39 housing authorities (out of more than 3,400 in the country) designated as a Moving to Work housing authority. An MTW agency is one that is part of a demonstration created in the 1996 Congressional appropriation for the Department of Housing and Urban Development (HUD). MTW agencies have three statutory objectives:

1. Reduce costs and achieve greater cost-effectiveness in federal expenditures.
2. Give incentives to families with children where the head of household is working, seeking work or is preparing for work by participating in job training, educational programs or programs that assist people to obtain employment and become economically self-sufficient.
3. Increase housing choices for low-income families.

Having moved from "troubled agency" status in 1994 to "high performer" status in 1999, and sustaining that status thereafter, AH applied for and received the MTW designation in 2001. After extensive negotiations with HUD, AH executed its MTW Agreement with HUD on September 23, 2003, effective as of July 1, 2003. AH was able to retain the unique provisions under its original agreement when it negotiated and executed a 10-year extension of this agreement effective November 13, 2008, and further amended it on January 16, 2009, which extended the MTW Agreement until June 30, 2018. The Consolidated Appropriations Act of 2016 further extended the MTW status of all MTW agencies until the end of their fiscal year 2028.

AH's MTW Agreement provides substantial statutory and regulatory relief under the U.S. Housing Act of 1937, as amended. AH's program design for implementing its MTW Agreement is reflected in AH's multi-year strategic plan, known as Vision 2022, which was prepared leveraging the statutory and regulatory relief under its MTW Agreement combined with the guiding principles, the lessons learned and best practices from AH's Revitalization Program. Under its MTW Agreement, AH has the flexibility to develop policies and procedures that differ from those prescribed in regulations implementing Section 8 and 9 of the Housing Act of 1937. It also provides the flexibility to innovate and create new programs, and to create and implement local solutions to address local challenges in providing affordable housing opportunities to eligible low-income households in Atlanta. The success that AH has achieved as an innovator, fulfilling the promise of the MTW program envisioned by Congress, is apparent in a review of AH's many initiatives. For more details, see the MTW Innovations and Policies section of AH's FY 2019 MTW Annual Report.

While statutory and regulatory flexibility are foundational elements of the MTW program, the Single Fund authority is essential to AH's financial viability. AH's MTW Agreement permits AH to combine its HCV funds, Public Housing Operating Subsidy and Capital Fund Program grants into an MTW Single Fund which may be used for MTW-eligible activities set forth in AH's MTW Annual Plan that best meet local low-income housing needs. The funding flexibility provided to AH under the MTW Agreement is essential to AH's continued success and long-term financial viability.

Governing Body and Strategic Guidance: The governing body of AH is its Board of Commissioners ("the Board"), which is comprised of seven members, including two resident members, appointed by the Mayor of the City of Atlanta. The Board of Commissioners appoints the President and Chief Executive Officer to administer the affairs of the Authority, including hiring the staff of the Authority. AH is not considered a component unit of the City of Atlanta and, as a result, AH's financial statements are not included in the City's financial statements.

The Board provides strategic guidance and oversight of AH's operations. AH's programs and actions are further guided by its Business Plan, as modified, refined and updated by its Annual Implementation Plans, which are approved by the Board. The underpinnings for the Business Plan are AH's Vision and Mission statements:

***Our Vision**:* "Healthy Mixed-Income Communities; Healthy Self-Sufficient Families."

***Our Mission**:* "Provide quality affordable housing in amenity-rich, mixed-income communities for the betterment of the community."

AH's business model positions it to achieve three goals:

Quality Living Environments — Provide quality affordable housing in healthy mixed-income communities with access to excellent quality-of-life amenities.

Self-Sufficiency — (a) Facilitate opportunities for families and individuals to build economic capacity and stability that will reduce their dependency on subsidy and help them, ultimately, to become financially independent; (b) facilitate and support initiatives and strategies to support great educational outcomes for children; and (c) facilitate and support initiatives that enable the elderly and persons with disabilities to live independently with enhanced opportunities for aging well, and to improve health and wellness for all residents.

Economic Viability — Maximize AH's financial soundness and viability to ensure sustainability of its investments and portfolio of properties.

In approaching its work, regardless of the funding source, strategy or programmatic initiative, AH applies the following five guiding principles:

1. End the practice of concentrating low-income families in distressed and isolated neighborhoods.
2. Create healthy mixed-use, mixed-income (children-centered) communities using a holistic and comprehensive approach to assure long-term market competitiveness and sustainability of the community, and to support successful outcomes for families (especially children), with emphasis on excellent, high-performing neighborhood schools and high quality-of-life amenities, including first-class retail and green space.
3. Create mixed-income communities with the goal of developing market-rate communities with a seamlessly integrated affordable residential component.

4. Develop communities through public/private partnerships using public and private sources of funding, private sector expertise and real estate market principles.
5. Support AH-assisted families with strategies and programs that help them achieve their life goals, focusing on financial self-sufficiency and educational advancement of the children with expectations and standards for personal responsibility benchmarked for success.

In addition to these strategic directions, and creatively using the tools and flexibility afforded by its MTW Agreement to implement housing policy reforms across all programs, during FY 2019 AH focused on the following priorities as articulated in Vision 2022.

Vision 2022

In the latter part of FY 2017, AH introduced its new strategic goals under the umbrella of the plan known as Vision 2022. Vision 2022 is a comprehensive and strategic plan that renews the Authority's focus of being the frontrunner of affordable housing in the City of Atlanta. AH strongly believes in the potential of the individual. Therefore, Vision 2022 takes a people-centered, holistic approach that creates opportunities for those we serve to live, work and thrive in innovative, safe and healthy communities. These three thrusts are the building blocks of our strategy:

- **Live:** AH will redefine its approach to affordable housing development to emphasize community development, alongside the creation of live-work-thrive innovation spaces.
- **Work:** AH will invest agency funding toward the agency's self-sufficiency programs, with a focus on family independence, student achievement, digital literacy/connectivity, health and volunteerism.
- **Thrive:** AH will streamline its service delivery approach by updating financial policies and protocols, continuing to reduce operational overhead, and identifying areas to preserve and increase quality affordable housing in the City of Atlanta.

AH believes that people, not buildings, are the heartbeat of a community. Thus, as we strive to increase access to quality housing for all, we also consider the needs of those we serve and ways in which we can improve their lives and the surroundings. That is the core of Vision 2022. It is a strategy about people and community — people living well and working toward total self-reliance in communities that thrive.

VISION 2022
LIVE. WORK. THRIVE.

Vision 2022 is fully described on AH's website at https://www.atlantahousing.org/wp-content/uploads/2018/03/Vision2022_3.23.17.pdf.

Housing Profile: AH chartered a new course and embarked on an important and ambitious mission: to transform its delivery of affordable housing by ending the practice of concentrating low-income families and by abandoning the traditional 100% public housing model through implementation of a comprehensive and strategic Revitalization Program. Under AH's Revitalization Program, public-housing-assisted households were relocated to housing of their choice, primarily to private housing (using tenant-based HCVs). After relocation, distressed and obsolete housing projects were demolished, and the sites remediated and prepared for development.

Through partnerships with excellent private-sector developers, market-rate quality, mixed-use, mixed-income communities continue to be developed using public and private resources. AH's Revitalization Program is designed to intentionally de-concentrate poverty and create communities of choice, where Atlanta's families from every socio-economic status can live, learn, work and play as they pursue their version of the American dream.

As of June 30, 2010, AH successfully completed the relocation of all affected public-housing-assisted households and, by December 31, 2010, AH had completed the demolition of the 12 remaining properties. With the completion of the relocation and demolition phases, AH no longer owns or operates any large-family public housing projects, thereby ending the era of warehousing low-income households in distressed and obsolete developments in isolated and depressed areas.

In 2012, AH used its MTW authority to design a reformulation demonstration by which HUD would replace public housing funding with HCV funding for selected communities in AH's real estate portfolio. Chosen communities would secure private financing for revitalization and HUD would provide sufficient HCV funding to pay for operating expenses as well as covering debt service. AH and HUD used the reformulation demonstration to convert Centennial Place I, II, III and IV to HCV funding in 2013.

At the same time, however, HUD created a program with similar aims known as the Rental Assistance Demonstration (RAD) and notified AH that future conversions would use the RAD model. In 2017, Juniper & Tenth Highrise became AH's first conversion to HCV funding under RAD. Its tenants were temporarily relocated and the property remodeled with re-occupancy essentially completed by the end of FY 2018. HUD subsequently approved two more AH communities for RAD conversion and invited AH to convert the rest of the AH-owned and AH-supported mixed-income, mixed-finance (MIXED) properties, which AH plans to accomplish in the coming years. By June 30, 2019, AH had converted two AH-owned communities and one MIXED community, and was working on the conversion of 16 additional communities, all projected to be closed in FY 2020.

As a result of the above-described strategic initiatives and leveraging more than $300 million in HOPE VI, other public housing development funds and MTW funds, which resulted in a total financial investment and economic impact of more than $2 billion, AH's portfolio of housing opportunities has changed dramatically since 1995. In 1994, AH owned and operated 14,300 public-housing-assisted units in 43 conventional public housing communities, and administered approximately 4,500 certificates and vouchers. As of June 30, 2019, AH's housing profile and operating activities have evolved into the following:

- Public-housing-assisted communities (nine senior high-rise buildings and two small-family developments) owned and operated through professional property management firms, with 1,586 housing units, all of which are well-located in economically integrated neighborhoods (referred to as AH-owned residential communities);
- Operating subsidy for 2,155 Annual Contribution Contract (ACC) (HUD-subsidized) units in 33 AH-Sponsored MIXED rental communities owned and operated by related public/private Owner Entities;
- Tenant-based HCV rental assistance for 10,515 units owned and operated by private rental property owners;

- HomeFlex (AH's project-based rental assistance program) for 1,521 units at 22 of the AH-Sponsored MIXED rental communities owned and operated by related public/private Owner Entities;
- Rental assistance for 4,230 HomeFlex units in 49 MIXED and Supportive Housing (HAVEN) communities owned and operated by unrelated private owners;
- Rental assistance for 423 HomeFlex units in the three communities that converted under HUD's RAD program.
- Additional rental assistance to 380 participants in HAVEN communities under AH's pilot rental assistance for homeless prevention through local programs;
- Mortgage assistance to 19 participants, who used their tenant-based HCVs for homeownership; and
- Down payment assistance loans to 993 first-time homebuyers since the inception of the program.

The implementation of these initiatives has also changed the mix of AH's revenue from HUD from being primarily comprised of Section 9 Public Housing operating funds and capital funds in 1995 to being primarily comprised of HCV funds in FY 2019. During FY 2019, approximately 84% of AH's funds received from HUD were attributable to HCV funds.

Moreover, as a result of the strategic Revitalization Program and other initiatives, and the shift from a primarily Public Housing operating fund platform to HCV fund platform, AH's operations are more stable and its financial position is stronger.

In addition to the above operating profile, AH is one of the 11 founding member organizations of National Housing Compliance, Inc. (NHC), a Georgia not-for-profit 501(c)(4) corporation that performs contract administration services as HUD's Performance Based Contract Administrator (PBCA) for the states of Illinois and Georgia. NHC makes periodic contributions to members based on NHC's earned PBCA revenue in excess of NHC's operating expenses. As a member, AH receives non-federal contributions from NHC activities in Illinois and Georgia, which are included in AH's financial statements as operating revenue.

Budget Process and Monitoring: The annual budget for the Authority is prepared with significant involvement from the CEO and the executive staff, and the support and analysis of AH Financial Planning and Analytics staff. At the beginning of the budget process, the CEO and executive staff establish the key areas of focus for the coming year based on the MTW Annual Plan. AH then develops an annual budget to accomplish the goals and priorities of that plan.

On an annual basis, the Board approves the Authority's Comprehensive Operating and Capital Budget after the CEO has presented both the MTW Annual Plan and the Authority's proposed budget for public review and comment. Throughout the fiscal year, the Board-approved budget becomes the primary management tool to plan, control and evaluate spending for major activities and programs. Monthly actual-to-budget performance reports are reviewed by the Financial Planning and Analytics staff and the Authority's departments. Monthly actual-to-budget reviews are conducted at the management and executive levels, and budget revisions and actions to address variances against the budget are taken, as needed, to ensure appropriate budget control. A quarterly report is also submitted to the Board with a complete analysis and explanations of significant actual-to-budget variances.

Financial and Operational Oversight: There are several ways the Authority is ensuring financial and operational oversight. The key mechanisms are as follows:

- Three standing Board Committees which meet monthly with AH's senior management: Audit and Finance Committee; Operations Committee; and Real Estate Committee. Each Committee has its own charter and is comprised of at least two Commissioners.
- An expanded Strategy, Policy and Regulatory Affairs department role and responsibility to ensure continued regulatory compliance, operational performance monitoring and productivity of real estate development, asset portfolio and HCV management.
- Financial and operational compliance audits (Business Process Review) conducted at least once a year at each of the communities where the Authority-assisted participants reside.

Economic Conditions and Financial Outlook

Our MD&A on page 21 provides a comprehensive analysis of national and local economic conditions and financial outlook, including the status and outlook of federal funding.

FY 2019 Accomplishments and Program Highlights

AH comprehensively operates the entire agency pursuant to its MTW Agreement, which was successfully extended to 2028 during 2016, and utilizes fungibility of its MTW Single Fund in operating and administering its programs. In cases where there are statutory requirements or grant provisions, AH complies with these terms as required. Each AH program is designed to economically and efficiently leverage all AH resources where possible, inclusive of finances and funding flexibility, knowledge and experience, grant funds, rental subsidies, partner relationships and land. Through its various housing solutions and programs, all supported by human development services, AH is able to meet a broad spectrum of housing needs for low-income families in the City of Atlanta.

Below are some of AH's FY 2019 major accomplishments and milestones, which demonstrate AH's continued strategic focus and commitment to its Vision and three primary statutory goals.

Real Estate Development and Public Housing

- As part of the Choice Neighborhoods Program, progress continued on the Scholars Landing buildout in FY 2019 with AH's development partner, Integral Development. Ashley I A/B structures, a $24 million multi-family rental community of **135-unit** (54 replacement/affordable, 54 workforce and 27 market units) are under construction and **on track for completion by December 2019**. Ashley I C structures, a **66-unit** multi-family rental community (50 affordable and 16 market units), are **planned for financial closing in December 2019**. Planning work for the development of the last phase, Ashley II, a **212-unit** multi-family rental community, is well underway.
- AH continued its efforts to convert its public housing portfolio from Section 9-funded public housing to Section 8-funded HomeFlex under HUD's RAD program and AH's reformulation demonstration. Centennial Place IV successfully closed on its rehabilitation under reformulation in December 2018, **preserving 83 affordable units**.

- **Positioned 16 communities comprised of 1,325 affordable units for RAD conversion in FY 2020**, which include: Marietta Road Highrise, Peachtree Road Highrise, Hightower Manor Highrise, Villages at East Lake I and II, and 11 Columbia MIXED communities.
- **Repaid $2.3 million in EPC loans** in preparation for Marietta and Peachtree conversions.
- **Added 372 assisted units** through its private, multi-family HomeFlex program.
- **269 eligible and first-time homebuyers** received down payment assistance from AH.

Supportive Housing

- **Increased Households Served by 878**, a 3.6% increase over FY 2018 and a 7.9% increase over FY 2017 Households Served.
- **Nearly 10% of all program admissions** were through AH's HAVEN program.
- **380 families at risk of homelessness** were stabilized through short-term rental assistance under the Home Again program.

Human Development

- **$2.8 million invested to provide human development** services to help families overcome barriers to work.
- Provided **human development and case management services to more than 1,500 Housing Choice participants.**
- **42 students were awarded scholarships valued at more than $75,000** through AH's Atlanta Community Scholars Award and University Choice Neighborhoods.
- AH's annual **Summer Internship Program hosted 14 AH-assisted students** encouraging them to explore career options and opportunities.

Administration

- Completed **100% of Housing Choice and HomeFlex inspections**, and **100% of scheduled audits of AH-Owned and MIXED Communities.**
- Expanded the Authority's Strategy, Policy and Regulatory Affairs department role and responsibility to ensure continued regulatory compliance, operational performance monitoring and productivity in real estate development, asset portfolio management and HCV utilization.
- AH was again awarded the **Distinguished Budget Presentation Award by the Government Finance Officers Association** for its FY 2019 Budget.
- Downsized the Defined Benefit Pension Plan by close to 45% through an Annuity Purchase Contract, thereby de-risking the overall plan and future cost.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to The Housing Authority of the City of Atlanta, Georgia for its comprehensive annual financial report for the fiscal year ended June 30, 2018. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement program's reqirements and we are submitting it to GFOA to determine its eligibility for another certificate.

We take our responsibility to serve the community and Atlanta's low-income families very seriously. Our MTW Agreement has allowed us to be innovative, engaging our partners and stakeholders in local problem-solving. We believe we are transforming the business of helping people.

Acknowledgments

We would like to take this opportunity, on behalf of the staff and residents of Atlanta Housing, to acknowledge the members of the Board of Commissioners for their tireless support and guidance.

The preparation of this report has been accomplished through the hard work of the Finance Department and support of other staff members throughout the Authority. We also wish to express our appreciation to all of the individuals who contributed to the preparation of this report.

Eugene E. Jones Jr.
President and Chief Executive Officer

Myrianne Robillard
Corporate Financial Officer

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

The Housing Authority of the City of Atlanta, Georgia

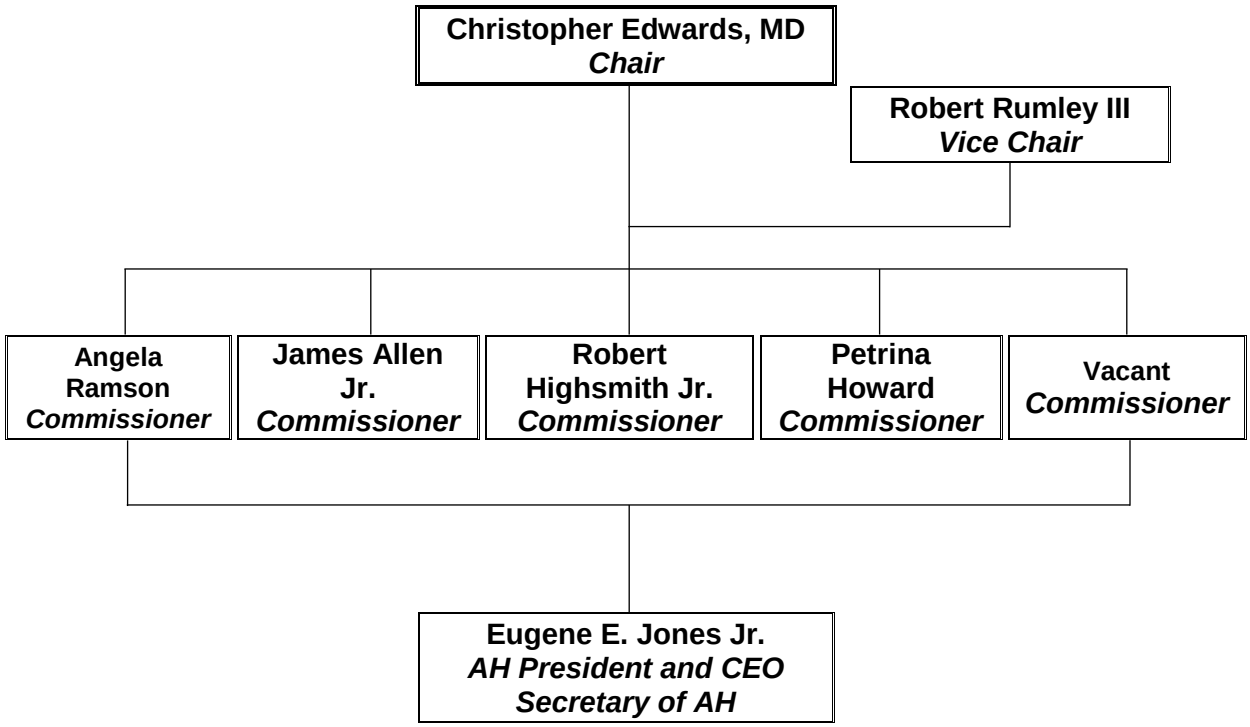
For its Comprehensive Annual Financial Report for the Fiscal Year Ended

June 30, 2018

Christopher P. Morrill

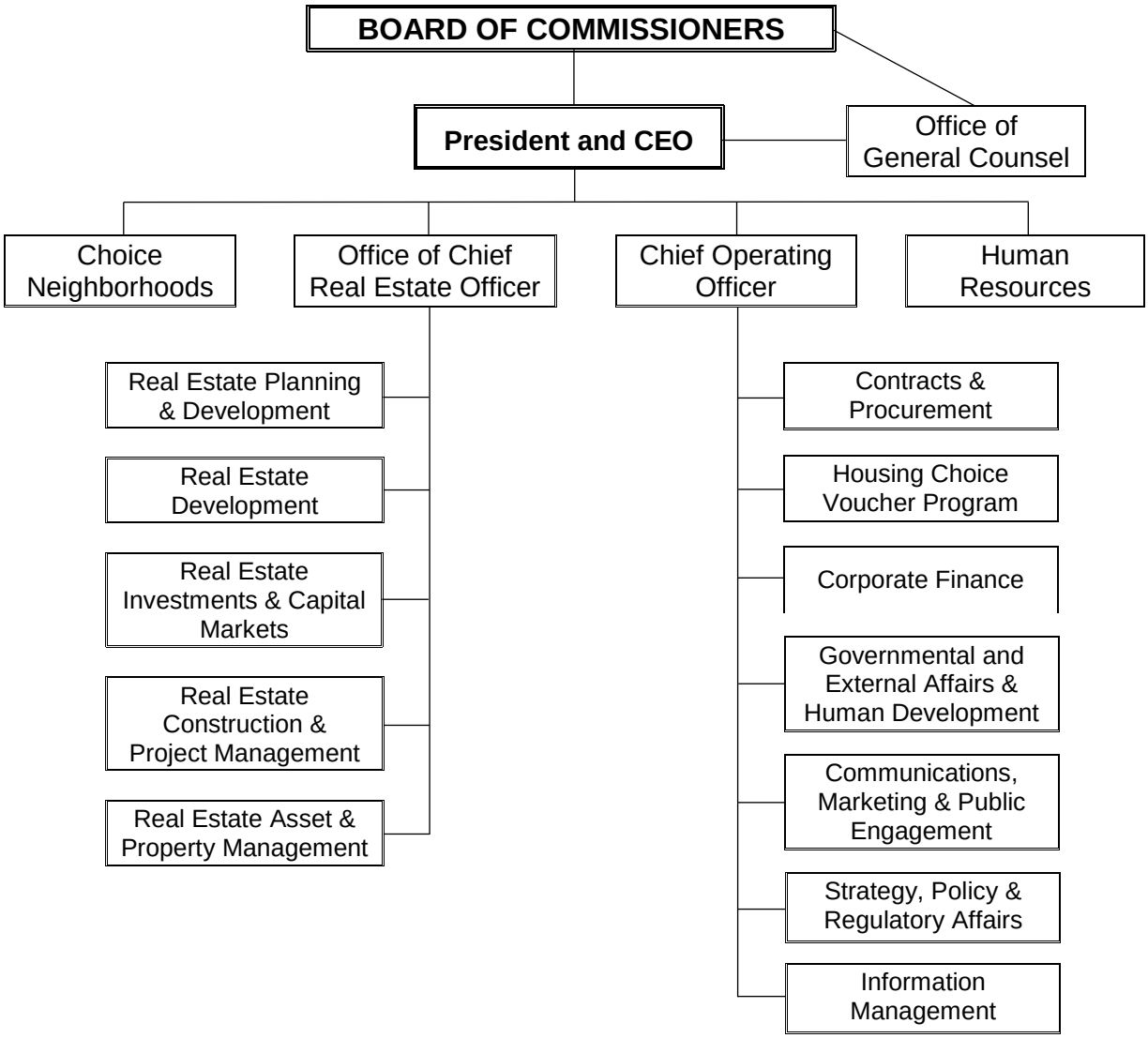
Executive Director/CEO

AH's Board of Commissioners



October 2019

AH's Organizational Structure



October 2019

FINANCIAL SECTION

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Independent Auditors' Report

To the Board of Commissioners
The Housing Authority of the City of Atlanta, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of The Housing Authority of the City of Atlanta, Georgia as of and for the years ended June 30, 2019 and 2018, and the related notes to the financial statements, which collectively comprise The Housing Authority of the City of Atlanta, Georgia's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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 Housing Authority of the City of Atlanta, Georgia as of June 30, 2019 and 2018, and the changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 21 to 44 and the Schedule of Changes in Net Pension Liability and Related Ratios and Schedule of Pension Plan Contributions on pages 86 and 87, respectively, 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 audits 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 audits were conducted for the purpose of forming an opinion on the basic financial statements as a whole. The introductory section, HUD Financial Data Schedule and notes thereto, Schedules of Related-Party Development Loans, Schedules of Related-Party Other Loans and Fees Receivable, Schedules of Related-Party Transactions, Schedule of HUD-Funded Grants, Schedules of CFP Program Completion Costs and Advances Program Certification, Schedules of RHF Program Completion Costs and Advances Program Certification, Schedules of ROSS Program Completion Costs and Advances Program Certification, and statistical information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The HUD Financial Data Schedule, Schedules of Related-Party Development Loans, Schedules of Related-Party Other Loans and Fees Receivable, Schedules of Related-Party Transactions, Schedule of HUD-Funded Grants, Schedules of CFP Program Completion Costs and Advances Program Certification, Schedules of RHF Program Completion Costs and Advances Program Certification, and Schedules of ROSS Program Completion Costs and Advances Program Certification 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 HUD Financial Data Schedule, Schedules of Related-Party Development Loans, Schedules of Related-Party Other Loans and Fees Receivable, Schedules of Related-Party Transactions, Schedule of HUD-Funded Grants, Schedules of CFP Program Completion Costs and Advances Program Certification, Schedules of RHF Program Completion Costs and Advances Program Certification, and Schedules of ROSS Program Completion Costs and Advances Program Certification are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical information have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 2019, on our consideration of The Housing Authority of the City of Atlanta, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of The Housing Authority of the City of Atlanta, Georgia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering The Housing Authority of the City of Atlanta, Georgia's internal control over financial reporting and compliance.

CohnReznick LLP

Charlotte, North Carolina
December 3, 2019

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MANAGEMENT'S DISCUSSION AND ANALYSIS

The management of The Housing Authority of the City of Atlanta, Georgia (referred to as "Atlanta Housing," "AH" or "Authority") is providing this Management's Discussion and Analysis (MD&A) as an analytical overview of AH's financial performance for the fiscal years ended June 30, 2019 (FY 2019) and June 30, 2018 (FY 2018). This document should be read in conjunction with the Letter of Transmittal, AH's Financial Statements and accompanying Notes.

OVERVIEW OF FINANCIAL STATEMENTS

AH is pleased to present its Financial Statements for the fiscal years ended June 30, 2019, and June 30, 2018, which have been prepared in accordance with U.S. generally accepted accounting principles (GAAP) as applied to governmental entities. GAAP requires the inclusion of three basic financial statements: statement of net position (balance sheet); statement of revenues, expenses and changes in net position; and statement of cash flows. In addition, GAAP requires the inclusion of this MD&A as required supplementary information.

The financial statements provide both short- and long-term information about the Authority's financial condition. The financial statements also include notes that provide additional information, including a summary of significant accounting policies applied consistently in the preparation of the financial statements. As provided under GAAP, the Authority uses the accrual basis of accounting to prepare its financial statements. Under this basis of accounting, revenue is recognized in the period in which it is earned, and expense, including depreciation and amortization, is recognized in the period in which it is incurred. All assets and deferred outflows and liabilities and deferred inflows associated with the operations of the Authority are included in the statements of net position.

AH's results of operations are presented in the statements of revenues, expenses and changes in net position, where activities are categorized between operating and non-operating items. AH defines its operating revenues as income derived from operating funds received from HUD, tenant dwelling revenue, development and other grants used for operating expenses as well as fees earned in conjunction with development activities under AH's development and revitalization program. Operating expenses for proprietary funds include the cost of housing assistance to low-income families, operating housing units and providing tenant services, revitalization, demolition and remediation, administrative expenses and depreciation on capital assets. Non-operating revenues and expenses include interest and investment income, gain from the sale of assets, adjustments to valuation allowances and interest expense. Capital contributions include MTW Single Fund and development grants used for capitalized expenditures, including loans, in connection with modernization, development and revitalization activities. See Note B.13 of the **Financial Statements** for further information.

FY 2019 OPERATION HIGHLIGHTS

Advancing Affordable Housing Opportunities

Using its available programs, AH continued to advance and facilitate quality affordable housing opportunities in a variety of healthy mixed-income communities for low-income families as follows:

Tenant-based Housing Choice Voucher Program

Under the HCV program, AH supported 10,973 households at the end of FY 2019 compared to 10,637 at the end of FY 2018, which includes in-jurisdiction participants, as well as participants who: (a) moved from AH's service area to a residence outside of AH's service area; (b) moved into AH's service area from other public housing agencies' service areas; (c) are searching for a new unit; or (d) received mortgage assistance for their homes in AH's service area. Significant FY 2019 accomplishments include:

- A total of **$104.3 million** provided in payments under this program.
- Close to 1,505 new households, before attrition, housed from the Housing Choice waiting list and for special programs.

HomeFlex Program

At the end of FY 2019, 6,164 households were supported under AH's HomeFlex program, which included payments to related Owner Entities (private-sector owners) of AH-Sponsored MIXED communities, unrelated private-sector owners of mixed-income communities and unrelated owners of HAVEN communities. Significant FY 2019 accomplishments include:

- A total of **$41.1 million** provided in payments under this program.
- Rental assistance provided to 4,230 households at 49 unrelated MIXED communities compared to 4,012 at the end of FY 2018.
- Rental assistance provided to 1,521 households at 22 of the AH-Sponsored MIXED communities, essentially at same level as the end of FY 2018.
- RAD rental assistance provided to 423 households by the end of FY 2019, essentially at same level as the end of FY 2018.

Operating Subsidy Provided to Owner Entities of AH-Sponsored MIXED Communities

During 2019, AH served 2,155 families in public-housing-assisted units in 33 AH-Sponsored MIXED rental communities by providing **$12.9 million** in operating subsidy to Owner Entities, in accordance with regulatory and operating agreements, to cover the operating costs of AH-assisted units in MIXED communities not covered by tenant rents.

Operating Expenses and Capital Improvements at AH-Owned Residential Communities

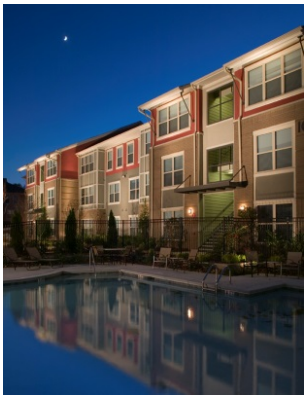
AH continued to serve households in two small-family communities and advance the strategic goals of independent living and improving the quality of life for elderly and disabled persons *"Aging Well"* at the nine senior highrises as follows:

- Funded **$7.3 million** in operating expenses, inclusive of human development services, which were not covered by tenant rents to support 1,586 households during FY 2019.

FY 2019 OPERATION HIGHLIGHTS — continued

- Invested **$1.4 million** for modernization and renovation construction projects designed to maintain AH's properties and continue to improve the quality of life at AH-owned senior high-rises and multi-family communities.
- Continued to realize substantial benefits from the energy and efficiency improvements completed during FY 2014 and funded under the Energy Performance Contract (EPC) capital lease secured during FY 2012.

Achieving Our Vision:



Healthy Mixed-Income Communities; Healthy Self-Sufficient Families

FY 2019 OPERATION HIGHLIGHTS — continued

Real Estate Development and Revitalization Activities

AH funded **$21.6 million** in development and revitalization activities during FY 2019 as AH began acquisitions and planning efforts to enhance its development capacity and continued to advance Master Plans for the redevelopment of its former public housing properties into MIXED communities.

FY 2019 development and revitalization activity highlights include:

Choice Neighborhoods Implementation Grant

Pursuant to its $30 million 2014/2015 Choice Neighborhoods Implementation Grant (CNIG) Award from HUD in September 2015, AH continued to administer CNIG activities designed to redevelop the former University Homes Public Housing site and revitalize the University Choice Neighborhood (UCN). Collectively, UCN is comprised of Ashview Heights, Atlanta University Center and Vine City. Choice Neighborhoods Atlanta is a neighborhood transformation initiative focused on people, housing and neighborhood.

During FY 2019, AH continued work on the revitalization of the former University Homes public housing community (renamed Scholars Landing) and made investments in Housing, Neighborhood and People programs and conducted activities toward the achievement of the UCN Transformation Plan milestones for 2019 through grant closeout in 2022.

As part of the housing component, progress continued on the Scholars Landing buildout in FY 2019 with AH's development partner, Integral Development.

Ashley 1 A/B

- The 135-unit multi-family rental community being developed includes 54 low-income, 54 Choice Neighborhoods workforce and 27 market-rate rental units.
- Financial closing occurred in September 2018, with construction of $24 million in structures expected to be completed in December 2019.
- Lease-up activities are expected to begin in January 2020.

Ashley 1 C

- Planning is underway for the development of a 66-unit multi-family rental community, to be comprised of 25 low-income, 25 CN workforce and 16 market rate rental units.
- Schematic design for buildings has been completed, and submitted to SHPO for review. SHPO has advised that the design has no adverse effect on the contemplated project.
- Environmental remediation was completed in early September 2019.
- Financial closing is anticipated for December 2019.

FY 2019 OPERATION HIGHLIGHTS — continued

HUD's Rehabilitation Assistance Demonstration (RAD) and AH Reformulation

During FY 2019, AH continued its efforts to convert its public housing portfolio from Section 9-funded public housing to Section 8-funded HomeFlex under HUD's RAD program and AH's reformulation demonstration.

- Centennial Place Phase IV successfully closed on the planned rehabilitation, the last community to convert under the AH reformulation program.
- Marietta Road Highrise, Peachtree Road Highrise, Hightower Manor Highrise, Villages at Eastlake I and II, and 11 MIXED communities moved closer to conversion.
- AH repaid $2.3 million on the EPC capital lease in preparation for Marietta and Peachtree conversions.

Atlanta Civic Center

- AH acquired this 19.5-acre site at a cost of $32.2 million from the City of Atlanta in November 2017 after HUD acceptance.
- AH is preparing concept plans to develop low-income housing with workforce and market-rate units in a mixed-use community. Working with a historic structures consultant, master planner and development consultant.
- It is contemplated that this planning process will result in solicitations for multiple commercial and mixed-use development partners, including developers that will collaborate with AH to develop low-income housing.
- In early FY 2020, about 0.75 acre of the site was sold to Southface Energy Institute, Inc. for a cash consideration of $1.2 million, representing fair market value.

Centennial Place (Techwood/Clark Howell Homes Revitalization)

- AH continues to assess the viability of the adaptive reuse of the Cupola building as a commercial or residential development. Working with a historic structures consultant, architect and development consultant to determine development feasibility 2020.
- Public improvement work on a road to serve the final phase of the Centennial development, Centennial Park North II and GA Tech using public improvement funds from the City is now scheduled to be completed by April 2020.

CollegeTown at West End (Harris Homes Revitalization)

- Working to complete the disposition of approximately three acres of AH-owned land to Truly Living Well Center for Natural Urban Agriculture in support of the existing TLW urban farm and educational center for commensurate benefits to the community and low-income families of CollegeTown.
- With HUD approval received in September 2019, land transfer should occur by December 2019.

Englewood Manor

- Development partners for the 30-acre site were selected in January 2018.

FY 2019 OPERATION HIGHLIGHTS — continued

- Concept site planning was completed: working with the developers and Atlanta BeltLine on a final master and infrastructure plan, with infrastructure construction to begin in FY 2020.
- In partnership with the BeltLine, community engagement will continue throughout FY 2020.
- AH is negotiating an acquisition from the City of Atlanta of land parcels at 1110 and 360 Hill Street, located north of the former public housing site. The proposed transaction contemplates disposing of Jonesboro South and a lease-back agreement with the City of Atlanta for ongoing operations on 360 Hill Street.

Herndon Homes

- Developer secured a 4% tax-exempt bond commitment from Invest Atlanta for the 97 affordable senior housing units, representing the first development phase.
- Public improvements, infrastructure construction and predevelopment work has started on-site with financial closing scheduled for December 2019.
- AH began outreach activities to former Herndon Homes residents.

Magnolia Park (part of Choice Neighborhoods)

- Following a request for proposals issued for the disposition and development of 30 scattered site properties within the Vine City neighborhood as part of Choice Neighborhoods, three local developers were selected.
- Currently negotiating final business terms with each of the three awarded local developers, with an anticipated finalization of the developer contracts in FY 2020.

Oasis at Scholars Landing

- Oasis at Scholars Landing, an AH-Sponsored senior rental community with 60 HomeFlex assisted units, was originally intended to operate as an affordable assisted living facility.
- In December 2018, the Owner and AH requested a change in the project concept from a Personal Care Facility to an Independent Senior Living property.
- HUD approved the project concept change and, effective January 1, 2019, the property started operating as an Independent Senior Living facility.
- Since the change, the property's occupancy has reached a 99% occupancy rate.

Villages of Castleberry Hill

- Villages of Castleberry Hill II RAD conversion has been approved by HUD and planning with development partners is underway.

West Highlands at Heman Perry Boulevard (Perry Homes Revitalization)

- Land comprised of 121 lots and 98 lots was conveyed to the developer in June 2019 and December 2018, respectively, for the continuation of the housing development, with a minimum of 20% of the single-family homes/townhomes destined to low-income buyers (less than 80% AMI).

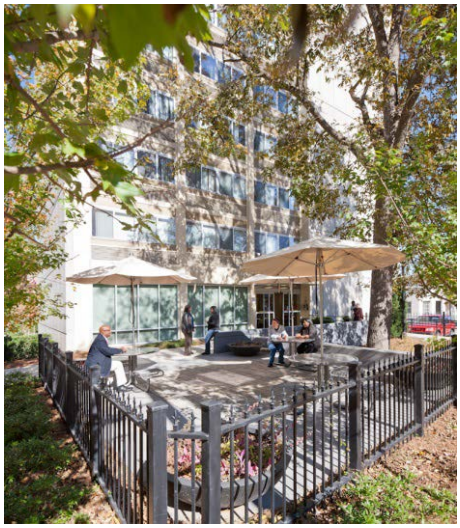
FY 2019 OPERATION HIGHLIGHTS — continued

- Engaging in future land dispositions with the developer and the Homeowner Association related to the development of a recreational site and management of greenspace, parks, storm water management system, and with the City of Atlanta for public infrastructure.

Homeownership Down Payment Assistance

Using its MTW flexibility, AH partnered with local lenders to provide $5.6 million in down payment assistance to 269 low-income, first-time homebuyers purchasing homes throughout the City of Atlanta. Homebuyers qualify for this program by earning 80% or less of the Area Median Income, or less than $63,760 for a family of four as of June 2019.

Fulfilling our Mission:






to provide quality affordable housing in amenity-rich, mixed-income communities for the betterment of the community.

FY 2019 FINANCIAL HIGHLIGHTS

AH's financial position remained strong with a net position of **$459.1 million** at June 30, 2019.

- Total assets and deferred outflows exceeded total liabilities and deferred inflows at June 30, 2019, by $459.1 million (net position), representing a $2.0 million or 0.4% decrease from prior year. Unrestricted net position of $66.5 million at the end of FY 2019 consisted primarily of unrestricted cash and investments available primarily for MTW-authorized activities as well as a working capital reserve to support liquidity for AH public housing operations. In addition to its $66.5 million unrestricted net position, at June 30, 2019, AH had $125.6 million in funds held at HUD from unused HCV subsidy, which are available to AH for future uses, and for which AH has commitments in place with affordable housing-related projects.
- The $2.0 million decrease in net position year-over-year resulted from a net operating loss of $2.0 million driven primarily by an increased valuation allowance expense on loans, partially offset by higher interest income received on development and other loans, and increased surplus cash investments.
- AH's current ratio (ratio of current assets over current liabilities) that measures AH's liquidity decreased from 8.3 to 6.4 during FY 2019; however, it remains relatively strong, exceeding the 5.3 ratio at the end of FY 2017. The primary reason for the lower ratio is increased surplus cash investments in non-current positions to optimize return pursuant to HUD's and AH's cash management policy. Also contributing to the lower ratio is the higher level of accrued liabilities at June 30, 2019, primarily due to timing. It should be noted that the current ratio does not include HUD-held funds discussed above.
- Other non-current assets and deferred outflows increased by $17.7 million or 56.8% primarily due to a $17.1 million increase in non-current investments resulting from additional surplus cash investment as well as a change in the investment portfolio maturity mix.
- The $8.7 million increase in total liabilities and deferred inflows reflects unrealized gains on land conveyance at the West Highlands site, where 219 lots totaling 13 acres were sold to the developer in exchange for seller financing notes to be repaid upon the sale of each of the affordable and market-rate homes.

FINANCIAL ANALYSIS

CONDENSED STATEMENTS OF NET POSITION*

As of June 30,

(in millions)

	2019	2018	2017	2019 vs. 2018 Increase/ (Decrease)	2018 vs. 2017 Increase/ (Decrease)
ASSETS AND DEFERRED OUTFLOWS					
Current assets	$ 110.5	$ 125.8	$ 92.2	$ (15.3)	$ 33.6
Related-party development loans, receivables and investments in partnerships, net of allowance	187.0	179.3	176.3	7.7	3.0
Capital assets, net of accumulated depreciation	143.5	146.9	125.0	(3.4)	21.9
Other non-current assets and deferred outflows	48.7	31.0	26.2	17.7	4.8
Total non-current assets and deferred outflows	379.2	357.2	327.5	22.0	29.7
TOTAL ASSETS AND DEFERRED OUTFLOWS	$ 489.7	$ 483.0	$ 419.7	$ 6.7	$ 63.3
LIABILITIES AND DEFERRED INFLOWS					
Current liabilities	$ 17.3	$ 15.2	$ 16.2	$ 2.1	$ (1.0)
Long-term debt, net of current portion	3.3	5.6	5.9	(2.3)	(0.3)
Net pension plan liability	0.9	0.6	0.5	0.3	0.1
Other non-current liabilities and deferred inflows	9.1	0.5	0.9	8.6	(0.4)
Total liabilities and deferred inflows	30.6	21.9	23.5	8.7	(1.6)
NET POSITION					
Net investment in capital assets	140.1	141.2	118.9	(1.1)	22.3
Restricted–expendable	252.5	246.9	241.0	5.6	5.9
Unrestricted	66.5	73.0	36.3	(6.5)	36.7
Total net position	459.1	461.1	396.2	(2.0)	64.9
LIABILITIES, DEFERRED INFLOWS AND NET POSITION	$ 489.7	$ 483.0	$ 419.7	$ 6.7	$ 63.3

** As a result of rounding, the sum of individual line items may deviate slightly from the actual total.*

FINANCIAL ANALYSIS — continued

Total Assets and Deferred Outflows

June 30, 2019 vs. June 30, 2018

Total assets and deferred outflows increased by **$6.7 million** year-over-year primarily due to the following:

- ***Current assets*** decreased by **$15.3 million** year-over-year primarily due to a net decrease in cash of $13.7 million resulting from additional surplus cash investments with maturity exceeding 12 months to optimize return, as well as meet HUD's cash management policy requiring AH to hold only a minimal of MTW Single Fund cash. Investments current also decreased by $1.4 million due to changes in AH's investment portfolio maturity mix.
- ***Total non-current assets and deferred outflows*** increased by **$22.0 million** year-over-year primarily due to the following items:
  - An increase in ***Related-party development and other loans*** of **$7.7 million** resulting from $15.4 million of new loans related to Centennial Place IV reformulation, Ashley I at Scholars Landing vertical structure construction, West Highlands land conveyance and Herndon Senior Phase predevelopment work. These new loans were partially offset by a $7.7 million decrease due to an increased loan valuation provision ($5.0 million) and loan repayments ($2.7 million).
  - A decrease in ***Capital assets, net of accumulated depreciation*** of **$3.4 million** as depreciation exceeded net additions to capital assets (see also Note H on page 68).
  - An increase in ***Other non-current assets and deferred outflows*** of **$17.7 million** due to a $17.1 million increase in investments non-current resulting from additional surplus cash investments and a change in the maturity mix of the investment portfolio, and a $0.5 million net increase in deferred outflows primarily due to an increase in actuarial experience losses on projected pension liability.

June 30, 2018 vs. June 30, 2017

Total assets and deferred outflows increased by **$63.3 million** year-over-year primarily due to the following:

- ***Current assets*** increased by **$33.6 million** year-over-year primarily due to a net increase in cash and investments of $32.3 million resulting from HUD's disbursements totaling $32.1 million in prior year Housing Choice funding to AH in addition to the funds required for FY 2018 MTW operations. AH held these excess funds, primarily in short-term investments, for future use.

FINANCIAL ANALYSIS, Total Assets and Deferred Outflows — continued

- ***Total non-current assets and deferred outflows*** increased by **$29.7 million** year-over-year primarily due to the following items:
  - An increase in ***Related-party development and other loans*** of **$3.0 million** primarily resulting from Piedmont Road Highrise conversion under RAD where a loan and notes aggregating $14.1 million were issued, which was partially offset by an increase in valuation allowance of $10.5 million as well as payments on existing loans.
  - An increase in ***Capital assets, net of accumulated depreciation*** of **$21.9 million** primarily due to the $32.2 million acquisition of the Atlanta Civic Center property and capital spending at AH-owned properties totaling $1.4 million. These increases were partially offset by the disposal of Piedmont Road Highrise under the RAD conversion, net reduction in capital assets of $4.5 million, as well as $7.2 million in depreciation expense (see also Note H on page 68).
  - An increase in ***Other non-current assets and deferred outflows*** of **$4.8 million** primarily due to an $8.8 million increase in non-current investments resulting from a change in AH's investment portfolio, partially offset by a $4.0 million net decrease in deferred outflows due to the recognition of pension experience losses in the pension expense.

Total Liabilities and Deferred Inflows

June 30, 2019 vs. June 30, 2018

Total liabilities and deferred inflows increased by **$8.7 million** year-over-year primarily due to the following:

- ***Current liabilities*** increased by **$2.1 million** year-over-year primarily due to a $3.0 million increase in accrued liabilities offset by reduced benefits payable and other current liabilities due to the timing of invoicing and payments.
- ***Long-term debt, net of current portion*** decreased by **$2.3 million**, corresponding to the principal portion of the EPC capital lease payments made during FY 2019 in anticipation of Marietta and Peachtree highrises' RAD conversions.
- ***Net pension plan liability*** increased by a net **$0.3 million** over FY 2018, primarily due to experience loss on projected liability (see also Note P on page 74).
- ***Other non-current liabilities and deferred inflows*** increased by **$8.6 million** primarily due to unrealized gains on land conveyance at West Highlands as part of the homeownership program, partially offset by a decrease in deferred inflows resulting from the recognition of prior year experience gain against current year pension expense.

FINANCIAL ANALYSIS, Total Liabilities and Deferred Inflows — continued

June 30, 2018 vs. June 30, 2017

Total liabilities and deferred inflows decreased by **$1.6 million** year-over-year primarily due to the following:

- ***Current liabilities*** decreased by **$1.0 million** year-over-year primarily because of a reduction in accrued liabilities due to the timing of invoicing and payments.
- ***Long-term debt, net of current portion*** decreased by **$0.3 million**, corresponding to the principal portion of the EPC capital lease payments made during FY 2018.
- ***Net pension plan liability*** remained essentially at the same level as FY 2017.
- ***Other non-current liabilities and deferred inflows*** decreased by **$0.4 million** primarily due to a net decrease in deferred inflows resulting from the recognition of a pension experience gain in the pension expense.

Total Net Position

June 30, 2019 vs. June 30, 2018

Total net position amounting to **$459.1 million** at June 30, 2019, represented a **$2.0 million** decrease over the prior year as a result of the following:

- ***Net investment in capital assets*** includes land, buildings, improvements and equipment less related debt and escrow cash for debt repayment. The majority of these assets have restricted-use covenants tied to AH's ownership and cannot be used to liquidate liabilities. AH generally uses these assets to provide affordable housing to qualified income-eligible families. The **$1.1 million** decrease year-over-year is primarily due to depreciation exceeding capital assets additions by $3.4 million partially offset by a $2.3 million EPC loan repayment. See additional information under *Total assets and deferred outflows* year-over-year analysis on page 30.
- ***Restricted–expendable*** net position, subject to both internal and external constraints, is calculated at the carrying value of restricted assets less related liabilities. This net position is restricted by time and/or purpose. Restricted–expendable net position includes cash subject to restrictions for HUD-funded programs, related-party development and other loans, and operating reserves required in conjunction with the AH-Sponsored MIXED communities. These assets cannot be used, pledged or mortgaged to a third party or seized, foreclosed upon or sold in the case of a default, ahead of any HUD lien or interest without HUD approval. This net position increased by **$5.6 million** year-over-year primarily due to a $5.8 million increase in new related-party development and other loans funded with new capital grants, and a $5.4 million net increase in restricted cash and investments from development-related and investment income, partially offset by a $5.0 million increase in loan valuation provision and the recharacterization of $0.6 million of public improvement interest from restricted to unrestricted cash.

FINANCIAL ANALYSIS, Total Net Position — continued

- ***Unrestricted*** net position, although referred to as unrestricted, remains subject to varying degrees of limitations. HUD approval is required, with some limited exceptions, to use or deploy these assets outside of the ordinary course of AH's business. AH's eligible business activities are set forth in its HUD-approved MTW Business Plan, as amended from time to time by its MTW Annual Implementation Plans. In all cases, AH's assets are subject to the limitations of AH's charter and the Housing Authorities Laws of the State of Georgia. The unrestricted net position decreased by **$6.5 million** year-over-year primarily due to a $5.6 million full provision taken on homeownership down payment loans funded with MTW funds and a $1.5 million decrease in unrestricted cash and investments positions, partially offset by a $0.6 million increase resulting from the recharacterization of public improvement interest from restricted to unrestricted cash.

June 30, 2018 vs. June 30, 2017

Total net position amounting to **$461.1 million** at June 30, 2018, represented a **$64.9 million** increase over the prior year as a result of the following:

- ***Net investment in capital assets*** includes land, buildings, improvements and equipment less related debt and escrow cash. The majority of these assets have restricted-use covenants tied to AH's ownership and cannot be used to liquidate liabilities. AH generally uses these assets to provide affordable housing to qualified income-eligible families. The **$22.3 million** increase year-over-year primarily reflects the $33.6 million combined acquisitions of the Atlanta Civic Center property and capital spending at AH-owned properties as well as a $0.3 million reduction in the EPC capital lease. These increases were partially offset by the disposal of Piedmont Road Highrise ($4.5 million), as well as $7.2 million in depreciation expense. See additional information under *Total assets and deferred outflows* year-over-year analysis on page 30.
- ***Restricted–expendable*** net position, subject to both internal and external constraints, is calculated at the carrying value of restricted assets less related liabilities. This net position is restricted by time and/or purpose. Restricted–expendable net position includes cash subject to restrictions for HUD-funded programs, related-party development and other loans, and operating reserves required in conjunction with the AH-Sponsored MIXED communities. These assets cannot be used, pledged or mortgaged to a third party or seized, foreclosed upon or sold in the case of a default, ahead of any HUD lien or interest without HUD approval. This net position increased by **$5.9 million** year-over-year primarily due to a $3.7 million increase in the net value of related-party development and other loans as well as a $2.2 million net increase in restricted cash and investments from development-related revenues.
- ***Unrestricted*** net position, although referred to as unrestricted, remains subject to varying degrees of limitations. HUD approval is required, with some limited exceptions, to use or deploy these assets outside of the ordinary course of AH's business. AH's eligible business activities are set forth in its HUD-approved MTW Business Plan, as amended from time to time by its MTW Annual Implementation Plans. In all cases, AH's assets are subject to the limitations of AH's charter and the Housing Authorities Laws of the State of Georgia. The unrestricted net position increased by **$36.7 million** year-over-year primarily due to the increase in unrestricted cash and investments.

FINANCIAL ANALYSIS — continued

CONDENSED STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION*

Years ended June 30,

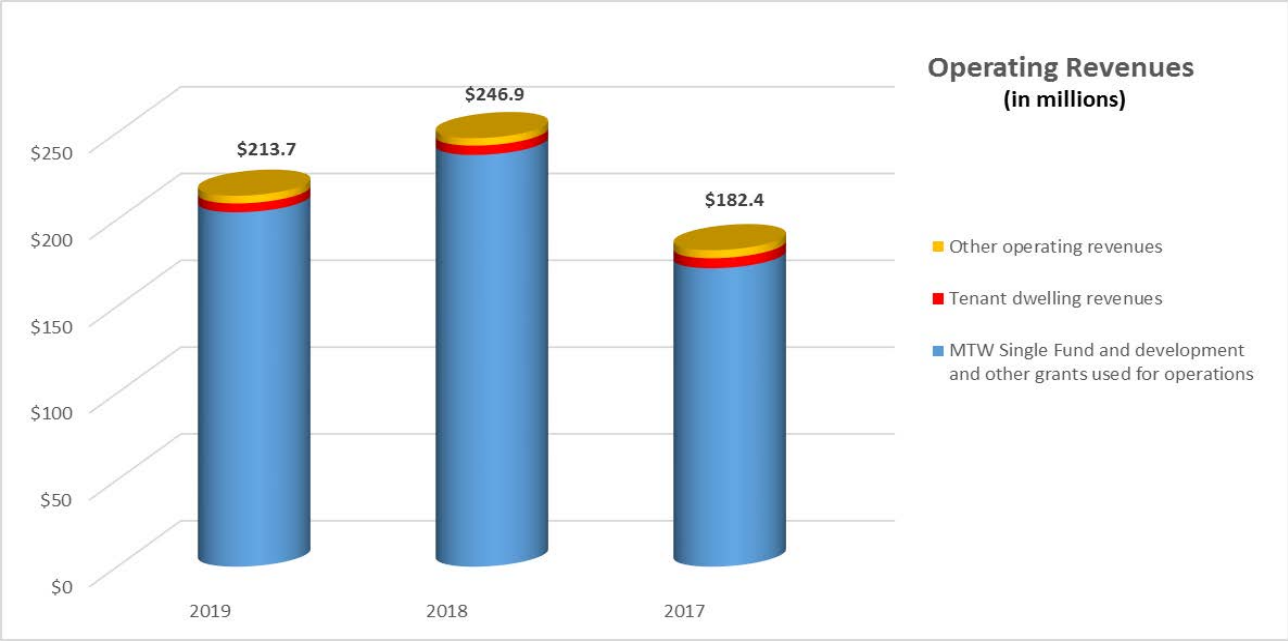
(in millions)

	2019	2018	2017	2019 vs. 2018 Increase/ (Decrease)	2018 vs. 2017 Increase/ (Decrease)
OPERATING REVENUES					
MTW Single Fund and development and other grants used for operating expenses	$ 204.1	$ 237.2	$ 171.9	$ (33.1)	$ 65.3
Tenant dwelling revenues	5.1	5.4	5.8	(0.3)	(0.4)
Other operating revenues	4.5	4.3	4.6	0.2	(0.3)
Total operating revenues	213.7	246.9	182.4	(33.2)	64.5
OPERATING EXPENSES					
Housing assistance and operating subsidy payments	158.7	144.4	140.1	14.3	4.3
Administration and general, including direct operating divisions	45.7	47.3	43.1	(1.6)	4.2
Utilities, maintenance and protective services	9.5	9.9	10.5	(0.4)	(0.6)
Resident and participant services	3.2	3.3	3.5	(0.1)	(0.2)
Revitalization, demolition and remediation	1.9	3.6	3.9	(1.7)	(0.3)
Depreciation and amortization	7.0	7.2	8.7	(0.2)	(1.5)
Total operating expenses	226.0	215.7	209.8	10.3	5.9
NET OPERATING INCOME (LOSS)	(12.3)	31.2	(27.4)	(43.5)	58.6
NON-OPERATING REVENUES (EXPENSES)					
Interest and investment income	3.4	1.1	1.6	2.3	(0.5)
Gain (loss) on sale of assets	0.8	–	(1.0)	0.8	1.0
Valuation allowance	(10.5)	(6.5)	(16.7)	(4.0)	10.2
Interest expense	(0.3)	(0.3)	(0.4)	–	0.1
Total non-operating revenues (expenses)	(6.6)	(5.7)	(16.5)	(0.9)	10.8
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	(18.9)	25.5	(43.9)	(44.4)	69.4
CAPITAL CONTRIBUTIONS					
MTW Single Fund used for modernization and development capital expenditures and loans	7.9	39.4	3.1	(31.5)	36.3
Development grants used for development capital expenditures and loans	9.0	–	3.8	9.0	(3.8)
Total capital contributions	16.9	39.4	6.9	(22.5)	32.5
INCREASE (DECREASE) IN NET POSITION	(2.0)	64.9	(37.0)	(66.9)	101.9
NET POSITION — beginning of year	461.1	396.2	433.2	64.9	(37.0)
NET POSITION — end of year	$ 459.1	$ 461.1	$ 396.2	$ (2.0)	$ 64.9

** As a result of rounding, the sum of individual line items may deviate slightly from the actual total.*

FINANCIAL ANALYSIS — continued

Operating Revenues



FY 2019 vs. FY 2018

Total operating revenues decreased by **$33.2 million** year-over-year primarily due to a $33.1 million decrease in MTW Single Fund and development and other grants used for operating expenses, which is primarily comprised of HCV subsidy disbursements, Public Housing Operating Subsidy drawdowns and Capital Fund Grants drawdowns used for operating expenses. The decrease is primarily explained by the fact that, in FY 2018, HUD disbursed $32.1 million of prior year HCV funds held on behalf of AH, while no such funds were disbursed in FY 2019. The remainder of the decrease primarily results from tighter cash management from HUD, obliging AH to use local MTW funds.

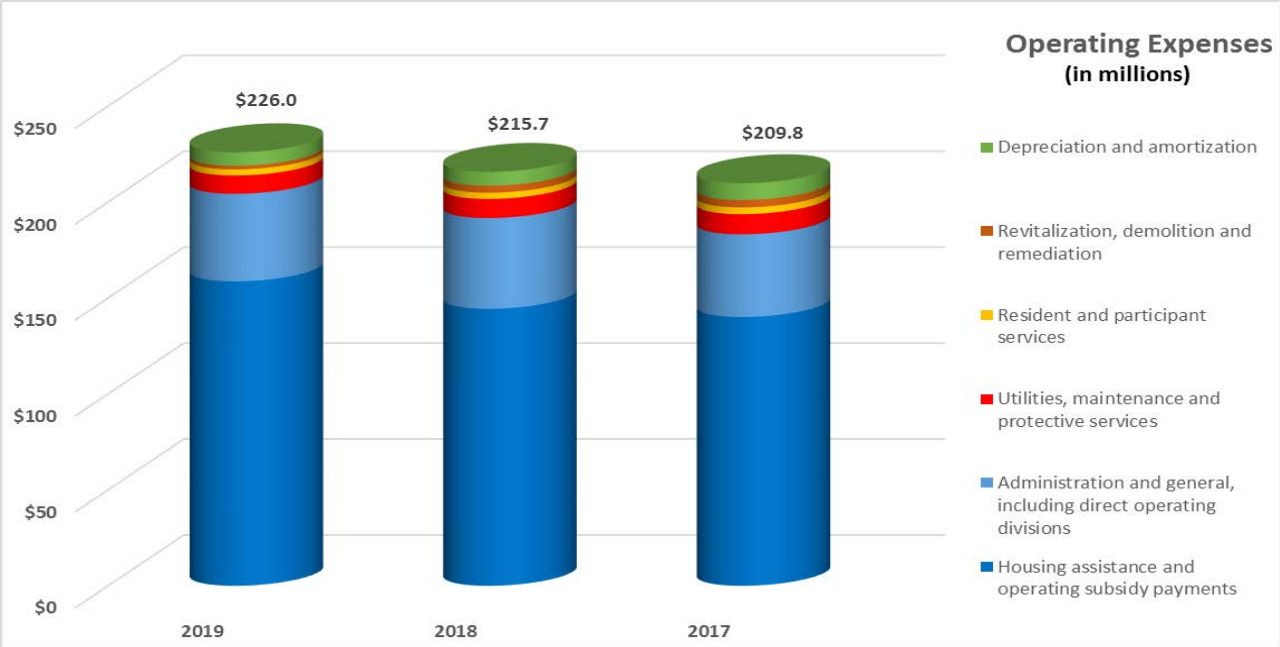
FY 2018 vs. FY 2017

Total operating revenues increased by **$64.5 million** year-over-year primarily due to a $65.3 million increase in MTW Single Fund and development and other grants used for operating expenses, which is primarily comprised of HCV Subsidy disbursements, Public Housing Operating Subsidy drawdowns and Capital Fund Grants drawdowns used for operating expenses. During FY 2018, HUD disbursed $32.1 million of prior year HCV funds, which had been held at HUD. In FY 2017, HUD required AH using locally held MTW HAP reserves rather than disbursing additional HUD-held funds. This significantly reduced FY 2017 revenues, increasing the difference between FY 2017 and FY 2018.

These increases were partially offset by a $0.4 million decrease in tenant dwelling revenues due to the Piedmont RAD conversion in November 2017 to HomeFlex and related tenant rents, which are no longer included in AH's operating revenues. Other operating revenues, primarily development-related revenues, were $0.3 million lower from fewer deals closing.

FINANCIAL ANALYSIS — continued

Operating Expenses



FY 2019 vs. FY 2018

Total operating expenses increased by **$10.3 million** year-over-year, with significant changes addressed below:

- ***Housing Assistance and Operating Subsidy Payments*** consists of payments to landlords, tenants and partners under the tenant-based HCV program, rental assistance paid to unrelated private-sector owners and related Owner Entities under the HomeFlex program, and operating subsidy paid to related Owner Entities of MIXED rental communities. In aggregate, those payments increased by a net of **$14.3 million** year-over-year as presented below:

	(in millions)			**2019 vs. 2018**	**2018 vs. 2017**
Housing Assistance and Operating Subsidy Payments	**2019**	**2018**	**2017**	**Increase/ (Decrease)**	**Increase/ (Decrease)**
Tenant-based HCV	$ 104.7	$ 96.3	$ 91.9	$ 8.4	$ 4.4
HomeFlex	41.1	36.6	36.4	4.5	0.2
MIXED Operating Subsidy	12.9	11.5	11.8	1.4	(0.3)
Total	$ 158.7	$ 144.4	$ 140.1	$ 14.3	$ 4.3

- ***Tenant-based HCV*** HAP to landlords and tenants increased by $8.4 million year-over-year reflecting a 5.8% increase in lease up of vouchers primarily from the waiting list, as well as a 3.7% increase in the average cost of HAP payments due to increased rents.

FINANCIAL ANALYSIS, Operating Expenses — continued

- ***HomeFlex*** subsidies paid to Owner Entities of AH-Sponsored MIXED communities, private-sector owners of mixed-income developments and owners of HAVEN communities increased by $4.5 million year-over-year primarily due to 447 new assisted units that came on line in FY 2019, as well as full year funding of the units that either came on line during FY 2018 or completed their rehabilitation under RAD during FY 2019, namely Juniper, Piedmont and Villages at Castleberry I.
- ***MIXED Operating Subsidy*** for public-housing-assisted units in AH-Sponsored MIXED communities increased by $1.4 million, primarily due to true-up adjustments of prior year operating subsidies.

- ***Administration and general, including direct operating divisions*** decreased by **$1.6 million** year-over-year primarily due to decreases in pension expense of $3.5 million, consulting and professional services of $0.6 million, and recruitment services of $0.2 million. Partially offsetting these decreases are increases in staff compensation and benefits of $2.1 million, license fees and maintenance contracts of $0.3 million, and outside legal counsel and miscellaneous expenses of $0.3 million.
- ***Utilities, maintenance and protective services*** decreased by **$0.4 million** year-over-year primarily due to reduced expenses after the Piedmont Road RAD conversion in mid-FY 2018.
- ***Resident and participant services*** at $3.2 million, basically remained at the same level of FY 2018.
- ***Revitalization, demolition and remediation*** expenses decreased by **$1.7 million** year-over-year primarily due to a $1.2 million reduction in demolition at the former Herndon Homes site and a $1.0 million reduction in public improvement activity at the former Perry Homes site (West Highlands), partially offset primarily by a $0.4 million increase in public improvements at the Choice Neighborhoods sites.
- ***Depreciation and amortization*** decreased by **$0.2 million** year-over-year primarily due to a lower depreciation of AH-owned communities as assets became fully depreciated, offset by minor increases at other properties as new assets were depreciated in FY 2019.

FY 2018 vs. FY 2017

Total operating expenses increased by **$5.9 million** year-over-year, with significant changes addressed below:

- ***Housing assistance and operating subsidy payments*** consists of payments to landlords, tenants and partners under the Tenant-based HCV program, rental assistance paid to unrelated private-sector owners and related Owner Entities under the HomeFlex program, and operating subsidy paid to related Owner Entities of MIXED rental communities.

FINANCIAL ANALYSIS, Operating Expenses — continued

In aggregate, those payments increased by a net of **$4.3 million** year-over-year as follows:

- ***Tenant-based HCV*** HAP to landlords and tenants increased by $4.4 million year-over-year, reflecting increased lease up of vouchers from the waiting list, Veterans Affairs Supportive Housing (VASH) referrals and other special programs.
- ***HomeFlex*** subsidies paid to Owner Entities of AH-Sponsored MIXED communities, private-sector owners of mixed-income developments and owners of HAVEN communities increased by $0.2 million year-over-year primarily due to an increase in the number of assisted units that came on line mostly toward the end of FY 2018, partially offset by payment adjustments following verification of tenant income.
- ***MIXED operating subsidy*** for public-housing-assisted units in AH-Sponsored MIXED communities decreased by $0.3 million, primarily due to higher tenant revenues at several of the communities.

- ***Administration and general, including direct operating divisions*** increased by **$4.2 million** year-over-year primarily due to a $1.6 million increase in outside legal counsel expenses for legal matters in FY 2018, a $1.2 million net increase in employee compensation and benefits, a $0.7 million net increase in professional services to support Choice Neighborhoods programs, AH restructuring and information technology.
- ***Utilities, maintenance and protective services*** decreased by **$0.6 million** year-over-year primarily due to reduced expenses from the Juniper & Tenth RAD conversion in mid-FY 2017 and the Piedmont Road RAD conversion in mid-FY 2018.
- ***Resident and participant services*** decreased by **$0.2 million** year-over-year primarily due to the redesign of AH's supportive services approach.
- ***Revitalization, demolition and remediation*** decreased by **$0.3 million** year-over-year primarily due to a reduction in public improvement activity at the former Perry Homes site in FY 2018, offset slightly by increased demolition, primarily at Herndon Homes.
- ***Depreciation and amortization*** decreased by **$1.5 million** year-over-year primarily due to the disposal of Piedmont Road Highrise under the RAD program for which no depreciation was taken in FY 2018.

Non-Operating Revenues (Expenses)

FY 2019 vs. FY 2018

Total non-operating expenses increased by **$0.9 million** year-over-year primarily due to the following offsetting changes:

- ***Interest and investment income*** increased by **$2.3 million** year-over-year primarily due to a $1.3 million increase in investment income from higher surplus cash investments combined with higher returns, a $0.9 million increase in interest income earned on AH loans to partners resulting from higher cash flow generated by community operations and slight increase in interest on Authority Reserves.

- ***Gain (loss) on sale of assets*** increased by **$0.8 million** year-over-year, from virtually no loss or gain in FY 2018 to a gain of $0.8 million in FY 2019, which resulted from the disposal by Integral of the Centennial Park East last parcel, where AH's participation in the net cash sale proceeds was contemplated pursuant to the original sale agreement.
- ***Valuation allowance*** increased by **$4.0 million** year-over-year primarily explained by a $2.0 million increase in FY 2019 DPA mortgages, which are fully reserved as they are expected to be forgiven at the end of their amortization period, as well as a $2.0 million additional valuation allowance on loans and receivables compared to the additional provision of FY 2018.
- ***Interest expenses*** at **$0.3 million** represent the interest on the EPC loan, which remained at basically the same level as in FY 2018.

FY 2018 vs. FY 2017

Total non-operating expenses decreased by **$10.8 million** year-over-year primarily due to the following offsetting changes:

- ***Interest and investment income*** decreased by **$0.5 million** year-over-year primarily due to less interest income on loans received during FY 2018 than in FY 2017. Interest on loans is based on cash flow and are, therefore, recognized only when received. This reduction in interest on loans was offset by an increase in interest earned on surplus cash investments.
- ***Gain (loss) on sale of assets*** decreased by **$1.0 million** year-over-year, from a loss of $1.0 million in FY 2017 to virtually no loss in FY 2018. The loss in FY 2017 resulted from the disposition of Juniper and Tenth Highrise, which was offset by gains from AH's share of the sales of homeownership lots at West Highland.
- ***Valuation allowance*** decreased by **$10.2 million** year-over-year primarily explained by the one-time adjustment of $14.2 million in allowances established in FY 2017 for public improvement advances at Perry Homes/West Highland which are not expected to be reimbursed by the City of Atlanta. The FY 2017 one-time adjustment was partially offset by a $4.0 million increase in FY 2018 for additional allowances needed on homeownership down payment assistance and development loans.
- ***Interest expense*** decreased by **$0.1 million**, due to reduced repayments on the EPC capital lease as AH-owned properties convert under RAD.

Capital Contributions

Capital contributions typically consist of reimbursements of capital expenditures and loans under capital grants, primarily Capital Fund Program (CFP), Replacement Housing Factor (RHF) funds and Choice Neighborhoods Grants, for modernization, development, revitalization activities and loan reimbursements for projects converted under HUD's RAD Program. They may also include MTW funds used for capitalized expenditures and loans associated with development and revitalization activities.

FINANCIAL ANALYSIS, Capital Contributions — continued

FY 2019 vs. FY 2018

Capital contributions overall decreased by **$22.5 million** year-over-year primarily due to the following:

- ***MTW Single Fund used for modernization and development capital expenditures and loans*** decreased by **$31.5 million** as FY 2018 capital contributions included $32.2 million for the acquisition of the Atlanta Civic Center and a $2.2 million loan for the Piedmont RAD conversion, which were partially offset by year-over-year increases in homeownership down payment assistance loans of $2.1 million and predevelopment loans and modernization of AH-owned communities totaling $0.8 million.
- ***Development grants used for development capital expenditures and loans*** increased by **$9.0 million** year-over-year primarily due to the FY 2019 use of $6.9 million of RHF funds for a $2.4 million development loan for Centennial Place Phase IV reformulation, $2.3 million EPC loan repayment for communities to be converted under RAD and $2.2 million in site and public infrastructure costs for Ashley at Scholars Landing project. Also contributing to the increase is the use of $2.9 million in Choice Neighborhoods grants for Ashley I at Scholars Landing for construction loan.

FY 2018 vs. FY 2017

Capital contributions overall increased by **$32.5 million** year-over-year primarily due to the following:

- ***MTW Single Fund used for modernization and development capital expenditures and loans*** increased by **$36.3 million** primarily from the use of $32.2 million of MTW funds for the acquisition of the Atlanta Civic Center, $1.9 million for incremental homeownership down payment assistance loans and $2.2 million for the Piedmont RAD conversion loan.
- ***Development grants used for development capital expenditures and loans*** decreased by **$3.8 million** year-over-year primarily due to the Juniper & Tenth RAD conversion in FY 2017 where a $3.6 million development loan was provided and funded with RHF funds while Piedmont RAD conversion was funded with MTW funds.

ECONOMIC FACTORS

Economic Conditions and Financial Outlook

Many local and national economists have stated that Metropolitan-Atlanta and Georgia remain attractive places to live, work and invest because the fundamentals are quite strong. Metropolitan-Atlanta enjoys the benefits of moderate weather, an educated workforce, a concentration of excellent colleges and universities, and the Hartsfield-Jackson Atlanta International Airport. These strengths have helped Atlanta's recovery from the recession, and unemployment has continued to decline with the city reporting 3.5% unemployment in July 2019. This is slightly less than the national average of 3.7%. Metro Atlanta has added 53,500 jobs in the past 12 months. While that is a more modest pace than during the previous five years, it was still the lion's share of the hiring in the state of Georgia. "No other metro area has produced even a tenth of the jobs added in Atlanta" according to *The Atlanta Journal-Constitution*.

Key economic indicators for Metro Atlanta can be found in the Statistical Information Section.

Because of the above factors, AH has been impacted as follows:

- AH-Sponsored development activities, in partnership with private-sector developers, rely on private investment and the conditions in the real estate and the financial markets. During FY 2019, the metropolitan-Atlanta real estate market continued to strengthen, especially in the multi-family rental market. AH expects real estate development activities to continue to pick up as those markets improve and investors continue to return to the market.
- The impact of the recession in the Atlanta real estate market created both opportunities and challenges. In that environment, real estate owners throughout the City of Atlanta were willing to participate in AH's HomeFlex program, thereby guaranteeing a stream of income for a portion of their units in a soft market and opening new markets in Atlanta for this program. Now that the City has substantially recovered, it is becoming more challenging to attract new property owners, in addition to current owners seeking rent increases.
- While households using tenant-based HCVs had a broader array of choices for their voucher use, this has now been tempered by the higher rents and competition with market-rate tenants. This is particularly evident in the shortage in available one and two bedroom apartments. Consequently, AH continues to work with its Landlord Advisory Group to identify and develop innovative strategies and implement aggressive marketing efforts to increase the engagement and support of private property owners.
- High rents for new properties and rising rents for existing properties are leading many AH voucher participants to port out (exit) AH's jurisdiction for more affordable housing in surrounding suburbs.
- Interest rates remain relatively low by historical measures and continue to make Low Income Housing Tax Credits less attractive for investors, thus encouraging AH to examine new funding strategies.

ECONOMIC FACTORS — continued

- Because the employment market continues to grow, AH has seen an increase in working households and increases in wages, which has somewhat mitigated increased rents and helped in keeping the average housing assistance payment down.
- Because of the increased real estate development activities in Atlanta, construction costs continue to rise at exponential levels, translating into higher development costs for AH.

In summary, while the strengthening of the Atlanta real estate market supports AH's development efforts, it will continue to challenge new and existing HCV holders looking for affordable housing in their preferred communities. It may also lead to demands from Housing Choice property owners and other AH partners for increased rents to align with rising market rents, and will eventually drive up the costs of the majority of AH's housing programs.

Federal Funding — Status and Outlook

As in previous years, funding for AH's FY 2020 is uncertain. Congress has passed and the President has signed the Appropriations Act for 2019, which will fund AH through December 2019. The House has passed an Appropriations Resolution, which will fund HUD in Calendar Year 2020 at slightly increased levels, but the Senate has not initiated action on its version of the bill. It is highly likely that Congress will pass a Continuing Resolution to fund 2020 until a permanent bill is passed by both houses and signed by the President. A Continuing Resolution will provide AH with the same level of operating funding as in 2019.

AH's strategic decisions have allowed it to sustain its strong financial position while providing eligible low-income households with housing opportunities in amenity-rich communities and neighborhoods that offer a substantially better quality of life.

RECENT ACCOUNTING PRONOUNCEMENTS

The Governmental Accounting Standards Board (GASB) has issued a new pronouncement during FY 2019, which will be implemented by the Authority starting in fiscal year 2020, where applicable: GASB No. 91, *"Conduit Debt Obligations."*

CONTACTING AH'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of AH's financial position and to demonstrate AH's accountability for the assets it manages to interested persons, including citizens of our local jurisdiction, creditors and other interested parties. If you have questions about this report or wish to request additional financial information, contact the Corporate Finance Officer at The Housing Authority of the City of Atlanta, Georgia, 230 John Wesley Dobbs Avenue, N.E., Atlanta, Georgia 30303; telephone number (404) 817-7398.

FINANCIAL STATEMENTS

The Housing Authority of the City of Atlanta, Georgia

STATEMENTS OF NET POSITION

As of June 30, 2019 and 2018

	2019	2018	Note
CURRENT ASSETS			
Cash	$ 35,070,912	$ 48,805,743	C
Receivables, net of allowance	2,786,958	2,694,220	D
Investments current	71,827,395	73,195,197	E
Prepaid expense	860,114	1,079,981	
Total current assets	110,545,379	125,775,141	
NON-CURRENT ASSETS			
Investments non-current	46,794,723	29,648,338	E
Related-party development and other loans, development receivables and investments in partnerships, net of allowances of $52,295,548 and $47,023,951 in 2019 and 2018, respectively	186,972,191	179,278,993	F
Capital assets, net of accumulated depreciation of $127,053,354 and $120,114,595 in 2019 and 2018, respectively	143,451,697	146,876,898	H
Other non-current assets, net of allowance of $31,755,216 and $26,553,911 in 2019 and 2018, respectively	–	–	I
Total non-current assets	377,218,611	355,804,229	
TOTAL ASSETS	487,763,990	481,579,370	
DEFERRED OUTFLOWS	1,948,541	1,445,335	P
TOTAL ASSETS AND DEFERRED OUTFLOWS	$ 489,712,531	$ 483,024,705	

The Housing Authority of the City of Atlanta, Georgia

STATEMENTS OF NET POSITION

As of June 30, 2019 and 2018

	2019	2018	Note
CURRENT LIABILITIES			
Accounts payable	$ 399,065	$ 405,614	
Accrued liabilities	10,160,851	7,239,316	J
Other current liabilities	6,607,108	7,354,440	K
Current portion of long-term debt	115,057	244,371	L
Total current liabilities	17,282,081	15,243,741	
NON-CURRENT LIABILITIES			
Long-term debt, net of current portion	3,290,053	5,616,792	L
Other non-current liabilities	8,983,495	–	M
Net pension plan liability	900,623	605,757	P
Total non-current liabilities	13,174,171	6,222,549	
TOTAL LIABILITIES	30,456,252	21,466,290	
DEFERRED INFLOWS	129,773	461,122	P
NET POSITION			T
Net investment in capital assets	140,167,742	141,220,763	
Restricted–expendable	252,458,484	246,932,485	
Unrestricted	66,500,280	72,944,045	
Total net position	459,126,506	461,097,293	
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	$ 489,712,531	$ 483,024,705	

The accompanying notes are an integral part of these statements.

The Housing Authority of the City of Atlanta, Georgia

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

Years ended June 30, 2019 and 2018

	2019	2018
OPERATING REVENUES		
MTW Single Fund used for operating expenses	$ 199,546,087	$ 234,207,383
Tenant dwelling revenues	5,099,216	5,364,571
Development and other grants used for operating expenses	4,600,841	2,975,063
Contributions from National Housing Compliance	1,194,909	1,132,909
Other operating revenues	3,241,820	3,173,805
Total operating revenues	213,682,873	246,853,731
OPERATING EXPENSES		
Housing assistance and operating subsidy payments	158,690,971	144,374,146
Administration, including direct operating divisions	43,182,736	44,933,456
Utilities, maintenance and protective services	9,538,984	9,929,308
Resident and participant services	3,177,038	3,253,123
Revitalization, demolition and remediation	1,915,253	3,646,297
General expenses	2,442,020	2,388,563
Depreciation and amortization	7,014,817	7,189,426
Total operating expenses	225,961,819	215,714,319
NET OPERATING INCOME (LOSS)	(12,278,946)	31,139,412
NON-OPERATING REVENUES (EXPENSES)		
Interest income on development and other loans	1,368,559	491,925
Interest income on investments	2,061,351	640,270
Gain/(loss) on sale of assets	770,955	(8,895)
Valuation allowance increase	(10,532,612)	(6,502,265)
Interest expense on EPC capital lease	(267,897)	(315,422)
Total non-operating revenues (expenses)	(6,599,644)	(5,694,387)
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	(18,878,590)	25,445,025
CAPITAL CONTRIBUTIONS		
MTW Single Fund used for modernization and development capital expenditures and loans	7,877,163	39,427,069
Development grants used for development capital expenditures and loans	9,030,640	–
Total capital contributions	16,907,803	39,427,069
INCREASE (DECREASE) IN NET POSITION	(1,970,787)	64,872,094
NET POSITION — beginning of year	461,097,293	396,225,199
NET POSITION — end of year	$ 459,126,506	$ 461,097,293

The accompanying notes are an integral part of these statements.

The Housing Authority of the City of Atlanta, Georgia

STATEMENTS OF CASH FLOWS

Years ended June 30, 2019 and 2018

	2019	2018
Increase (decrease) in cash		
Cash flows from operating activities		
MTW and grant funds used for operating expenses	$ 203,629,057	$ 235,928,946
Receipts from residents	5,078,555	5,255,976
Payments to landlords, tenants and partners	(158,800,034)	(144,398,085)
Payments to suppliers	(25,525,923)	(32,421,150)
Payments for employees	(31,697,503)	(28,920,763)
Other receipts	4,226,238	3,985,766
Net cash provided by (used in) operating activities	(3,089,610)	39,530,690
Cash flows from capital and related financing activities		
Capital contributions from MTW and grant funds	5,423,857	33,593,126
Acquisition, development and revitalization — capitalized expenditures	(1,503,429)	(32,186,609)
Modernization — AH-owned properties	(2,109,677)	(1,480,955)
Proceeds from sale of capital assets	794,445	15,381
Payments on EPC capital lease, including interest	(2,741,257)	(567,277)
Net cash provided by (used in) capital and related financing activities	(136,061)	(626,334)
Cash flows from investing activities		
Capital contributions from MTW and grant funds	11,472,934	5,759,481
Development and other loans, net of reimbursements	(9,627,784)	(4,628,521)
Sale (purchase) of investments	(15,778,583)	(63,030,240)
Interest income on investments	2,055,714	624,722
Interest income on development and other loans	1,368,559	489,532
Net cash provided by (used in) investing activities	(10,509,160)	(60,785,025)
Net increase (decrease) in cash	(13,734,831)	(21,880,669)
Cash — beginning of year	48,805,743	70,686,412
Cash — end of year	$ 35,070,912	$ 48,805,743

The accompanying notes are an integral part of these statements.

The Housing Authority of the City of Atlanta, Georgia

STATEMENTS OF CASH FLOWS — continued

Years ended June 30, 2019 and 2018

	2019	2018
Reconciliation of net operating income (loss) to net cash provided by (used in) operating activities		
Net operating income (loss)	$ 12,278,946	$ 31,139,412
Adjustments to reconcile net operating income (loss) to net cash provided by (used in) operating activities		
Depreciation and amortization	7,014,817	7,189,426
Changes in assets and deferred outflows and liabilities and deferred inflows relating to operating activities:		
Decrease (increase) in receivables	313,195	(1,370,380)
Decrease (increase) in prepaid expenses	219,867	(87,930)
Decrease (increase) in deferred outflows	(503,208)	3,953,218
Increase (decrease) in accounts payable and accrued liabilities	2,929,660	(1,626,390)
Increase (decrease) in other current liabilities	(626,024)	630,223
Increase (decrease) in unearned revenue	(122,488)	(22,486)
Increase (decrease) in net pension plan liability and deferred inflows	(36,483)	(274,403)
Total changes in assets and deferred outflows and liabilities and deferred inflows relating to operating activities	2,174,519	1,201,852
Total adjustments	9,189,336	8,391,278
Net cash provided by (used in) operating activities	$ (3,089,610)	$ 39,530,690

The accompanying notes are an integral part of these statements.

NOTES TO THE FINANCIAL STATEMENTS

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NOTE A — ORGANIZATION AND NATURE OF OPERATIONS

1. *Organization*

The Housing Authority of the City of Atlanta, Georgia (AH or the Authority) is a public body corporate and politic created under the Housing Authorities Laws of the State of Georgia with a public mission and purpose. The primary purpose of AH is to facilitate affordable housing opportunities for low-income, elderly and disabled persons in the City of Atlanta (City). AH has broad corporate powers including, but not limited to, the power to acquire, manage, own, operate, develop and renovate housing; invest and lend money; create for-profit and not-for-profit entities; administer HCVs; issue bonds for affordable housing purposes; and acquire, own and develop commercial land, retail and market-rate properties that benefit affordable housing.

The governing body of AH is its Board of Commissioners (the Board) which, pursuant to state laws, should be comprised of seven members appointed by the Mayor of the City of Atlanta and includes two resident commissioners. The resident commissioners serve one-year terms and the five remaining members serve five-year staggered terms. The Board appoints the President and Chief Executive Officer to operate the business of AH. The Board provides strategic guidance and oversight of AH's operations; AH is not considered a component unit of the City of Atlanta and is not included in the City's financial statements.

2. *Moving To Work (MTW) Agreement and MTW Single Fund*

AH is an MTW agency under HUD's MTW Demonstration Program which provides certain "high-performing" agencies with substantial statutory and regulatory relief under the U.S. Housing Act of 1937, as amended (1937 Act), as reflected in an agreement between the selected agency and HUD. AH negotiated and entered into its MTW Agreement with HUD on September 25, 2003, which was effective from July 1, 2003, through June 30, 2010. In response to HUD's decision to introduce a standard form of agreement and expand the MTW Demonstration Program, AH successfully negotiated and executed an Amended and Restated MTW Agreement on November 13, 2008. On January 16, 2009, AH and HUD executed a further amendment to the Amended and Restated MTW Agreement. AH's MTW Agreement, as amended and restated, is referred to as the MTW Agreement.

In December 2015, AH's MTW Agreement was extended until June 30, 2028, under the same terms and conditions, as confirmed by HUD in a letter dated April 14, 2016. AH's MTW Agreement incorporates its legacy authorizations from its initial MTW Agreement and clarifies AH's ability to use MTW-eligible funds outside of Section 8 and Section 9 of the 1937 Act.

As authorized under its MTW Agreement, AH has combined its HCV funds, Public Housing Operating Subsidy and CFP grants into an MTW Single Fund, which may be used for MTW-eligible activities that best meet local low-income housing needs. Although the programmatic restrictions for the use of each of these funding sources have been waived under AH's MTW Agreement, the various funds that make up AH's MTW Single Fund continue to have different expiration dates, obligations, expenditure deadlines and drawdown conditions. AH has elected not to include RHF grants in its MTW Single Fund.

NOTE A — ORGANIZATION AND NATURE OF OPERATIONS — continued

Since 2012, HUD disburses HCV funds based on a PHA's historical housing assistance payment spend rate and projected need, rather than in 12 equal installments of the full annual authorization. PHAs may request additional disbursements up to their annual authorization, but must expend all funds drawn or face further disbursement reductions in the future. With approximately 84% of AH's FY 2019 HUD funding coming from HCV funds, HUD's disbursement approach has major implications to AH's financial position and operations. In response to all of these factors, AH adopted a cash management strategy designed to meet such funding requirements while preventing the forfeiture of funds as a result of expenditure deadlines. This strategy requires AH to carefully manage its draws from the three components of AH's MTW Single Fund.

3. *Blended Component Units and Affiliate Entities*

To manage its business and financial affairs more effectively, AH has created affiliate entities to support its various ventures. While AH, the parent entity, manages federal programs, the affiliate entities support the various functions necessary to meet AH's mission of providing quality affordable housing and related services and amenities.

Certain of these affiliate entities are considered blended component units in accordance with generally accepted accounting principles. Because of the nature and significance of their operational or financial relationships with AH and the fact that they provide services entirely, or almost entirely, to AH or for the benefit of AH, these component units are included in AH's financial statements. Financial statements of each of the following blended component units are presented in Note U, except for one inactive entity as mentioned below.

- 230 John Wesley Dobbs Boulevard Ventures, Inc. (JWD) is a Georgia 501(c)(3) not-for-profit corporation created at the direction of the AH Board in order to lessen the burdens of government by acquiring and holding title to real property and improvements, and by providing such real property and improvements to government agencies and tax-exempt organizations at cost.
- Atlanta Affordable Housing for the Future, Inc. (AAHFI) is a Georgia 501(c)(3) not-for-profit corporation created at the direction of the AH Board in order to facilitate the revitalization of AH-owned distressed public housing projects. AAHFI may participate in the revitalization of AH-Sponsored communities by holding limited partnership interests in either the related development project partnership (Owner Entity) or an interest in the general partner of the related development project partnership of the various public/private partnerships that own the MIXED (formerly known as MIMF) rental communities.
- Special Housing and Homeownership, Inc. (SHHI) is a Georgia 501(c)(3) not-for-profit corporation created at the direction of the AH Board in order to develop, maintain and implement programs to assist income-eligible individuals in achieving the goal of homeownership.

NOTE A — ORGANIZATION AND NATURE OF OPERATIONS — continued

- Renaissance Affordable Housing, Inc. (RAH) is a Georgia 501(c)(3) not-for-profit corporation created at the direction of the AH Board in order for AH to participate in the acquisition and development of certain properties to support the overall revitalization program at or near AH communities or other appropriate locations in metropolitan-Atlanta.
- Strategic Resource Development Corporation, Inc. (SRDC) is a Georgia not-for-profit corporation created at the direction of the AH Board to solicit and accept charitable donations to fund AH initiatives.
- Westside Affordable Housing, Inc. (WAH) is a Georgia 501(c)(3) not-for-profit corporation created at the direction of the AH Board in order for AH to participate in the acquisition and development of certain properties to support the overall revitalization program at or near AH communities or other appropriate locations in metropolitan-Atlanta.
- Atlanta Housing Investment Company, Inc. (AHICI) is a for-profit corporation created at the direction of the AH Board in order to assist AH in its revitalization efforts at or near AH communities or other appropriate locations in metropolitan-Atlanta. AHICI participates in the revitalization of AH-Sponsored MIXED communities by holding partnership and financial interests in various transactions.
- Atlanta Housing Development Corporation (AHDC) is a Georgia not-for-profit organization, organized solely to serve as an "instrumentality" of AH for the purpose of issuing tax-exempt bonds for construction, acquisition and rehabilitation of low-income housing pursuant to Section 11(b) of the Housing Act of 1937, as amended (42 U.S.C. Section 1437i). This entity had no activity in recent years.
- Community Renewal Partners LLC is a Georgia 501(c)(3) not-for-profit corporation created during FY 2019 at the direction of the AH Board in order for AH to participate in the acquisition and holding of properties transferred from the Fulton County District Attorney's office through the Project Shield Program. This entity had no activity during the year.
- Buttermilk Bottom Renewal LLC is a Georgia 501(c)(3) not-for-profit corporation created during the year at the direction of the AH Board in order for AH to acquire and hold the Civic Center property. This entity had no activity during the year.
- Atlanta Housing Partnership Investments LLC is a Georgia 501(c)(3) not-for-profit corporation created during the year at the direction of the AH Board in order for AH to invest in multi-family transactions. This entity had no activity during the year.
- Housing Capital Investments Managing Member LLC is a Georgia 501(c)(3) not-for-profit corporation created during the year at the direction of the AH Board in order for AH to invest in multi-family transactions. This entity had no activity during the year.

NOTE A — ORGANIZATION AND NATURE OF OPERATIONS — continued

AH has one affiliate, Atlanta Housing Opportunity, Inc. (AHOI), that is not a component unit. It is, however, considered a related entity. AHOI is a Georgia not-for-profit corporation created at the direction of the AH Board in order to facilitate the Housing Opportunity Bond Program established by the City of Atlanta. The activities of AHOI are limited to participation in the Housing Opportunity Bond Program. Since the City of Atlanta is financially accountable and responsible for the debt of AHOI, the financial activity of AHOI is not included in AH's Financial Statements, but is included in the City of Atlanta's Financial Statements.

NOTE B — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in the accompanying financial statements.

1. *Basis of Preparation and Accounting*

   The financial statements represent the combined net position and results of operations of AH and its blended component units and LLC's, and have been prepared in accordance with generally accepted accounting principles (GAAP) of the United States of America as applied to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. AH and its blended component units and LLC's maintain their accounts substantially in accordance with the chart of accounts prescribed by HUD and are organized utilizing the fund accounting model. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. AH accounts for its operations in a single enterprise fund. Enterprise funds account for those operations financed and operated in a manner similar to a private business or where AH has decided that determination of revenue earned, costs incurred and net revenue over expense is necessary for management accountability.

   Enterprise funds are proprietary funds used to account for business activities of special purpose governments for which a housing authority qualifies under GASB No. 34, "*Basic Financial Statements — and Management's Discussion and Analysis — for State and Local Governments*". Proprietary funds are accounted for using the economic resources measurement focus and the accrual basis of accounting, whereby all revenues are recognized in the period in which they are earned and expenses are recognized in the period in which the liability is incurred regardless of the timing of the related cash flows. All assets and deferred outflows as well as liabilities and deferred inflows associated with the operation of the Authority are included in the statements of net position. The statements of revenues, expenses and changes in net position present increases (revenues and capital contributions) and decreases (expenses) in total net position.

   AH did not adopt any new GASB Standards during FY 2019 or FY 2018.

NOTE B — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES — continued

2. *Inter-company and Inter-program Receivables and Payables*

   Inter-company and inter-program receivables and payables are the result of the use of a central fund as the common paymaster for shared costs of AH. All inter-company and inter-program balances net to zero when combined and, hence, are eliminated for financial statement presentation. All programs aggregate into one single enterprise fund.

3. *Cash and Cash Equivalents*

   Cash is stated at cost, which approximates fair value, and consists primarily of cash in checking accounts. All funds on deposits are FDIC insured up to $250,000 per institution or are fully collateralized in accordance with guidance recommended by HUD. HUD requires Housing Authorities to invest surplus HUD funds in obligations of the United States, certificates of deposit or any other federally insured investments.

4. *Investments*

   Investments are stated at fair value and consist of MTW working capital funds and unrestricted and restricted excess program income funds invested in U.S. Government agency bonds. It also includes operating reserves in escrow accounts primarily invested in money market accounts. Due to the nature of those investments, they are fully collateralized in accordance with guidance recommended by HUD.

5. *Fair Value Measurements*

   All of AH's investments are valued at fair value using Level 1 of the fair value hierarchy established by GAAP. Fair values determined using Level 1 are based on unadjusted quoted prices for identical assets or liabilities in active markets.

6. *Inventories*

   AH maintains no inventory. All supplies are expensed when purchased. Supplies on hand are nominal.

7. *Prepaid Expense*

   Payments made to vendors for goods or services exceeding $5,000 that will benefit periods beyond the fiscal year end are recorded as prepaid expense. Prepaid expense at June 30, 2019 and 2018, consisted primarily of prepaid insurance premiums, software licenses and service maintenance contracts.

8. *Valuation and Other Allowances*

   Management regularly evaluates the loans and certain other receivables for collectability and records a valuation allowance for loans and other receivables it determines may not be fully collectable. AH adjusts the valuation allowance when appropriate.

NOTE B — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES — continued

Under AH's Down Payment Assistance (DPA) program, homeownership down payment loans are made to first-time homebuyers. These loans are fully reserved at closing. The homeowner is subject to AH's recapture policy as part of the terms and conditions of the DPA program. The term of the subsidy loan is usually for ten years and can be forgiven based on the following: 100% recapture is in effect during the first five years of the loan; and the loan amount begins to burn off at 20% increments yearly, starting in year six through year ten.

AH establishes an allowance for all unpaid balances from tenants for accounts receivable aged past 90 days.

9. Capital Assets and Depreciation

Capital assets include land, land improvements, buildings, equipment and modernization in process for improvements to land and buildings. Capital assets are defined by AH as assets with an initial cost of more than $5,000 and an estimated useful life of greater than one year.

Such assets are recorded at cost or fair value at the time of purchase or donation, respectively. Improvements and other capital activities are recorded as modernization in process until they are completed and placed in service.

The costs of normal and extraordinary maintenance and repairs that do not add value to the asset or extend the useful life of the asset are expensed as incurred. Generally, demolition costs, land preparation, soil remediation and other site improvement costs that do not add value are expensed as operating items.

Depreciation is calculated using the straight-line method assuming the following useful lives, based on a full year of depreciation in the year of acquisition, and no depreciation in the year of disposal:

Buildings	20–40 years
Building improvements	10–30 years
Building equipment	10–15 years
Land improvements	15 years
Equipment	3–10 years

Long-lived assets are reviewed annually for impairment under the provisions and in accordance with GASB No. 42, *"Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries."*

AH owns several paintings of historical significance, which are being preserved for future educational and exhibition purposes. These works of art, commissioned in the 1940s at minimal cost, have an appraised value in excess of $800,000, but have not been recorded on AH's books pursuant to the guidance of GASB No. 34.

10. Accrued Compensated Absences

A liability for compensated absences (vacation) is accrued as employees earn the right to receive the benefit. The accrued liability is classified under current liabilities, as vacation is expected to be taken in the ensuing year.

NOTE B — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES — continued

11. Pension Plan

AH accounts for its defined benefit pension plan in accordance with GASB No. 68 and related amendments, which requires the liability of employers (net pension liability) to be recorded and included in the employers' financial statements. The net pension liability is measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service (total pension liability), less the amount of the pension plan's fiduciary net position (plan assets). AH's net pension liability was measured as of the end of its fiscal year (the measurement date) consistently applied from period to period.

The pension expense recognized during a fiscal year primarily results from changes in the components of the net pension liability; that is, changes in the total pension liability and in the pension plan's fiduciary net position.

Most changes in the net pension liability are required to be included in pension expense in the period of the change. Changes in the total pension liability resulting from current-period service cost, interest on the total pension liability and changes of benefit terms are required to be included in pension expense immediately. Projected earnings on the pension plan's investments are also required to be immediately included in the determination of pension expense.

The effects of certain other changes in the net pension liability are required to be included in pension expense over the current and future periods. The effects on the total pension liability of (1) changes of economic and demographic assumptions or of other inputs, and (2) differences between expected and actual experience are required to be included in pension expense in a systematic and rational manner over a closed period equal to the average of the expected remaining service lives of all employees who are provided with benefits through the pension plan (active and inactive employees), beginning with the upcoming year. The effect on the net pension liability of differences between the projected earnings on pension plan investments and actual experience with regard to those earnings is required to be included in pension expense in a systematic and rational manner over a closed period of five years, beginning with the upcoming year. Changes in the net pension liability not included in pension expense are required to be reported as deferred outflows (losses) or deferred inflows (gains) related to pensions.

12. Restricted Assets

Certain assets may be classified as restricted assets on the statements of net position or accompanying notes because their use is restricted by time or specific purpose. AH's practice is to expend restricted assets prior to utilizing unrestricted assets if allowable for the intended purpose.

NOTE B — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES — continued

13. Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services or producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating revenues include mainly income derived from operating funds received from HUD, namely Section 8 and Section 9 subsidies, tenant dwelling revenues, development and other grants used for operating expenses and various fees earned in conjunction with real estate development and oversight activities. When grant funds are used for operating expenses, AH recognizes operating revenues at the time such costs are incurred, pursuant to a drawdown process as expenses occur.

Operating expenses for proprietary funds include the cost of housing assistance to low-income families, operating housing units and providing tenant services, revitalization, demolition and remediation, administrative expenses and depreciation on capital assets.

Non-operating revenues and expenses include interest earned, primarily on a cash flow availability basis, on development and other loans and income earned on investments, gain and loss from the sale of assets, adjustments to valuation allowances and interest expense.

Capital contributions include MTW Single Fund and development grants used for capitalized expenditures, including loans, in connection with modernization and revitalization and development activities.

As AH completes capital improvements eligible for grants, AH's right to be paid by HUD is perfected, and AH records the asset and corresponding capital grant revenue as the work progresses. The unexpended portions of the grants held by HUD for AH's account remain available for AH's use, subject to the terms of the grant agreements and other agreements with HUD. The unexpended portions of the grants as well as unused HCV subsidy held by HUD are not reflected in AH's financial statements.

14. Fee and Interest Income Recognition on Related-Party Development and Other Loans

In connection with its Revitalization Program, AH earns developer and other fees in its role as sponsor and co-developer. Developer and other fees are recorded as earned. Collection of developer fees are generally tied to equity payments from tax credit investors.

Interest on the related-party development loans is subordinated and contingent on cash flows from the property. Recognition of interest income on those loans or any other loans does not occur until payments are received or are reasonably expected to be received.

NOTE B — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES — continued

15. Unearned Revenue

Unearned revenue consists primarily of unrealized gains resulting from land conveyance as part of homeownership programs, which are treated as unearned revenue until more than 20% of the corresponding seller financing note is repaid in cash. Unearned revenue also arises when resources are received by the Authority before it has a legal claim to them, as and when monies are received prior to meeting all eligible requirements, and/or the occurrence of qualifying expenditures.

16. Income and Property Taxes

Income received or generated by AH is not generally subject to federal income tax, pursuant to Section 115 of the Internal Revenue Code (IRC). Although exempt from state and local property taxes, AH makes payments in lieu of taxes (PILOT), pursuant to agreements with the City of Atlanta and DeKalb and Fulton counties.

17. Self-insurance and Litigation Losses

AH recognizes estimated losses related to self-insured workers' compensation claims and litigation claims in the period in which the event giving rise to the loss occurred when the loss is probable and reasonably estimable (see also Note O).

18. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that may affect the reported amounts of assets and deferred outflows and liabilities and deferred inflows, 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 periods. Actual results could differ from those estimates. Material estimates relate to the valuation of related-party development and other loans.

19. Risk Management

AH is exposed to various risks of loss related to: torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. AH carries commercial insurance and certain reserves deemed sufficient to cover potential uninsured losses.

20. Custodial Risk

Custodial risk for investments is the risk that in the event of failure of the counterparty to a transaction, AH will not be able to recover the value of the investments. As of June 30, 2019 and 2018, all of AH's investments were collateralized and registered in its name.

NOTE B — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES — continued

21. Concentration of Credit Risk, Credit Risk and Interest Rate Risk

Concentration of credit risk is the risk of loss that may occur to the amount of cash or investments in a single issuer. As of June 30, 2019 and 2018, this is not a risk, as all AH's cash and investments were guaranteed and/or issued by the U.S. Government or its agencies.

Credit risk of investments is the risk that the issuer or other counterparty will not meet its obligations. The credit risk is measured by the credit quality rating of investments in securities, as described in a national statistical organization such as Standard & Poor's. AH's Investment Policy provides that investments in corporate bonds and other fixed-income securities must have a rating of AA+ or better.

Interest rate risk is the risk that changes in interest rate will adversely affect the fair value of an investment. As of June 30, 2019 and 2018, this is not a risk, as all of AH's investments are primarily in money market and U.S. Government securities and treasuries which are usually held until maturity.

22. Budgets

On an annual basis, AH submits its Comprehensive Operating and Capital Budget to the Board for approval. Throughout the fiscal year, the Budget is used as a management tool to plan, control and evaluate spending for major activities and programs. Budgets are not required for financial statement presentation.

NOTE C — CASH AND CASH EQUIVALENTS

Cash consists primarily of cash in checking accounts. Cash is classified as "Unrestricted" and "Restricted" for financial presentation purposes based on HUD guidance:

- *Cash — Unrestricted* includes cash available for program purposes including current operations working capital and reserves. Because the funds are not tied to a certain program or property, they are classified as unrestricted. They remain subject, however, to varying degrees of restrictions. For example, HUD approval is required, with some limited exceptions, to use or deploy these funds strategically outside of the ordinary course of AH's business under the MTW Agreement. In all cases, AH's assets are subject to the limitations of AH's charter and the Housing Authorities Laws of the State of Georgia. It also includes National Housing Compliance cash, which is non-federal.
- *Cash — Restricted* includes cash to be expended for specific purposes based on the source of the money. AH's restricted cash generally includes proceeds from the sale of property acquired with grant or development funds; program income from specific grants; income generated from development activities; resident security deposits; and public improvement funds received from the City of Atlanta.

NOTE C — CASH AND CASH EQUIVALENTS — continued

Cash at June 30, 2019 and 2018 consisted of the following:

	2019	2018
Unrestricted:		
MTW cash	$ 8,142,228	$ 2,571,968
MTW program income	2,563,189	4,288,167
Perry Bolton TAD program income	1,196,732	1,224,873
Non-federal funds (including NHC)	1,844,357	965,580
Component units	2,840,614	3,013,895
	16,587,120	12,244,484
Restricted:		
Development-related program income	7,408,132	21,626,252
Public improvement funds	5,629,024	6,261,297
Proceeds from disposition activity	3,749,084	6,723,652
Perry program income	–	69,113
Harris program income	1,156,193	1,156,193
Resident security deposits	268,876	274,359
Other	272,483	450,393
	18,483,792	36,561,259
	$ 35,070,912	$ 48,805,743

All funds on deposits are FDIC insured up to $250,000 per institution or are fully collateralized in accordance with guidance recommended by HUD. At June 30, 2019 and 2018, the market value of collateral held by a third party on behalf of AH to cover deposits exceeding the FDIC-insured funds amounted to $32,444,722 and $46,893,730, respectively.

NOTE D — RECEIVABLES

Current receivables at June 30, 2019 and 2018 consisted of the following:

	2019	2018
HUD grants receivable	$ 2,220,733	$ 1,727,110
Other receivables (net of allowance of $598,636 and $415,772 in 2019 and 2018, respectively)	536,912	945,479
Interest receivable	23,577	15,547
Tenant dwelling rents (net of allowance of $730 and $301 in 2019 and 2018, respectively)	5,736	6,084
	$ 2,786,958	$ 2,694,220

HUD grants receivable consists primarily of expenditures associated with Choice Neighborhoods Implementation Grant that have been expended by AH but not yet reimbursed by HUD.

NOTE D — RECEIVABLES — continued

Other receivables consist primarily of operating subsidy overpayments due by Owner Entities of MIXED rental communities resulting from annual subsidy true-ups; receivables from other housing authorities under HCV portability payments; and contributions earned but yet to be received from National Housing Compliance, Inc.

NOTE E — INVESTMENTS, CURRENT AND NON-CURRENT

Investments consist of surplus cash invested in accordance with AH's Surplus Cash Investment Policy as well as operating reserves deposited with escrow agents, which is further described below. In the case of investments made from surplus cash, the fund characterization of the cash invested dictates the investment classification as to unrestricted or restricted, which is further described in Note C.

Current investments are those for which the term will expire before the end of the upcoming year while non-current investments will expire beyond the end of the upcoming year.

Investments non-current restricted include operating reserves that are held by escrow agents at various bank institutions for the benefit of investors and Owner Entities of the MIXED rental communities. These reserves are restricted in accordance with agreements entered into in conjunction with the development of these properties. These reserves cannot be readily liquidated due to such restrictions. As the restrictions on these investments are not dictated by the source of funds, they are presented as Other Assets on the Financial Data Schedule of Combining Program Net Position provided in ***Other Supplementary Information***. These investments consisted primarily of deposits in money market funds.

Investments at June 30, 2019 and 2018 consisted of the following:

Investments current:

	2019	2018
Unrestricted:		
MTW Programs	$ 30,866,908	$ 41,745,374
Perry Bolton TAD program income	4,995,000	–
Non-federal funds (including NHC)	3,489,162	4,485,083
Component Units	4,976,250	3,968,905
	44,327,320	50,199,362
Restricted:		
Proceeds from disposition activity	2,502,075	2,488,500
Development-related program income	24,998,000	20,507,335
	27,500,075	22,995,835
	$ 71,827,395	$ 73,195,197

NOTE E — INVESTMENTS, CURRENT AND NON-CURRENT — continued

Investments non-current:

	2019	2018
Unrestricted:		
Non-federal funds (including NHC)	$ 3,981,693	$ 3,981,911
Perry Bolton TAD Program Income	4,995,000	9,990,000
Development-related program income	2,017,672	–
	10,994,365	13,971,911
Restricted:		
Operating reserve in escrow	8,195,802	8,695,952
Development-related program income	27,604,556	6,980,475
	35,800,358	15,676,427
	$ 46,794,723	$ 29,648,338

NOTE F — RELATED-PARTY DEVELOPMENT AND OTHER LOANS, DEVELOPMENT RECEIVABLES AND INVESTMENTS IN PARTNERSHIPS

GAAP defines "related parties" as those parties that can significantly influence the management or operating policies of the transacting parties or that have an ownership interest in one of the transacting parties. Related-party development and other loans, development receivables and investments in partnerships at June 30, 2019 and 2018 consisted of the following:

	2019	2018
Development loans (net of allowance of $47,232,865 and $41,948,382 in 2019 and 2018, respectively) *(Note 1)*	$ 170,039,250	$ 170,943,270
Other loans (net of allowance of $2,947,574 and $3,244,802 in 2019 and 2018, respectively) *(Note 1)*	15,083,912	6,270,521
Developer and other fees receivable (net of allowance of $1,280,613 and $1,416,273 in 2019 and 2018, respectively) *(Note 2)*	1,064,245	1,449,713
Predevelopment loans *(Note 1)*	784,784	615,489
Investments in partnerships (net of allowance of $414,494 and $414,494 in 2019 and 2018, respectively)	–	–
	$ 186,972,191	$ 179,278,993

Note 1: These items totaling $185,907,946 and $177,829,280 at June 30, 2019 and 2018, respectively, correspond to the FDS line 171 – Notes, Loans and Mortgages Receivable – Non-Current.

Note 2: This item combined with Investments non-current (see Note E) totaling $47,858,968 and $31,098,051 at June 30, 2019 and 2018, respectively, correspond to the FDS line 174 – Other Assets, except for rounding.

NOTE F — RELATED-PARTY DEVELOPMENT AND OTHER LOANS, DEVELOPMENT RECEIVABLES AND INVESTMENTS IN PARTNERSHIPS — continued

Development loans

AH makes primarily subordinated development loans (construction and permanent) to the Owner Entities (private-sector owners) in conjunction with financing arrangements related to the development or rehabilitation of AH-Sponsored MIXED rental communities. These loans are fully obligated by the Owner Entities at the financial closing and represent amounts up to AH's share of the development or rehabilitation budget for AH-assisted Annual Contribution Contract (ACC) or HomeFlex units. The loans are amortized over periods generally up to 55 years and bear interest at various rates, as agreed to by the Authority and individual Owner Entities, and approved by HUD. The respective loan agreements provide that these loans will be repaid by the Owner Entity to AH from either net cash flow or operating income, net project proceeds and/or condemnation proceeds for such phases to the extent such amounts are available.

For most of these development or rehabilitation projects, AH owns the land and enters into a long-term ground-lease agreement with the Owner Entity for periods up to 75 years, with some at market. At the end of the ground lease, the land and improvements revert to AH. Revenues derived from these leases are usually nominal.

Other loans and predevelopment loans

Other loans that support AH's mission are comprised of various financing arrangements and include: (i) loans to the Owner Entities of MIXED rental communities for acquisitions and site improvements; (ii) loans to private-sector development partners, representing the value of the lots conveyed supporting the financing and construction of single-family homes as a component of AH-homeownership programs; (iii) loans to the Owner Entities of MIXED rental communities in order to meet federal statutory requirements (these loans are fully reserved); and (iv) gap financing to facilitate the construction of properties with up to a 20-year renewable HomeFlex agreement with private owners.

Predevelopment loans are loans to development partners (typically an affiliate of the Owner Entity) prior to the financial closing to facilitate development of the site and are usually fully repaid at closing.

Developer and other fees receivable

AH earns developer and other fees associated with the construction, revitalization and oversight activities at the MIXED rental communities and from certain properties with HomeFlex agreements.

NOTE F — RELATED-PARTY DEVELOPMENT AND OTHER LOANS, DEVELOPMENT RECEIVABLES AND INVESTMENTS IN PARTNERSHIPS — continued

Related-party development income and expense

Related-party development income and expense for the years ended June 30, 2019 and 2018 consisted of the following:

	2019	2018
Type of income (expense)		
Interest income	$ 1,368,559	$ 491,925
Development-related income	1,607,825	2,340,507
Housing assistance payments to Owner Entities of the MIXED rental communities where AH has a Regulatory and Operating Agreement for public housing units	(12,890,814)	(11,528,390)
HomeFlex payments to related Owner Entities where AH has a HomeFlex Agreement	(16,956,311)	(15,191,129)

Other related-party information

Owner Entity financial statements are audited by independent accounting firms hired by the managing general partner of each respective Owner Entity. See Note B.14 and **Other Supplementary Information** for further related-party information.

NOTE G — OTHER RELATED-PARTY TRANSACTIONS

National Housing Compliance, Inc.

National Housing Compliance, Inc. (NHC) was formed in August 1999 as a 501(c)(4) not-for-profit corporation pursuant to the laws of the State of Georgia for the purpose of administering Housing Assistance Payments Contracts between HUD and private owners of multi-family housing with PBRA. NHC, headquartered in Atlanta, Georgia, is comprised of 11 member organizations, including AH (Members). NHC earns fees for contract administration services as HUD's Performance Based Contract Administrator (PBCA) for the states of Illinois and Georgia. NHC makes periodic contributions to Members based on NHC's earned PBCA revenue in excess of NHC's operating expenses. As a Member, AH received non-federal contributions of $1,194,909 and $1,132,909 for the years ended June 30, 2019 and 2018, respectively, from NHC activities in Illinois and Georgia. As NHC's contributions are primarily used to fund unallowable federal expenses, they are included in operating revenues.

NOTE H — CAPITAL ASSETS

A summary of changes in capital assets of the Authority for the years ended June 30, 2019, and June 30, 2018, respectively, is presented below:

	Balance at June 30, 2018	Additions and reclasses	Disposals and reclasses	Balance at June 30, 2019
Capital assets, not being depreciated:				
Land	$ 98,730,219	$ –	$ (15,235)	$ 98,714,984
Modernization in process	141,802	881,956	–	1,023,758
Total capital assets, not being depreciated	98,872,021	881,956	(15,235)	99,738,742
Depreciable capital assets:				
Land improvements	27,178,464	1,419,128	–	28,597,592
Buildings and improvements	104,806,448	–	–	104,806,448
Equipment	36,134,560	1,312,023	(84,314)	37,362,269
Total depreciable capital assets	168,119,472	2,731,151	(84,314)	170,766,309
Less accumulated depreciation				
Land improvements	(19,573,368)	(1,256,181)	–	(20,829,549)
Buildings and improvements	(72,672,200)	(3,773,566)	–	(76,445,766)
Equipment	(27,869,027)	(1,985,070)	76,058	(29,778,039)
Total accumulated depreciation	(120,114,595)	(7,014,817)	76,058	(127,053,354)
Total depreciable capital assets, net	48,004,878	(4,283,666)	(8,256)	43,712,955
Total capital assets, net	$ 146,876,898	$ (3,401,710)	$ (23,491)	$ 143,451,697

	Balance at June 30, 2017	Additions and reclasses	Disposals and reclasses	Balance at June 30, 2018
Capital assets, not being depreciated:				
Land	$ 66,543,610	$ 32,186,632	$ (23)	$ 98,730,219
Modernization in process	153,061	–	(11,259)	141,802
Total capital assets, not being depreciated	66,696,671	32,186,632	(11,282)	98,872,021
Depreciable capital assets:				
Land improvements	27,400,642	59,655	(281,833)	27,178,464
Buildings and improvements	116,607,329	265,731	(12,066,612)	104,806,448
Equipment	38,261,290	1,166,828	(3,293,558)	36,134,560
Total depreciable capital assets	182,269,261	1,492,214	(15,642,003)	168,119,472
Less accumulated depreciation				
Land improvements	(18,445,933)	(1,234,295)	106,860	(19,573,368)
Buildings and improvements	(78,040,339)	(3,823,772)	9,191,911	(72,672,200)
Equipment	(27,512,738)	(2,131,359)	1,775,020	(27,869,027)
Total accumulated depreciation	(123,999,010)	(7,189,426)	11,073,841	(120,114,595)
Total depreciable capital assets, net	58,270,251	(5,697,212)	(4,568,162)	48,004,878
Total capital assets, net	$ 124,966,922	$ 26,489,420	$ (4,579,444)	$ 146,876,898

On November 29, 2017, AH entered into multiple agreements for the conversion of its Piedmont Senior Highrise under RAD; among others, the sale of the community building and improvements to a new owner in consideration for a $12,300,000 Purchase Money Promissory Note (“Note”) (established market value). The sale of the building and improvements translated into a gain of $7,756,090, which was applied against the value of the Note in accordance with the Authority’s accounting policy.

NOTE H — CAPITAL ASSETS — continued

On November 21, 2017, AH acquired the Boisfeuillet Jones Atlanta Civic Center site (the "Site") from the City of Atlanta for a cash consideration of $32,186,609, representing the market value inclusive of acquisition costs, for the purposes of redeveloping the Site, among others, as a mixed-use, mixed-income development with an affordable housing component. The 19.5-acre Site acquisition was paid with MTW funds and a Declaration of Trust submitted to HUD at the financial closing.

The cost and accumulated depreciation of AH capital assets financed under an EPC capital lease at June 30, 2019 and 2018 were as follows:

	2019	2018
Building improvements	$ 4,589,463	$ 4,589,463
Equipment	5,330,119	5,330,119
	9,919,582	9,919,582
Accumulated depreciation	(5,470,043)	(4,664,027)
	$ 4,449,539	$ 5,255,555

NOTE I — OTHER NON-CURRENT ASSETS

Other non-current assets at June 30, 2019 and 2018 consisted of the following:

	2019	2018
Public improvement advances due from the City of Atlanta and related entities (net of allowance of $13,647,385 in 2019 and 2018)	$ –	$ –
Homeownership down payment assistance loans (net of allowance of $18,107,831 and $12,906,526 in 2019 and 2018, respectively)	–	–
Owner Occupied Rehab Loans (net of allowance of $420,000 in 2019)	–	–
	$ –	$ –

Under its DPA program for first-time homebuyers earning 80% or less of AMI, AH issued payments of $5,598,205 and $3,475,780 during the years ended June 30, 2019 and 2018, respectively. As described in Note B.8 — Valuation and Other Allowances, these loans are fully reserved at closings.

NOTE J — ACCRUED LIABILITIES

Accrued liabilities at June 30, 2019 and 2018 consisted of the following:

	2019	2018
Accrued expense	$ 7,499,315	$ 4,000,818
Wages and benefits	769,213	1,058,240
Compensated absences	1,136,469	1,083,374
Contract retention	270,599	546,041
Insurance, claims and litigation (Note N)	405,000	453,281
Interest payable	80,255	97,562
	$ 10,160,851	$ 7,239,316

Compensated absences at June 30, 2019 consisted of the following:

	Balance at June 30, 2018	Additions	Reductions	Balance at June 30, 2019
Compensated absences	$ 1,083,374	187,643	(134,548)	$ 1,136,469

Compensated absences at June 30, 2018 consisted of the following:

	Balance at June 30, 2017	Additions	Reductions	Balance at June 30, 2018
Compensated absences	$ 1,031,354	213,726	(161,706)	$ 1,083,374

The accrued liability for compensated absences is presented as a current liability as the compensated absences are expected to be taken within the next 12 months.

NOTE K — OTHER CURRENT LIABILITIES

Other current liabilities at June 30, 2019 and 2018 consisted of the following:

	2019	2018
Public improvement advances received from the City of Atlanta and related entities	$ 5,539,838	$ 6,168,666
Resident security deposits	268,876	273,967
Other	798,394	911,808
	$ 6,607,108	$ 7,354,440

NOTE L — LONG-TERM DEBT

Energy Performance Contract (EPC) Capital Lease

An EPC is part of a HUD-sponsored program designed to incentivize local housing authorities to undertake energy-saving improvements at their properties. HUD allows such agencies to freeze the consumption base used to determine their utility funding at an agreed pre-constructed level for up to 20 years, so that the savings from such improvements can be used to finance the cost of water and energy conservation improvements. The EPC structure facilitates financing for the improvements to be repaid through future energy savings resulting from the improvements.

During FY 2012, AH consummated an EPC, which combined an EPC capital lease of $9,104,935 with MTW funds to fund capital improvements for energy conservation and efficiency solutions at the AH-owned residential communities.

This project was completed at a total cost of $11,929,904, including capitalized interest. MTW funds of $2,249,034 were used to supplement the proceeds from the EPC capital lease.

Long-term debt at June 30, 2019 consisted of the following:

	Balance at June 30, 2018	Additions	Reductions	Balance at June 30, 2019	Non-current	Current
EPC Capital Lease	$ 5,861,163	–	(2,456,053)	$ 3,405,110	$ 3,290,053	$ 115,057

Long-term debt at June 30, 2018 consisted of the following:

	Balance at June 30, 2017	Additions	Reductions	Balance at June 30, 2018	Non-current	Current
EPC Capital Lease	$ 6,099,848	–	(238,685)	$ 5,861,163	$ 5,616,792	$ 244,371

The EPC capital lease bears interest at 4.98% and has a term of 20 years, and is subject to prepayment penalty of 2% of principal amount. Under the terms and conditions of the EPC financing from Bank of America, AH is required to make monthly payments to a Debt Service Fund with Deutsche Bank. Interest expense incurred in connection with the EPC capital lease amounted to $267,897 and $315,422 for the years ended June 30, 2019 and 2018, respectively.

In September 2018, in preparation for the RAD conversion of two of its residential communities, AH reimbursed a portion of its EPC capital lease for an amount of $2,254,902 in principal, interest and penalty.

NOTE L — LONG-TERM DEBT — continued

Payments under the EPC capital lease scheduled for the next five years and thereafter are as follows:

	Principal	Interest	Total
2020	115,057	169,574	284,631
2021	137,763	163,845	301,608
2022	162,111	156,984	319,095
2023	188,195	148,911	337,106
2024	212,037	139,539	351,576
2025 to 2029	1,308,544	528,125	1,836,669
2030 to 2032	1,281,403	122,670	1,404,073
	$ 3,405,110	$ 1,429,648	$ 4,834,758

NOTE M — OTHER NON-CURRENT LIABILITIES

Other non-current liabilities at June 30, 2019 and 2018 consisted of the following:

	2019	2018
Unrealized gain on land sale	$ 8,983,495	$ –

In accordance with GAAP requirements for non-monetary transactions, gains on the sale of land conveyance were deferred due to the non-cash consideration received in exchange, thereby not meeting the revenue recognition criteria.

NOTE N — INSURANCE, CLAIMS AND LITIGATION

AH is exposed to various risks of loss related to: torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; cyber attacks; terrorism; and natural disasters. AH carries general and auto insurance and maintains certain reserves deemed sufficient to cover potential uninsured losses.

Self-insurance plan — workers' compensation

AH is self-insured for workers' compensation claims and has purchased excess work compensation insurance for its workers' compensation self-insurance plan, which limits its liability to $400,000 per accident. AH has a system in place to identify incidents that might give rise to workers' compensation claims. It uses this information to compute an estimate of loss due to claims asserted and incidents that have been incurred but not reported. Settled claims have not exceeded the self-insured retention in any part of the past five years. AH has recorded an estimated liability of $80,000 and $32,000 as of June 30, 2019 and 2018, respectively.

NOTE N — INSURANCE, CLAIMS AND LITIGATION — continued

Litigation and claims

AH is party to legal actions arising in the ordinary course of business. Certain actions are in various stages of the litigation process and their ultimate outcome cannot be determined currently.

Accordingly, potential liabilities in excess of insurance coverage may not be reflected in the accompanying financial statements. The financial statements include estimated liabilities in the amount of $325,000 and $421,281 as of June 30, 2019 and 2018, respectively. AH carries general and automobile liability insurance coverage with a self-insured limit of $100,000. AH also carries other liability coverage such as fiduciary and directors' and officers' liability with self-insured limits varying from $25,000 to $100,000.

Property damage losses

AH carries property damage insurance, which limits its losses to $50,000 in case of damages to its assets and properties.

NOTE O — CONTINGENCIES AND UNCERTAINTIES

Easements, liens and other contractual obligations

Generally, real property owned by AH under the public housing program or purchased using public housing development funds is subject to a HUD declaration of trust and most have various customary easements (e.g., utility rights-of-way). From time to time, mechanics' liens or other such liens may be recorded against AH-owned property. Notwithstanding any such liens, under Georgia law, all real property owned by AH is exempt from levy and sale by virtue of execution, other judicial process or judgment. Additionally, real property owned by AH affiliate entities and leasehold interests in AH real property (ground leased to Owner Entities in connection with MIXED rental communities) may be subject to mortgage liens and other contractual obligations.

Valuation of related-party development and other loans

The multi-family rental housing market is affected by a number of factors such as overall economic conditions, unemployment rates, mortgage interest rates, supply and demand, changes in neighborhood demographics and growth of the metropolitan-Atlanta area. Because related-party development and other loans to Owner Entities of the MIXED rental communities are primarily subordinated and may be payable from net cash flows, local market conditions could affect the value of those loans as reflected on AH's books. AH's strategy is to monitor the performance of the properties and local market conditions in order to monitor these risks.

NOTE P — DEFINED BENEFIT PENSION PLAN

Plan description

The Pension Plan for Employees of the Housing Authority of the City of Atlanta, Georgia (the "Plan") is a single-employer, non-contributory defined benefit pension plan under administrative services and investment contracts with Massachusetts Mutual Life Insurance Company, an insurance carrier, which maintains custody of Plan assets and administers the Plan. AH is not required to provide a separate audited GAAP-basis pension plan report. Assets of the Plan represent less than 1% of the insurance carrier's total assets. None of the Plan's investments is the property of AH.

The AH Board froze the Plan as of December 31, 2007. No employees hired or rehired on or after January 1, 2008, may be added to or accrue additional benefits under the Plan. The Board also froze benefit accruals under the Plan for all current participants, except certain vested employees whose age plus years of service equaled 60 at December 31, 2007, and who elected to continue accruals under the Plan (grandfathered employees) and who elected to take the lump-sum cash payments. As a result, on and after January 1, 2008, service is credited for active and accruing participants only.

In FY 2009, AH offered and made lump sum cash payments to those plan participants who were no longer employed with AH, had vested in a retirement benefit but who had not retired nor been certificated by the Plan administrator. AH is no longer liable to fund future retirement benefits for those 304 participants who elected to take their retirement benefit under the lump sum option. The Plan document received a favorable determination letter from the IRS on June 3, 2011. The Plan provides retirement, disability and death benefits to the eligible participants and their beneficiaries. A participant is vested in her or his accrued benefits after five years of service.

Monthly normal retirement benefits are calculated as 1.9% of one-twelfth of the participant's career earnings paid by AH as an active participant of the Plan plus one-twelfth of the benefit in Appendix A of the Plan document for service before January 1, 1971. Participants may retire at the later of age 65 and fifth anniversary of the effective date of participation. Any participant who has attained the age of 55 and has completed five years of service may elect for early retirement with reduced benefits. Disability retirement benefits are determined in the same manner as retirement benefits but are payable immediately unless a disabled participant covered by AH's long-term disability plan elects for the deferred option. Vested participants are entitled to a death benefit payable at 50% of the amount that would have been payable to the participant under the 50% Joint and Survivor Option provided in the plan document. The Plan's benefit terms do not provide for a cost-of-living adjustment on post-retirement benefits.

During the fiscal year 2019, AH purchased an annuity contract from Massachusetts Mutual Life Insurance for 371 certificated retirees. As a result, AH has no more obligation for these certificated retirees, and the pension plan liability and plan fiduciary net position have been reduced accordingly.

At June 30, 2019 and 2018, the Plan included the following participants:

	2019	2018
Inactive participants or beneficiaries currently receiving benefits	133	513
Inactive participants entitled to but not yet receiving benefits	213	223
Active participants, accruing	5	6
	351	742

NOTE P — DEFINED BENEFIT PENSION PLAN — continued

Net pension liability

AH's net pension liability was measured at June 30, 2019 and 2018, corresponding to the dates where the total pension liability used to calculate the net pension liability was determined by an actuarial valuation.

Actuarial assumptions

The total pension liability in the June 30, 2019 and 2018 actuarial valuation was determined using the entry age actuarial cost method and the following actuarial assumptions applied to all periods included in the measurement, except as specifically noted:

	2019	2018
Inflation	2.0%	2.0%
Salary increases	4.0%	4.0%
Investment rate of return	3.9%	3.9%

2019 Mortality: RP-2018 Mortality Tables for Annuitants and Non Annuitants, fully generational with Scale MP-2018.

2018 Mortality: RP-2017 Mortality Tables for Annuitants and Non Annuitants, fully generational with Scale MP-2017.

Changes in net pension liability

The net pension liability is comprised of the total pension liability less the plan fiduciary net position (plan net assets). A summary of changes in each of these components of the net pension liability for the years ended June 30, 2019 and 2018 is presented below:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)–(b)
Balances at June 30, 2018	$ 45,650,966	$ 45,045,209	$ 605,757
Changes during the year			
Service cost	55,525		55,525
Interest	1,794,096		1,794,096
Difference between expected and actual experience	694,316		694,316
Contribution — employer		750,000	(750,000)
Projected earnings on plan fiduciary net position		1,742,407	(1,742,407)
Difference between projected and actual earnings on plan fiduciary net position		(243,336)	243,336
Purchase of an Annuity Contract for Certificated Retirees	(20,118,978)	(20,118,978)	–
Benefit payments	(2,256,671)	(2,256,671)	–
Net changes	(19,831,712)	(20,126,578)	294,866
Balances at June 30, 2019	$ 25,819,254	$ 24,918,631	$ 900,623

NOTE P — DEFINED BENEFIT PENSION PLAN — continued

	Increase (Decrease)		
	Total Pension Liability (a)	**Plan Fiduciary Net Position (b)**	**Net Pension Liability (a)–(b)**
Balances at June 30, 2017	$ 47,080,848	$ 46,594,797	$ 486,051
Changes during the year			
Service cost	86,857		86,857
Interest	1,782,631		1,782,631
Difference between expected and actual experience	(367,576)		(367,576)
Contribution — employer		–	–
Projected earnings on plan fiduciary net position		1,760,027	(1,760,027)
Difference between projected and actual earnings on plan fiduciary net position		(377,821)	377,821
Benefit payments	(2,931,794)	(2,931,794)	–
Net changes	(1,429,882)	(1,549,588)	119,706
Balances at June 30, 2018	$ 45,650,966	$ 45,045,209	$ 605,757

Sensitivity of the net pension liability to changes in the discount rate

The following presents the net pension liability of AH calculated using a rate of 3.9% as well as what AH's net pension liability would be if the total pension liability were calculated using a discount rate that is 1 percentage point lower (2.9%) or 1 percentage point higher (4.9%) than the current rate:

	1% Decrease (2.9%)	Current Discount (3.9%)	1% Increase (4.9%)
Net pension liability (asset)	$ 1,649,381	$ 900,623	$ (364,520)

Pension expense

For the years ended June 30, 2019 and 2018, AH recorded pension expense in the amount of $210,309 and $3,678,816, respectively, comprised of the following components:

	2019	**2018**
Service cost	$ 55,525	$ 86,857
Interest	1,794,096	1,782,631
Amortization of deferred inflows	(461,121)	(855,229)
Projected earnings on plan fiduciary net position	(1,742,407)	(1,760,027)
Amortization of deferred outflows	564,216	4,424,584
Total pension expense	$ 210,309	$ 3,678,816

NOTE P — DEFINED BENEFIT PENSION PLAN — continued

Deferred outflows and deferred inflows related to the Plan

At June 30, 2019 and 2018, unamortized deferred outflows and deferred inflows related to the AH pension plan resulted from the following sources:

	At June 30, 2019	
	Deferred Outflows	**Deferred Inflows**
Difference between projected and actual earnings on pension plan investments	$ 1,124,454	$ –
Assumption changes	–	129,773
Difference between expected and actual experience on projected liability	824,087	–
Total	$ 1,948,541	$ 129,773

	At June 30, 2018	
	Deferred Outflows	**Deferred Inflows**
Difference between projected and actual earnings on pension plan investments	$ 1,351,788	$ –
Assumption changes	–	461,122
Difference between expected and actual experience on projected liability	93,547	–
Total	$ 1,445,335	$ 461,122

The difference between projected and actual earnings is amortized over a five-year period. Changes in assumptions and the difference between expected and actual experience on projected liability are amortized over the average of the expected remaining service lives of all active and inactive employees provided benefits through the pension plan, which approximates a period of one year. Experience gains or losses resulting from plan amendments are amortized over one year.

Amounts reported as deferred outflows and deferred inflows at June 30, 2019 will be amortized and, in aggregate, added to future pension expenses as follows:

Years ending June 30,	
2020	$ 1,174,944
2021	331,293
2022	139,633
2023	124,231
2024	48,667

NOTE P — DEFINED BENEFIT PENSION PLAN — continued

Funding policy

AH's funding policy is to contribute an amount equal to or greater than the minimum required contribution under Georgia State Code. The Actuarial Standard of Practice recommends the use of best-estimate range for each assumption, based on past experience, future expectations and application of professional judgment. The recommended contributions were computed as part of the actuarial valuations performed as of January 1, 2019 and 2018. Beginning June 1996, AH's contributions were determined under the Projected Unit Credit Actuarial Cost method (pay-related benefit formula). For the fiscal years ended June 30, 2019 and 2018, AH funded pension payments of $750,000 and $–, respectively. Such payments were either equal or greater than AH's minimum annual required contributions under Georgia State Code 47-20-10. Refer to Required Supplementary Information section for additional information.

NOTE Q — DEFERRED COMPENSATION AND DEFINED CONTRIBUTION PLANS

AH offers its employees a deferred compensation plan created in accordance with IRC Section 457 (the 457 Plan). The 457 Plan is available to all full-time eligible employees, except those who elected to stay in the Defined Benefit Pension Plan, and permits participants to defer a portion of their salary until future years. Effective February 1, 2008, all eligible employees had the option to participate in the 457 Plan with a deferral rate of 2%. Employees may change their deferral rate at any time. Employee contributions of $1,404,656 and $1,319,263 were made to the plan for the fiscal years ended June 30, 2019 and 2018, respectively.

In conjunction with changes made to the Defined Benefit Pension Plan, effective February 1, 2008, AH's Board also approved the creation of a Defined Contribution Plan under IRC Section 401(a) (the 401(a) Plan), for all eligible employees. The 401(a) Plan provides an employer-matching contribution on amounts that employees defer into the 457 Plan, equal to 100% of the first 2% deferred by the participant. Additional matching contributions are allowed based on the participant's years of service as well as position level. In addition, further contributions can be made at the discretion of management. The employer contribution to the 401(a) Plan amounted to $812,816 and $850,983 for the fiscal years ended June 30, 2019 and 2018, respectively. Subject to a three-year vesting period, amounts from these plans are available to participants at the time of termination, retirement, and death or emergency. As required by federal regulations, the funds are held in trust for the exclusive benefit of participants and their beneficiaries.

Under the Master Services Agreement, Wells Fargo Bank, N.A. was appointed Trustee, Custodian and Recordkeeper of both plans. AH has no ownership in the plans' assets. Accordingly, the plans' assets are not reported in AH's financial statements. Upon receipt of appropriate approval, AH may amend, modify or terminate the plans.

NOTE R — LEASES

AH-owned capital assets under leases

AH is party to lease agreements as lessor whereby it receives revenue for tenant dwellings leased in AH-owned public-housing-assisted residential properties. These leases are for a one-year period (which may or may not be renewed depending upon tenant eligibility and desire) and are considered operating leases for accounting purposes.

AH is the ground lessor to Owner Entities of most of the MIXED rental communities, as discussed further in Note F. Revenue derived from these leases is nominal.

The cost and accumulated depreciation of AH-owned capital assets used in leasing activities as of June 30, 2019 and 2018, were as follows:

	2019	2018
Land	$ 23,902,903	$ 23,902,903
Modernization in process	319,560	–
Total capital assets, not being depreciated	23,522,743	23,902,903
Land improvements	23,959,067	23,889,545
Building and improvements	88,113,699	88,113,699
Equipment	25,023,692	24,049,274
Total depreciable capital assets	137,096,458	136,052,518
Less accumulated depreciation	(103,651,278)	(97,926,271)
Total depreciable capital assets, net	33,445,180	38,126,247
Total capital assets, net	$ 56,967,923	$ 62,029,150

Operating leases

AH is party to operating lease agreements as a lessee for office equipment used in the normal course of business. Lease payments over the remaining terms of these lease agreements are as follows:

Years ending June 30,	Amount
2020	$ 121,333
2021	121,333
2022	86,931
2023	40,682
Total	$ 370,278

The lease expense, including equipment servicing, incurred in connection with these operating leases amounted to $306,928 and $280,004 for the years ended June 30, 2019 and 2018, respectively, and is reported under administration, including direct operating divisions expenses.

NOTE R — LEASES — continued

Following the acquisition of the Civic Center in November 2017, AH entered into an office space lease agreement with Southface Energy Institute, Inc. (Southface) for a demised building located on the acquired 19.5-acre Site. The lease is not to exceed 364 days at a monthly rent of $9,280. This lease was terminated following the purchase of the occupied property by Southface in September 2019.

In December 2016, AH entered into a land swap agreement with the City of Atlanta. The City of Atlanta currently has an operation on a portion of the property that cannot move until a new facility is available. Consequently, AH, as lessor, and the City of Atlanta, as lessee, have entered into a lease agreement for a period not to exceed 30 months at an annual rent of $69,815. This lease was extended through January 2021 during 2019.

NOTE S — CONDUIT DEBT

The following bonds, issued by AH as conduit issuer, do not represent a debt or pledge of the full faith and credit of AH and, accordingly, have not been reported in the accompanying financial statements.

Multi-family housing revenue bonds

In order to provide a portion of the funds for the construction of East Lake Phase II, an AH-Sponsored MIXED rental community, multi-family housing revenue bonds were issued by AH, as the conduit issuer, on July 1, 1999. AH has no responsibility for this conduit debt beyond any resources provided by the related loan.

NOTE T — NET POSITION

Net position is comprised of three components: 1) net investment in capital assets; 2) restricted–expendable; and 3) unrestricted.

1. Net investment in capital assets represents the net book value of capital assets less the total outstanding debt used to acquire or lease those capital assets including cash in escrow.
2. Restricted–expendable net position, subject to both internal and external constraints, is calculated at the carrying value of restricted assets less related liabilities. This net position is restricted by time and/or purpose. Restricted–expendable net position includes cash subject to restrictions for HUD-funded programs, related-party development and other loans, and investments associated with operating reserves required in conjunction with the AH-Sponsored MIXED rental development transactions.

   These assets cannot be used, pledged or mortgaged to a third party or seized, foreclosed upon or sold in the case of a default, ahead of any HUD lien or interest without HUD approval. In addition, the related-party development and other loans are not available to satisfy AH's obligations due to the long-term, contingent nature of the underlying notes (see also Note F, Note O and **Other Supplementary Information**).

NOTE T — NET POSITION — continued

3. Unrestricted net position, although referred to as unrestricted, remains subject to varying degrees of limitations. HUD approval is required, with some limited exceptions, to use or deploy these assets strategically outside of the ordinary course of AH's business. AH's eligible business activities are set forth in its HUD-approved MTW Business Plan, as amended from time to time by its MTW Annual Implementation Plans. In all cases, AH's assets are subject to the limitations of AH's charter and the Housing Authorities Laws of the State of Georgia.

NOTE U — COMBINING SCHEDULES OF BLENDED COMPONENT UNITS

AH's blended component units are created at the direction of the AH Board to assist the Authority with development and other acquisition activities in support of affordable housing. Under GASB Nos. 14 and 34, these blended component units are presented within the reporting entity of AH and are grouped under 6.2 Component Unit — Blended within the Financial Data Schedules presented in **Other Supplementary Information**. See also Note A.3 for additional information on AH's component units. Balances at June 30, 2019 and 2018, and activity for the years then ended were as follows:

Combining Statement of Net Position
As of June 30, 2019

	JWD	AAHFI	SHHI	RAH	SRDC	WAH	AHICI	Total Component Units
ASSETS								
Current and non-current assets	$ 4,547,407	$ 273,700	$ 1,345,525	$ -	$ 4,117	$ 1,692,201	$ 311,781	$ 8,174,731
Capital assets, net	8,010,841	-	-	-	-	36,885,209	-	44,896,050
TOTAL ASSETS	$ 12,558,248	$ 273,700	$ 1,345,525	$ -	$ 4,117	$ 38,577,410	$ 311,781	$ 53,070,781
LIABILITIES AND NET POSITION								
Current and non-current liabilities	$ 509,713	$ -	$ -	$ -	$ -	$ 17,009	$ 5,000	$ 531,722
Long-term debt outstanding	-	-	-	-	-	-	-	-
Total liabilities	509,713	-	-	-	-	17,009	5,000	531,722
Net Investment in capital assets	8,010,841	-	-	-	-	36,885,209	-	44,896,050
Restricted	-	-	-	-	3,377	135,100	-	138,477
Unrestricted	4,037,694	273,700	1,345,525	-	740	1,540,092	306,781	7,504,532
Total net position	12,048,535	273,700	1,345,525	-	4,117	38,560,401	306,781	52,539,059
TOTAL LIABILITIES AND NET POSITION	$ 12,558,248	$ 273,700	$ 1,345,525	$ -	$ 4,117	$ 38,577,410	$ 311,781	$ 53,070,781

Combining Statement of Revenues, Expenses and Changes in Net Position
Year Ended June 30, 2019

	JWD	AAHFI	SHHI	RAH	SRDC	WAH	AHICI	Total Component Units
REVENUES								
Operating revenues	$ 2,209,157	$ 13,383	$ -	$ -	$ 10,040	$ 63,126	$ 31,672	$ 2,327,378
Non-operating revenues	44,787	-	16,024	-	-	16,024	-	76,835
TOTAL REVENUES	2,253,944	13,383	16,024	-	10,040	79,150	31,672	2,404,214
EXPENSES								
Operating and other expenses	(2,200,617)	(5,348)	(22,983)	(1,470)	(10,942)	(98,388)	(10,065)	(2,349,813)
Operating transfers in (out)	35,195	-	9,037	1,470	770	30	-	46,502
TOTAL EXPENSES	(2,165,422)	(5,348)	(13,946)	-	(10,172)	(98,358)	(10,065)	(2,303,311)
CHANGE IN NET POSITION	88,522	8,035	2,078	-	(132)	(19,207)	21,607	100,903
NET POSITION - beginning of year	11,960,013	265,665	1,343,447	-	4,249	38,579,608	285,174	52,438,156
NET POSITION - end of year	$ 12,048,535	$ 273,700	$ 1,345,525	$ -	$ 4,117	$ 38,560,401	$ 306,781	$ 52,539,059

NOTE U — COMBINING SCHEDULES OF BLENDED COMPONENT UNITS — continued

Combining Statement of Net Position
As of June 30, 2018

	JWD	AAHFI	SHHI	RAH	SRDC	WAH	AHICI	Total Component Units
ASSETS								
Current and non-current assets	$ 3,665,072	$ 265,665	$ 1,343,566	$ -	$ 4,249	$ 1,681,331	$ 290,174	$ 7,250,057
Capital assets, net	8,360,159	-	-	-	-	36,902,530	-	45,262,689
TOTAL ASSETS	$ 12,025,230	$ 265,665	$ 1,343,566	$ -	$ 4,249	$ 38,583,861	$ 290,174	$ 52,512,746
LIABILITIES AND NET POSITION								
Current and non-current liabilities	$ 65,217	$ -	$ 120	$ -	$ -	$ 4,253	$ 5,000	$ 74,590
Long-term debt outstanding	-	-	-	-	-	-	-	-
Total liabilities	65,217	-	120	-	-	4,253	5,000	74,590
Net Investment in capital assets	8,360,159	-	-	-	-	36,902,530	-	45,262,689
Restricted	-	-	-	-	4,249	135,100	-	139,349
Unrestricted	3,599,854	265,665	1,343,446	-	-	1,541,978	285,174	7,036,118
Total net position	11,960,013	265,665	1,343,447	-	4,249	38,579,608	285,174	52,438,156
TOTAL LIABILITIES AND NET POSITION	$ 12,025,230	$ 265,665	$ 1,343,567	$ -	$ 4,249	$ 38,583,861	$ 290,174	$ 52,512,746

Combining Statement of Revenues, Expenses and Changes in Net Position
Year Ended June 30, 2018

	JWD	AAHFI	SHHI	RAH	SRDC	WAH	AHICI	Total Component Units
REVENUES								
Operating revenues	$ 2,246,662	$ 32,239	$ 1,293	$ -	$ 4,300	$ 51,779	$ 16,345	$ 2,352,618
Non-operating revenues	-	-	-	-	-	-	-	-
TOTAL REVENUES	2,246,662	32,239	1,293	-	4,300	51,779	16,345	2,352,618
EXPENSES								
Operating and other expenses	(2,155,442)	(75)	(11,348)	(50)	(81)	(91,211)	(5,103)	(2,263,310)
Operating transfers in (out)	75,300	-	30	50	30	400	-	75,810
TOTAL EXPENSES	(2,080,142)	(75)	(11,318)	-	(51)	(90,811)	(5,103)	(2,187,499)
CHANGE IN NET POSITION	166,520	32,164	(10,025)	-	4,249	(39,032)	11,242	165,118
NET POSITION - beginning of year	9,595,157	233,501	1,353,472	-	-	38,618,640	273,932	50,074,702
Prior period adjustment*	2,198,336					-		2,198,336
NET POSITION - end of year	$ 11,960,013	$ 265,665	$ 1,343,447	$ -	$ 4,249	$ 38,579,608	$ 285,174	$ 52,438,156

* Adjustment resulting from a retroactive change in the calculation of the occupancy fee between JWD and the Authority.

NOTE V — RECENT ACCOUNTING PRONOUNCEMENTS

The Governmental Accounting Standards Board (GASB) has issued new pronouncements, which will be implemented by the Authority starting in fiscal year 2019, where applicable: GASB No. 91, *"Conduit Debt Obligations."*

GASB No. 91 provides a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This statement is effective for reporting periods beginning after December 15, 2020.

NOTE W — SUBSEQUENT EVENTS

Events that occur after the date of the statement of net position 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 date of the statement of net position are recognized in the accompanying financial statements. Subsequent events, which provide evidence about conditions that existed after the date of the statement of net position, require disclosure in the accompanying notes.

Management has evaluated subsequent events through December 3, 2019, the date on which the financial statements were available to be issued. During this period, no material subsequent events have occurred which would require recognition or disclosure in AH's financial statements, except for the following events:

On September 17, 2019, AH received HUD approval to proceed with the disposal of 3.13 acres of Harris Homes undevelopable vacant land to Truly Living Well Center for Natural Urban Agriculture (TLW), a non-profit organization, for a cash consideration of $10,000. The disposed land with an original cost of $102,228 is subject to a use restriction requiring TLW to maintain commensurate public benefits to surrounding low-income families for a period not less than 30 years.

On November 22, 2019, a settlement agreement was reached between AH and former President and CEO of the Authority Renee Glover, entered as Consent Order by the judge, awarding a payment of $1,317,147 as indemnification for Ms. Glover's incurred attorneys' fees, costs, expenses and estimated tax liability related to a lawsuit.

In conjunction with the legal action AH filed in 2017 against Capitol Gateway, LLC, Carver Redevelopment, LLC, Harris Redevelopment, LLC and Grady Redevelopment, LLC ("Developers") in the Superior Court of Fulton County ("Court") regarding certain revitalization agreement amendments and option agreements, the Developers filed counterclaims against AH and its President and CEO seeking to enforce the agreements through contract, quasi-contract and mandamus claims, respectively. The court granted the Developers' request to dismiss AH's declaratory judgment claims which asserted AH's contract defenses and, accordingly, now the Developers are the plaintiffs in the pending lawsuit and Atlanta Housing is the defendant. On April 16, 2019, AH filed a Motion for Summary Judgment on all counts and on October 16, 2019, the Court granted AH's Motion for Summary Judgment to two of the three claims of the Defendants — so the claims for promissory estoppel and the writ of mandamus have been dismissed. The only Developers' claims that remain are their breach of contract claims. With AH's present status as defendant, AH now seeks to aggressively defend against the Developers' claims while continuing to pursue possible resolution. Given the complexity of the option purchase price formula and other factors, the ultimate financial outcome cannot be determined at this point in time.

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REQUIRED SUPPLEMENTARY INFORMATION

The Housing Authority of the City of Atlanta, Georgia

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

For years ended June 30, *

	2019	2018	2017	2016	2015	2014
Total Pension Liability						
Service cost	$ 55,525	$ 86,857	$ 141,274	$ 154,807	$ 130,078	$ 166,019
Interest	1,794,096	1,782,631	2,072,456	1,980,774	2,009,842	2,093,307
Difference between expected and actual experience	694,316	(367,576)	3,174,248	3,595,608	(500,189)	(550,153)
Benefit payments	(2,256,671)	(2,931,794)	(2,914,748)	(2,905,948)	(2,850,564)	(2,873,036)
Purchase of annuity for Certificated retirees	(20,118,978)	–	–	–	–	–
Net change in total pension liability	(19,831,712)	(1,429,882)	2,473,230	2,825,241	(1,210,833)	(1,163,863)
Total pension liability — beginning	45,650,966	47,080,848	44,607,618	41,782,377	42,993,210	44,157,073
Total pension liability — ending (a)	$ 25,819,254	$ 45,650,966	$ 47,080,848	$ 44,607,618	$ 41,782,377	$ 42,993,210
Plan Fiduciary Net Position						
Contribution — employer	$ 750,000	$ –	$ 7,500,000	$ 2,000,000	$ 1,000,000	$ 2,500,500
Projected earnings on plan fiduciary net position	1,742,407	1,760,027	1,897,836	1,943,183	1,951,673	1,921,483
Difference between projected and actual earnings on plan fiduciary net position	(243,336)	(377,821)	(77,007)	(958,302)	(746,677)	(194,549)
Benefit payments	(2,256,671)	(2,931,794)	(2,914,748)	(2,905,948)	(2,850,564)	(2,873,036)
Purchase of annuity for Certificated retirees	(20,118,978)	–	–	–	–	–
Net change in plan fiduciary net position	(20,126,578)	(1,549,588)	6,406,081	78,933	(645,568)	1,354,898
Plan fiduciary net position — beginning	45,045,209	46,594,797	40,188,716	40,109,783	40,755,351	39,400,453
Plan fiduciary net position — ending (b)	$ 24,918,631	$ 45,045,209	$ 46,594,797	$ 40,188,716	$ 40,109,783	$ 40,755,351
Net pension liability — ending (a) – (b)	$ 900,623	$ 605,757	$ 486,051	$ 4,418,902	$ 1,672,594	$ 2,237,859
Plan fiduciary net position as a percentage of the total pension liability	96.5%	98.7%	99.0%	90.1%	96.0%	94.8%
Covered payroll	$ 4,528,732	$ 5,566,220	$ 6,850,751	$ 6,853,955	$ 7,676,909	$ 7,826,041
Net pension liability as a percentage of covered payroll	19.9%	11.0%	7.1%	64.5%	21.8%	28.6%

* AH adopted the new pension accounting and reporting standard starting in FY 2014, therefore the information for a full 10-year disclosure is unavailable.

The Housing Authority of the City of Atlanta, Georgia

SCHEDULE OF PENSION PLAN CONTRIBUTIONS

For years ended June 30,*

	2019	2018	2017	2016	2015	2014
Actuarially determined employer contributions	$ 111,650	$ –	$ 784,941	$ 654,176	$ 387,153	$ 546,432
Cash contributions from AH	750,000	–	7,500,000	2,000,000	1,000,000	2,500,000
Contribution excess	$ 638,350	$ –	$ 6,715,059	$ 1,345,824	$ 612,847	$ 1,953,568
Covered payroll	$ 4,528,732	$ 5,566,220	$ 6,850,751	$ 6,853,955	$ 7,676,909	$ 7,826,041
Cash contribution as a percentage of covered payroll	16.6%	– %	109.5%	29.2%	13.0%	31.9%

Notes to Schedule of Pension Plan Contributions:

The actuarially determined employer contributions are calculated as of January 1st of each calendar year and correspond to the minimum required contribution as determined under the Georgia State Code in effect as of the date of the valuation.

Methods and assumptions used to determine contributions are as follows:

Actuarial cost method	Projected Unit Credit
Amortization method	Plan asset related — 5 years Projected liability related — 1 year
Remaining amortization period	1 to 5 years
Asset valuation method	Market
Inflation	2.0%
Salary increases	4.0% including inflation
Investment rate of return	3.9% net of pension plan investment expense
Retirement age	65
Mortality	RP-2018 Mortality Tables for Annuitants and Non Annuitants, fully generational with Scale MP-2018.

* AH adopted the new pension accounting and reporting standard starting in FY 2014, therefore the information for a full 10-year disclosure is unavailable.

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OTHER SUPPLEMENTARY INFORMATION

Financial Data Schedule of Combining Program Net Position

As of June 30, 2019

	Project Total	14.881 Moving to Work Demonstration Program	14.889 Choice Neighborhoods Implementation Grants	14.879 Mainstream Vouchers	14.866 Revitalization of Severely Distressed Public Housing	6.2 Component Unit - Blended
111 Cash - Unrestricted	$ 1,065,312	$ 5,225,599	$ -	$ 16,148	$ -	$ 3,001,724
112 Cash - Restricted - Modernization and Development	4,178	-	-	-	-	-
113 Cash - Other Restricted	-	-	-	-	-	138,477
114 Cash - Tenant Security Deposits	268,876	-	-	-	-	-
115 Cash - Restricted for Payment of Current Liabilities	121,154	-	-	-	-	-
100 Total Cash	1,459,520	5,225,599	-	16,148	-	3,140,201
122 Accounts Receivable - HUD Other Projects	92,483	-	2,039,940	64,629	-	-
125 Accounts Receivable - Miscellaneous	413,098	405,550	-	192		4,450
126 Accounts Receivable - Tenants	6,465	135,687	-	-	-	-
126.1 Allowance for Doubtful Accounts -Tenants	(730)	(135,687)	-	-	-	-
126.2 Allowance for Doubtful Accounts - Other	(42,658)	(350,691)	-	(192)	-	-
120 Total Receivables, Net of Allowances for Doubtful Accounts	468,658	54,859	2,039,940	64,629	-	4,450
131 Investments - Unrestricted	11,847,734	19,019,173	-	-	-	4,976,250
132 Investments - Restricted	-	-	-	-	-	-
142 Prepaid Expenses and Other Assets	46,160	6,748	-	-	-	9,456
144 Inter Program Due From	-	1,473,938	-	-	-	44,373
145 Assets Held for Sale	-	-	-	-	-	-
150 Total Current Assets	13,822,072	25,780,317	2,039,940	80,777	-	8,174,730
161 Land	27,756,757	30,930,792	-	-	-	38,786,829
162 Buildings	116,667,628	854,651	-	-	-	15,801,881
163 Furniture, Equipment & Machinery - Dwellings	24,771,614	38,495	-	-	-	3,126,276
164 Furniture, Equipment & Machinery - Administration	252,077	1,683,828	-	-	-	-
166 Accumulated Depreciation	(104,778,112)	(2,026,275)	-	-	-	(13,227,507)
167 Construction in Progress	615,185	-	-	-	-	408,571
160 Total Capital Assets, Net of Accumulated Depreciation	65,285,149	31,481,491	-	-	-	44,896,050
171 Notes, Loans and Mortgages Receivable - Non-Current	216,011	8,468	-	-		-
174 Other Assets	-	-	-	-	-	-
180 Total Non-Current Assets	65,501,160	31,489,959	-	-	-	44,896,050
200 Deferred Outflow of Resources	-	-	-	-	-	-
290 Total Assets and Deferred Outflow of Resources	$ 79,323,232	$ 57,270,276	$ 2,039,940	$ 80,777	$ -	$ 53,070,780
312 Accounts Payable <= 90 Days	$ 251,127	$ 27,624	$ -	$ -	$ -	$ 42,687
313 Accounts Payable >90 Days Past Due	-	14,620	-	-	-	-
321 Accrued Wage/Payroll Taxes Payable	-	-	-	-	-	10,758
322 Accrued Compensated Absences - Current Portion	-	31,377	-	-	-	-
324 Accrued Contingency Liability	-	59,518	-	-	-	-
325 Accrued Interest Payable	80,256	-	-	-	-	-
341 Tenant Security Deposits	268,876	-	-	-	-	-
342 Unearned Revenue	2,202	4,776	-	-	-	-
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	115,057	-	-	-	-	-
345 Other Current Liabilities	1,788,545	25,181	229	-	-	-
346 Accrued Liabilities - Other	2,301,026	703,873	424,700	-	-	452,243
347 Inter Program - Due To	30,390	54,017	1,615,011	81,544	-	26,034
310 Total Current Liabilities	4,837,479	920,986	2,039,940	81,544	-	531,722
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	3,290,053	-	-	-	-	-
353 Non-current Liabilities - Other	-	-	-	-	-	-
357 Accrued Pension and OPEB Liabilities	-	-	-	-	-	-
350 Total Non-Current Liabilities	3,290,053	-	-	-	-	-
300 Total Liabilities	8,127,532	920,986	2,039,940	81,544	-	531,722
400 Deferred Inflow of Resources	-	-	-	-	-	-
508.3 Nonspendable Fund Balance						
508.4 Net Investment in Capital Assets	62,001,193	31,481,491	-	-	-	44,896,050
511.4 Restricted Net Position	220,189	8,468	-	-	-	138,477
512.4 Unrestricted Net Position	8,974,318	24,859,331	-	(767)	-	7,504,532
513 Total Equity - Net Assets / Position	71,195,700	56,349,290	-	(767)	-	52,539,058
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	$ 79,323,232	$ 57,270,276	$ 2,039,940	$ 80,777	$ -	$ 53,070,780

14.896 PIH Family Self-Sufficiency Program	2 State/Local	1 Business Activities	8 Other Federal Program 1	14.871 Housing Choice Vouchers	COCC	Subtotal	ELIM	Total
$ -	$ -	$ 5,622,436	$ -	$ 1,611,913	$ 43,989	$ 16,587,121	$ -	$ 16,587,121
-	-	3,731,489	17,595	-	-	3,753,262	-	3,753,262
-	5,629,024	8,564,325	-	-	8,674	14,340,500	-	14,340,500
-	-	-	-	-	-	268,876	-	268,876
-	-	-	-	-	-	121,154	-	121,154
-	5,629,024	17,918,250	17,595	1,611,913	52,663	35,070,913	-	35,070,913
23,679	-	-	-	-	-	2,220,731	-	2,220,731
-	-	125,433	-	25,664	3,959	978,346	-	978,346
-	-	-	-	22,549	-	164,701	-	164,701
-	-	-	-	(22,549)	-	(158,966)	-	(158,966)
-	-	-	-	(24,309)	-	(417,850)	-	(417,850)
23,679	-	125,433	-	1,355	3,959	2,786,962	-	2,786,962
-	-	8,484,162	-	-	-	44,327,319	-	44,327,319
-	-	27,500,075	-	-	-	27,500,075	-	27,500,075
-	-	-	-	-	797,748	860,112	-	860,112
-	1,036	18,987	-	99,425	1,010,080	2,647,839	(2,647,839)	-
-	-	-	-	-	-	-	-	-
23,679	5,630,060	54,046,907	17,595	1,712,693	1,864,450	113,193,220	(2,647,839)	110,545,381
-	-	1,240,605	-	-	-	98,714,983	-	98,714,983
-	-	-	-	-	79,881	133,404,041	-	133,404,041
-	-	-	-	-	326,107	28,262,492	-	28,262,492
-	-	-	-	-	7,163,871	9,099,776	-	9,099,776
-	-	-	-	-	(7,021,458)	(127,053,352)	-	(127,053,352)
-	-	-	-	-	-	1,023,756	-	1,023,756
-	-	1,240,605	-	-	548,401	143,451,696	-	143,451,696
-	-	185,683,467	-	-	-	185,907,946	-	185,907,946
-	-	47,858,967	-	-	-	47,858,967	-	47,858,967
-	-	230,778,309	-	-	548,401	377,218,609	-	377,218,609
-	-	-	-	-	1,948,541	1,948,541	-	1,948,541
$ 23,679	$ 5,630,060	$ 284,825,216	$ 17,595	$ 1,712,693	$ 4,361,392	$ 492,360,370	$ (2,647,839)	489,712,531
$ -	$ -	$ -	$ -	$ 71	$ 62,939	$ 384,448	$ -	$ 384,448
-	-	-	-	-	-	14,620	-	14,620
-	-	-	-	-	644,145	654,903	-	654,903
-	-	-	-	-	1,105,092	1,136,469	-	1,136,469
-	-	-	-	-	265,482	325,000	-	325,000
-	-	-	-	-	-	80,256	-	80,256
-	-	-	-	-	-	268,876	-	268,876
-	-	-	-	154	-	7,132	-	7,132
-	-	-	-	-	-	115,057	-	115,057
-	5,598,990	969,373	-	6	58,159	8,440,483	-	8,440,483
-	-	57,566	-	-	1,915,431	5,854,839	-	5,854,839
23,679	-	817,164	-	-	-	2,647,839	(2,647,839)	-
23,679	5,598,990	1,844,103	-	231	4,051,248	19,929,922	(2,647,839)	17,282,083
-	-	-	-	-	-	3,290,053	-	3,290,053
-	-	8,983,495	-	-	-	8,983,495	-	8,983,495
-	-	-	-	-	900,623	900,623	-	900,623
-	-	8,983,495	-	-	900,623	13,174,171	-	13,174,171
23,679	5,598,990	6,822,868	-	231	4,951,871	33,104,093	(2,647,839)	30,456,254
-	-	-	-	-	129,773	129,773	-	129,773
-	-	1,240,605	-	-	548,401	140,167,740	-	140,167,740
-	30,034	252,035,047	17,595	-	8,674	252,458,484	-	252,458,484
-	1,036	24,726,696	-	1,712,462	(1,277,327)	66,500,280	-	66,500,280
-	31,070	278,002,348	17,595	1,712,462	(720,252)	459,126,504	-	459,126,504
$ 23,679	$ 5,630,060	$ 284,825,216	$ 17,595	$ 1,712,693	$ 4,361,392	$ 492,360,370	$ (2,647,839)	$ 489,712,531

The Housing Authority of the City of Atlanta, Georgia

Financial Data Schedule of Combining Program Revenues, Expenses and Changes in Net Position

Year Ended June 30, 2019

	Project Total	14.881 Moving to Work Demonstration Program	14.OPS MTW Demonstration Program for Low Rent	14.CFP MTW Demonstration Program for Capital Fund	14.889 Choice Neighborhoods Implementation Grants	14.879 Mainstream Vouchers	6.2 Component Unit - Blended
70500 Total Tenant Revenue	$ 5,099,215	$ -	$ -	$ -	$ -	$ -	$ -
70600 HUD PHA Operating Grants	2,864,949	-	13,808,526	8,152,485	1,427,601	826,675	-
70610 Capital Grants	6,148,953	-	-	-	2,881,687	-	-
70710 Management Fee							
70750 Other Fees							
70700 Total Fee Revenue							
70800 Other Government Grants	-	-	-	-	-	-	-
71100 Investment Income - Unrestricted	-	842,097	-	-	-	-	76,835
71500 Other Revenue	454,080	14,650	-	-	-	-	2,327,378
71600 Gain or Loss on Sale of Capital Assets	-	-	-	-	-	-	-
72000 Investment Income - Restricted	-	-	-	-	-	-	-
70000 Total Revenue	14,567,197	856,747	13,808,526	8,152,485	4,309,288	826,675	2,404,213
91100 Administrative Salaries	-	235,238	-	-	266,898	-	-
91200 Auditing Fees	-	-	-	-	-	-	-
91300 Management Fee	1,914,567	12,121	-	-	-	41,140	44,000
91400 Advertising and Marketing	10,386	3,778	-	-	-	-	-
91500 Employee Benefit contributions - Administrative	-	39,531	-	-	53,739	-	-
91600 Office Expenses	449,774	13,641	-	-	6,560	-	39,280
91700 Legal Expense	178,210	60,278	-	-	34,693	-	-
91800 Travel	6,685	3,070	-	-	-	-	-
91900 Other	1,739,753	636,853	-	-	1,065,711	-	172,013
91000 Total Operating - Administrative	4,299,375	1,004,510	-	-	1,427,601	41,140	255,293
92100 Tenant Services - Salaries	-	249,409	-	-	-	-	-
92200 Relocation Costs	8,082	4,875	-	-	-	-	-
92300 Employee Benefit Contributions - Tenant Services	-	55,620	-	-	-	-	-
92400 Tenant Services - Other	1,425,137	1,464	-	-	-	-	-
92500 Total Tenant Services	1,433,219	311,368	-	-	-	-	-
93000 Total Utilities	2,503,531	145,830	-	-	-	-	218,310
94000 Total Maintenance	3,875,970	145,316	-	-	-	-	728,815
95000 Total Protective Services	1,070,277	159,182	-	-	-	-	223,146
96100 Total insurance Premiums	264,442	10,996	-	-	-	-	29,034
96000 Total Other General Expenses	13,534,463	1,527,735	-	-	-	1,832	5,620
96700 Total Interest Expense and Amortization Cost	267,898	-	-	-	-	-	-
96900 Total Operating Expenses	27,249,175	3,304,937	-	-	1,427,601	42,972	1,460,218
97000 Excess of Operating Revenue over Operating Expenses	(12,681,978)	(2,448,190)	13,808,526	8,152,485	2,881,687	783,703	943,995
97100 Extraordinary Maintenance	2,025,909	93,138	-	-	-	-	80,909
97300 Housing Assistance Payments	-	137,473,693	-	-	-	783,703	-
97400 Depreciation Expense	5,940,970	20,993	-	-	-	-	808,746
90000 Total Expenses	35,216,054	140,892,761	-	-	1,427,601	826,675	2,349,873
10010 Operating Transfer In	30,120,228	197,365,601	-	-	-	-	-
10020 Operating transfer Out	(9,013,902)	(62,707,485)	(13,808,526)	(8,152,485)	(2,881,687)	-	-
10040 Operating Transfers from/to Component Unit	-	(2,278,443)	-	-	-	-	46,562
10091 Inter Project Excess Cash Transfer In	3,245,885	-	-	-	-	-	-
10092 Inter Project Excess Cash Transfer Out	(3,245,885)	-	-	-	-	-	-
10093 Transfers between Program and Project - In	-	-	-	-	-	-	-
10094 Transfers between Project and Program - Out	(2,711,195)	-	-	-	-	-	-
10100 Total Other financing Sources (Uses)	18,395,131	132,379,673	(13,808,526)	(8,152,485)	-	-	46,562
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	$ (2,253,726)	$ (7,656,341)	$ -	$ -	$ -	$ -	$ 100,902
11020 Required Annual Debt Principal Payments	$ 201,152	$ -	$ -	$ -	$ -	$ -	$ -
11030 Beginning Equity	$ 73,449,426	$ 64,005,631	$ -	$ -	$ -	$ (767)	$ 52,438,156
11170 Administrative Fee Equity							
11180 Housing Assistance Payments Equity							
11190 Unit Months Available	44,988	233,892	-	-	-	804	-
11210 Number of Unit Months Leased	42,961	185,748	-	-	-	673	-
11270 Excess Cash	$ 7,799,392						
11630 Furniture & Equipment - Dwelling Purchases	$ 1,363,500						
11640 Furniture & Equipment - Administrative Purchases							
11660 Infrastructure Purchases	$ 1,503,429						
13901 Replacement Housing Factor Funds	$ 9,013,901						

14.896 PIH Family Self-Sufficiency Program	2 State/Local	1 Business Activities	8 Other Federal Program 1	14.HCV MTW Demonstration Program for HCV program	14.871 Housing Choice Vouchers	COCC	Subtotal	ELIM	Total
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 5,099,215	$ -	$ 5,099,215
273,031	-	-	-	175,404,590	9,230,974	-	211,988,831	-	211,988,831
-	-	-	-	-	-	-	9,030,640	-	9,030,640
						2,027,495	2,027,495	(2,027,495)	-
		459,361				-	459,361	-	459,361
						2,027,495	2,027,495	(2,027,495)	-
-	35,260	-	-	-	-	-	35,260	-	35,260
-	-	286,139	-	-	-	-	1,205,071	-	1,205,071
-	13,465	3,471,416	-	-	-	4,567	6,285,556	(2,215,073)	4,098,743
-	-	779,210	-	-	-	(8,256)	770,954	-	770,954
-	-	2,131,725	-	-	-	-	2,131,725	-	2,131,725
273,031	48,725	7,127,851	-	175,404,590	9,230,974	2,023,806	239,034,108	(4,242,568)	234,819,800
-	-	275,066	-	-	-	21,791,998	22,569,200	-	22,569,200
-	-	-	-	-	-	156,000	156,000	-	156,000
-	-	-	-	-	1,023,197		3,035,025	(2,027,495)	1,007,530
-	-	30,930	-	-	-	88,428	133,522	-	133,522
-	-	-	-	-	-	5,345,562	5,438,832	-	5,438,832
-	-	141,974	-	-	-	3,737,078	4,388,307	-	4,388,307
-	-	-	-	-	-	2,576,718	2,849,899	-	2,849,899
-	-	2,486	-	-	-	165,698	177,939	-	177,939
-	-	-	1,208	-	-	3,901,129	7,516,667	(2,215,073)	5,301,594
-	-	450,456	1,208	-	1,023,197	37,762,611	46,265,391	(4,242,568)	42,022,823
192,815	-	-	-	-	-	194,018	636,242	-	636,242
-	-	-	-	-	-	-	12,957	-	12,957
80,216	-	-	-	-	-	42,515	178,351	-	178,351
-	-	-	-	-	-	929,225	2,355,826	-	2,355,826
273,031	-	-	-	-	-	1,165,758	3,183,376	-	3,183,376
-	-	-	-	-	-	-	2,867,671	-	2,867,671
-	-	-	-	-	-	132,968	4,883,069	-	4,883,069
-	-	-	-	-	-	-	1,452,605	-	1,452,605
-	-	-	-	-	-	683,841	988,313	-	988,313
-	-	10,627,077	-	-	17,499	250,257	25,964,483	-	25,964,483
-	-	-	-	-	-	-	267,898	-	267,898
273,031	-	11,077,533	1,208	-	1,040,696	39,995,435	85,872,806	(4,242,568)	81,630,238
-	48,725	(3,949,682)	(1,208)	175,404,590	8,190,278	(37,971,629)	153,161,302	-	153,189,560
-	35,260	81,902	-	-	-	-	2,317,118	-	2,317,118
-	-	-	-	-	7,542,760	-	145,800,156	-	145,800,156
-	-	-	-	-	-	244,110	7,014,819	-	7,014,819
273,031	35,260	11,159,435	1,208	-	8,583,456	40,239,545	241,004,899	(4,242,568)	236,762,331
-	-	8,679,545	-	-	-	35,803,301	271,968,675	-	271,968,675
-	-	-	-	(175,404,590)	-	-	(271,968,675)	-	(271,968,675)
-	-	(30)	-	-	-	2,231,911	-	-	-
-	-	-	-	-	-	-	3,245,885	-	3,245,885
-	-	-	-	-	-	-	(3,245,885)	-	(3,245,885)
-	-	2,711,195	-	-	-	-	2,711,195	-	2,711,195
-	-	-	-	-	-	-	(2,711,195)	-	(2,711,195)
-	-	11,390,710	-	(175,404,590)	-	38,035,212	-	-	-
$ -	$ 13,465	$ 7,359,126	$ (1,208)	$ -	$ 647,518	$ (180,527)	(1,970,791)	$ -	(1,970,791)
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 201,152		$ 201,152
$ -	$ 17,605	$ 270,643,222	$ 18,803	$ -	$ 1,064,944	$ (539,725)	$ 461,097,295		$ 461,097,295
					$ (11,442)		$ (11,442)		$ (11,442)
						$ 1,723,904	$ 1,723,904		$ 1,723,904
-	-	-	-	-	8,940		288,624	-	288,624
-	-	-	-	-	8,025		237,407	-	237,407
							$ 7,799,392		$ 7,799,392
							$ 1,363,500		$ 1,363,500
						$ 304,071	$ 304,071		$ 304,071
							$ 1,503,429		$ 1,503,429
							$ 9,013,901		$ 9,013,901

NOTE A — BASIS OF PRESENTATION

The accompanying Financial Data Schedules of Combining Program Net Position and Combining Program Revenues, Expenses and Changes in Net Position have been prepared using the basis of accounting required by HUD's Real Estate Assessment Center (REAC), as modified in accordance with the provisions, policies and requirements contained in AH's MTW Agreement.

REAC requires certain items on the Schedule of Combining Net Position to be classified entirely as short- or long-term. These items, however, are allocated between short- and long-term in the financial statements prepared in accordance with GAAP. In addition, REAC does not provide for presenting items on the Financial Data Schedule of Combining Program Revenues, Expenses and Changes in Net Position as operating or non-operating. Therefore, there are differences in classifications and presentation between these schedules and the financial statements. Total assets and deferred outflows, total liabilities and deferred inflows, and net position and changes in net position reported in these schedules, however, agree with the financial statements prepared in accordance with GAAP.

The financial data schedules are presented by program in accordance with HUD requirements. Below are definitions of the main programs under which AH conducts its operations.

Project Total

Primarily represents, in aggregate, operating and modernization expenditures and tenant rental revenues, where applicable, associated with the properties and communities, either directly owned by AH or in partnership with Owner Entities of MIXED rental communities, including all related assets and liabilities thereof. This program also includes funds drawn from the RHF grant primarily for reimbursement of development and revitalization expenditures. It also includes liabilities and interest expense associated with the EPC capital lease.

14.881 Moving to Work Demonstration Program (MTW Single Fund)

As defined under Note A.2 of the **Financial Statements** on page 53, this program essentially includes MTW-eligible activity other than those reported under Project Total, which is described above.

Additionally, the programs below were created for MTW Agencies to report grant and subsidy revenues received from HUD. The grant and subsidy revenues are then transferred to the MTW Single Fund. Therefore, these programs are exclusively used as pass-through programs and allow a separate reporting of each of the HUD program funds included in the MTW Single Fund.

a. 14. OPS MTW Demonstration Program for Low Rent includes all funds drawn under the Section 9 Public Housing Operating fund.
b. 14. CFP MTW Demonstration Program for Capital Fund includes funds drawn under CFP.
c. 14. HCV MTW Demonstration Program for HCV Program includes funds received under the Section 8 HCV program (MTW vouchers and RAD vouchers).

NOTE A — BASIS OF PRESENTATION — continued

14.871 Housing Choice Vouchers

Includes the subsidy received, housing assistance payments and an administrative fee allocated from the COCC program in connection with the VASH program, Family Unification Program (FUP) and Non-elderly Disabled including Mainstream 1-year vouchers. These vouchers are not part of the MTW Single Fund.

14.879 Mainstream Vouchers

Includes the subsidy received, housing assistance payments and an administrative fee allocated from the COCC program in connection with the Mainstream 5-year vouchers. These vouchers are not part of the MTW Single Fund.

2 State/Local

Primarily includes funds received from the City of Atlanta and related agencies in connection with public improvement work to be carried out on development projects, as well as other development grants provided or fees paid by the City of Atlanta and related agencies, where applicable.

1 Business Activities

Primarily includes development and revitalization activities resulting from AH's role as sponsor and co-developer of MIXED rental communities. Those activities primarily include predevelopment and development loans to Owner Entities of the MIXED rental communities, developer and other fees earned from the deals as well as interest revenue on the loans. For further information, refer to Note F of the **Financial Statements** on page 65.

This program also includes unrestricted and restricted cash and investments associated with program income received over the years from repayments of loans and other receivables.

Furthermore, as a member of National Housing Compliance, Inc., AH receives contributions, which are included in this program as unrestricted (non-federal) cash and investments. It also includes expenses (not allowable under HUD regulations) paid with NHC or non-federal funds. For further information, refer to Note G of the **Financial Statements** on page 67.

COCC

Comprised of operating and administrative expenses incurred by the operating and administrative departments overseeing and/or supporting AH's various projects and programs, net of management fees allocated.

6.2 Component Unit — Blended

Includes all activities of AH's blended component units as described in Note A.3 of the **Financial Statements** on page 54. See Note U of the **Notes to the Financial Statements** on page 81 for balances and activity for 2019 and 2018.

SCHEDULE OF RELATED-PARTY DEVELOPMENT LOANS

Owner Entity:	Effective Date	Interest Rate	Maturity Date	Outstanding Balance as of June 30, 2019	Outstanding Balance as of June 30, 2018
Construction/Permanent Financing Loans:					
Capitol Gateway Partnership I, L.P.	9/15/2008	1.00%	12/31/2072	$ 10,084,861	$ 10,084,861
Capitol Gateway Partnership II, L.P.	11/29/2006	4.89%	11/1/2058	1,436,874	1,358,488
Capitol Gateway Partnership II, L.P.	11/29/2006	1.00%	11/1/2072	2,405,708	2,405,708
Carver Redevelopment Partnership I, L.P.	9/1/2006	1.00%	7/20/2060	7,700,000	7,700,000
Carver Redevelopment Partnership I, L.P.	7/21/2000	0.50%	1/1/2059	500,000	500,000
Carver Redevelopment Partnership I, L.P.	9/1/2006	5.21%	12/31/2055	874,250	874,250
Carver Redevelopment Partnership II, L.P.	12/2/2002	6.25%	7/20/2060	740,000	740,000
Carver Redevelopment Partnership III, L.P.	3/31/2006	1.00%	7/20/2060	8,430,000	8,430,000
Carver Redevelopment Partnership V, L.P.	8/15/2009	0.50%	7/20/2060	6,240,000	6,240,000
CCH John Eagan I Homes, L.P.	8/12/1998	1.00%	8/12/2055	5,896,000	5,896,000
CCH John Eagan II Homes, L.P.	11/17/2000	1.00%	11/30/2057	4,536,000	4,536,000
Centennial Place Partnership I, L.P.	6/11/2015	0.50%	6/11/2070	4,044,270	4,044,270
Centennial Place Partnership II, L.P.	12/4/2015	0.50%	12/4/2070	4,150,000	4,150,000
Centennial Place Partnership III, L.P.	12/29/2016	0.50%	12/28/2071	4,266,771	4,266,771
Centennial Place Partnership IV, L.P.	12/28/2018	1.00%	12/28/2075	4,235,060	-
Centennial Place Partnership IV, L.P.	12/28/2018	0.50%	12/28/2075	2,415,539	-
Columbia at Mechanicsville Apartments, L.P.	12/19/2006	0.00%	12/31/2063	5,115,000	5,115,000
Columbia Commons, L.P.	3/30/2007	5.01%	12/30/2059	2,800,000	2,800,000
Columbia Commons, L.P.	3/30/2007	5.01%	10/30/2059	625,221	625,221
Columbia Creste, L.P.	8/7/2007	5.21%	10/30/2059	4,900,000	4,900,000
Columbia Creste, L.P.	8/7/2007	5.21%	10/30/2059	346,290	346,290
Columbia Estates, L.P.	3/30/2007	5.01%	10/30/2059	3,750,000	3,750,000
Columbia Estates, L.P.	3/30/2007	5.01%	10/30/2059	816,413	816,413
Columbia Grove, L.P.	7/23/2008	4.60%	7/31/2055	4,303,896	4,303,896
Columbia Grove, L.P.	7/23/2008	4.60%	7/31/2055	162,773	162,773
Columbia Park Citi Residences, L.P.	10/5/2006	5.21%	10/30/2059	4,575,000	4,575,000
Columbia Park Citi Residences, L.P.	10/5/2006	5.21%	10/30/2059	253,164	253,164
Columbia Senior Residences at Mechanicsville, L.P.	12/20/2006	4.90%	12/31/2063	4,273,628	4,273,628
Columbia Village, L.P.	8/14/1998	6.50%	6/12/2040	2,250,000	2,250,000
East Lake Redevelopment II, L.P.	7/29/1999	0.00%	7/29/2039	11,903,505	11,903,505
East Lake Redevelopment, L.P.	12/13/1996	0.00%	12/12/2036	5,824,000	5,824,000
Grady Multifamily I, LP	12/18/2009	0.50%	12/1/2067	6,497,620	7,034,437
Grady Multifamily II, L.P.	12/18/2012	3.48%	12/17/2067	5,432,980	5,384,963
Grady Redevelopment Partnership I, L.P.	9/20/2007	1.00%	9/1/2067	2,577,377	2,680,265
Grady Senior Partnership II, LP	3/12/2010	0.50%	12/1/2067	1,938,987	2,423,892
Harris Redevelopment Partnership I, L.P.	1/1/2006	4.87%	10/31/2063	7,925,000	7,925,000
Harris Redevelopment Partnership V, LP	12/18/2009	0.50%	10/1/2063	8,565,152	8,798,767
John Hope Community Partnership I, L.P.	6/1/2018	1.00%	5/31/2075	875,152	875,152
John Hope Community Partnership II, L.P.	5/12/1999	1.00%	5/11/2054	7,980,000	7,980,000
Juniper and Tenth, LP	11/22/2016	0.50%	11/21/2066	3,662,500	3,662,500
Kimberly Associates I, L.P.	12/30/1999	6.47%	12/30/2054	2,605,000	2,605,000
Kimberly Associates II, L.P.	8/29/2001	5.72%	12/30/2054	1,507,000	1,507,000
Kimberly Associates III, L.P.	11/15/2002	4.60%	12/30/2054	1,305,000	1,305,000
Legacy Partnership IV, L.P.	2/24/1999	5.24%	2/23/2054	-	3,920,000
Mechanicsville Apartments Phase 3, L.P.	12/14/2007	4.72%	12/31/2059	5,965,395	5,965,395
Mechanicsville Apartments Phase 4, L.P.	12/21/2007	0.00%	12/31/2059	5,494,000	5,494,000
Mechanicsville Apartments Phase 6, L.P.	1/14/2011	2.50%	12/31/2063	5,158,796	5,158,796
Mercy Housing Georgia VI, L.P.	7/20/2007	2.50%	10/1/2063	5,600,000	5,600,000
Piedmont Senior Tower, LLC	11/29/2017	2.60%	5/1/2034	2,153,000	2,153,000
Piedmont Senior Tower, LLC	11/29/2017	2.60%	11/29/2067	9,000,000	9,000,000
Piedmont Senior Tower, LLC	11/29/2017	2.60%	11/29/2067	3,300,000	3,300,000
The New Villages of Castleberry Hills I, LP	6/6/2018	1.00%	5/31/2075	3,744,848	3,744,848
UH Scholars Partnership III, LP	9/25/2018	0.50%	9/25/2060	2,881,687	-
UH Senior Partnership II, LP	12/24/2013	1.00%	12/17/2066	1,500,000	1,500,000
UH Senior Partnership II, LP	2/27/2015	0.00%	2/27/2065	450,000	450,000
West End Phase III Redevelopment Partnership, L.P.	5/19/2000	6.20%	5/31/2034	1,298,400	1,298,400
				217,272,116	212,891,652
Valuation Allowance				(47,232,865)	(41,948,382)
				$ 170,039,251	**$ 170,943,270**

The Housing Authority of the City of Atlanta, Georgia

SCHEDULE OF RELATED-PARTY OTHER LOANS AND FEES RECEIVABLE

As of June 30, 2019

Owner Entity:	Other Loans	Developer and Other Fees Long Term	Predevelopment Loans Long Term	Investment In Partnership
Adamsville Green, L.P.	$ 1,672,944	$ -	$ -	$ -
Brock Built Homes, LLC	9,064,730			
Campbell Stone, L.P.	1,500,000	-	-	-
Capitol Gateway Partnership I, L.P.	181,236	-	-	-
Carver Redevelopment Partnership I, L.P.	225,792	28,129	-	-
Carver Redevelopment Partnership II, L.P.	-	52,448	-	-
Carver Redevelopment Partnership III, L.P.	111,500	-	-	-
Carver Redevelopment Partnership V, L.P.	-	75,324	-	-
CCH John Eagan I Homes, L.P.	46,565	-	-	-
Centennial Place Partnership I, L.P.	-	59,582	-	-
Centennial Place Partnership III, L.P.	-	260,585	-	-
Columbia at Mechanicsville Apartments, L.P.	-	8,469	-	-
Columbia Colony Senior	-	30,000	-	-
Columbia Commons, L.P.	-	-	-	82,580
Columbia Creste, L.P.	148,009	121,414	-	-
Columbia Estates, L.P.	168,791	21,124	-	-
Columbia Grove, L.P.	227,999	64,855	-	-
Columbia Heritage Senior Residences, L.P.	-	83,407	-	-
Columbia Park Citi Residences, L.P.	117,687	14,186	-	-
Columbia Senior Residences at Edgewood, L.P.	889,830	-	-	-
Columbia Senior Residences at Mechanicsville, L.P.	-	8,034	-	-
Columbia Village, L.P.	-	-	-	111,914
Cosby Spear, L.P.	-	8,250	-	-
East Lake Redevelopment II, L.P.	318,728	18,600	-	-
East Lake Redevelopment, L.P.	197,702	-	-	-
Gates Park Crossing HFOP Apartments, L.P.	1,203,535	250,054	-	-
Gates Park Crossing HFS Apartments, L.P.	1,066,578	257,375	-	-
Grady Multifamily II, L.P.	-	2,203	-	-
Harris Redevelopment Partnership I, L.P.	351,060	17,069	-	-
Harris Redevelopment Partnership II, L.P.	84,800	-	-	-
Harris Redevelopment Partnership VI, L.P.	-	18,136	-	220,000
Harris Redevelopment, LLC	-	-	8,468	-
Herndon Homes Phase I, LLC			560,305	
Hightower Manor Redevelopment, L.P.	-	-	137,310	-
Kimberly Associates I, L.P.	152,484	-	-	-
Kimberly Associates II, L.P.	70,335	7,833	-	-
Kimberly Associates III, L.P.	22,080	91,241	-	-
Mechanicsville Apartments Phase 3, L.P.	-	18,965	-	-
Mechanicsville Apartments Phase 4, L.P.	-	73,668	-	-
Mechanicsville Apartments Phase 6, L.P.	-	73,659	-	-
Mercy Housing Georgia VI, L.P.	111,296	-	-	-
Peachtree Road Senior Tower, LLC	-	-	18,341	-
Piedmont Senior Tower, LLC		553,268		
The New Villages of Castleberry Hills I, L.P.	-	1,326	-	-
UH Senior Partnership II, L.P.	-	115,655	-	-
UH Scholars Partnership IV, L.P.	-	10,000	60,360	-
West End Phase III Redevelopment Partnership, L.P.	97,805	-	-	-
	18,031,486	2,344,859	784,784	414,494
Valuation allowance	(2,947,574)	(1,280,613)	-	(414,494)
	$ 15,083,912	**$ 1,064,246**	**$ 784,784**	**$ -**

The Housing Authority of the City of Atlanta, Georgia

SCHEDULE OF RELATED-PARTY OTHER LOANS AND FEES RECEIVABLE

As of June 30, 2018

Owner Entity:	Other Loans	Developer and Other Fees Long Term	Predevelopment Loans Long Term	Investment In Partnership
Adamsville Green, L.P.	$ 1,837,378	$ 3,500	$ -	$ -
Brock Built Homes, LLC	46,700	-	-	-
Campbell Stone, L.P.	1,500,000	-	-	-
Capitol Gateway Partnership I, L.P.	181,236	-	-	-
Carver Redevelopment Partnership I, L.P.	225,792	28,129	-	-
Carver Redevelopment Partnership II, L.P.	-	52,448	-	-
Carver Redevelopment Partnership III, L.P.	111,500	-	-	-
Carver Redevelopment Partnership V, L.P.	-	111,822	-	-
CCH John Eagan I Homes, L.P.	46,565	-	-	-
Centennial Place Partnership I, L.P.	-	170,877	-	-
Centennial Place Partnership II, L.P.	-	130,640	-	-
Centennial Place Partnership III, L.P.	-	260,585	-	-
Centennial Place Partnership IV, L.P.	-	-	31,096	
Columbia at Mechanicsville Apartments, L.P.	-	57,592	-	-
Columbia Colony Senior	-	30,000	-	-
Columbia Commons, L.P.	-	-	-	82,580
Columbia Creste, L.P.	148,009	121,414	-	-
Columbia Estates, L.P.	168,791	71,163	-	-
Columbia Grove, L.P.	227,999	64,855	-	-
Columbia Heritage Senior Residences, L.P.	-	83,407	-	-
Columbia Park Citi Residences, L.P.	117,687	14,186	-	-
Columbia Senior Residences at Edgewood, L.P.	922,534	-	-	-
Columbia Senior Residences at Mechanicsville, L.P.	-	8,034	-	-
Columbia Village, L.P.	-	-	-	111,914
Cosby Spear, L.P.	-	8,250	-	-
East Lake Redevelopment II, L.P.	318,728	-	-	-
East Lake Redevelopment, L.P.	197,702	-	-	-
Gates Park Crossing HFOP Apartments, L.P.	1,203,535	250,054	-	-
Gates Park Crossing HFS Apartments, L.P.	1,074,078	257,375	-	-
Grady Multifamily II, L.P.	-	2,203	-	-
Harris Redevelopment Partnership I, L.P.	351,060	17,069	-	-
Harris Redevelopment Partnership II, L.P.	97,544	-	-	-
Harris Redevelopment Partnership VI, L.P.	-	18,136	-	220,000
Harris Redevelopment, LLC	-	-	8,468	-
Herndon Homes Phase I, LLC	-	10,000	-	-
Hightower Manor Redevelopment, L.P.	-	-	33,011	-
Kimberly Associates I, L.P.	152,484	-	-	-
Kimberly Associates II, L.P.	70,335	7,833	-	-
Kimberly Associates III, L.P.	22,080	91,241	-	-
Legacy Partnership IV, L.P.	284,483	-	-	-
Mechanicsville Apartments Phase 3, L.P.	-	18,965	-	-
Mechanicsville Apartments Phase 4, L.P.	-	73,668	-	-
Mechanicsville Apartments Phase 6, L.P.	-	73,659	-	-
Mercy Housing Georgia VI, L.P.	111,296	-	-	-
Peachtree Road Senior Tower, LLC	-	-	18,341	-
Piedmont Senior Tower, LLC	-	699,510	-	-
The New Villages of Castleberry Hills I, LP	-	2,393	-	-
UH Scholars Partnership III, L.P.	-	1,326	524,573	-
UH Scholars Partnership IV, L.P.	-	10,000	-	-
UH Senior Partnership II, L.P.	-	115,655	-	-
West End Phase III Redevelopment Partnership, L.P.	97,805	-	-	-
	9,515,323	2,865,987	615,489	414,494
Valuation allowance	(3,244,802)	(1,416,273)	-	(414,494)
	$ 6,270,521	**$ 1,449,714**	**$ 615,489**	**$ -**

The Housing Authority of the City of Atlanta, Georgia

SCHEDULE OF RELATED-PARTY TRANSACTIONS

June 30, 2019

Owner Entity:	Interest Income received on Loans	Development Related Income	Housing Assistance Payments: Operating Subsidy	Housing Assistance Payments: HomeFlex [1]
Adamsville Green, L.P.	$ 49,866	$ -	$ -	$ 571,126
Atlanta Housing Opportunity Inc.	-	15,000	-	-
Brock Built Homes, LLC	-	653,182	-	-
Campbell Stone, L.P.	-	-	-	1,516,885
Capitol Gateway Partnership I, L.P.	93,160	64,055	383,593	-
Capitol Gateway Partnership II, L.P.	262,730	17,219	173,356	151,554
Carnegie Library	-	28,826	-	-
Carver Redevelopment Partnership I, L.P.	68,723	23,841	550,235	-
Carver Redevelopment Partnership II, L.P.	17,086	7,921	109,936	-
Carver Redevelopment Partnership III, L.P.	34,200	23,336	399,763	-
Carver Redevelopment Partnership V, L.P.	47,520	17,445	280,025	-
Carver Senior Building, L.P.	-	64,451	-	553,459
CCH John Eagan I Homes, L.P.	-	-	676,415	-
CCH John Eagan II Homes, L.P.	-	-	709,534	-
Centennial Place Partnership I, L.P.	-	-	-	376,844
Centennial Place Partnership II, L.P.	-	-	-	370,811
Centennial Place Partnership III, L.P.	-	-	-	345,265
Centennial Place Partnership IV, L.P.	30,577	81,350	-	-
Columbia at Mechanicsville Apartments, L.P.	5,006	-	391,189	297,170
Columbia Commons, L.P.	14,299	-	244,161	78,845
Columbia Creste, L.P.	-	-	412,141	-
Columbia Estates, L.P.	119,602	9,601	317,873	-
Columbia Grove, L.P.	-	-	210,697	-
Columbia Heritage Senior Residences, LP	-	-	-	1,039,795
Columbia Mechanicsville Scattered Sites, L.P.	-	94,943	-	-
Columbia Park Citi Residences, L.P.	-	-	486,098	-
Columbia Senior Residences at Edgewood, L.P.	28,006	28,261	-	1,126,456
Columbia Senior Residences at Mechanicsville, L.P.	-	7,708	240,971	589,726
Columbia Village, L.P.	11,175	-	247,066	-
East Lake Redevelopment II, L.P.	-	18,600	1,409,507	-
East Lake Redevelopment, L.P.	-	-	760,636	-
Gates Park Crossing HFOP Apartments, L.P.	-	-	-	1,047,488
Gates Park Crossing HFS Apartments, L.P.	-	-	-	743,295
Grady Multifamily I, L.P.	70,585	19,865	307,498	82,416
Grady Multifamily II, L.P.	217,809	18,212	242,525	-
Grady Redevelopment Partnership I, L.P.	53,385	-	146,646	632,381
Grady Senior Partnership II, L.P.	27,734	10,110	-	855,575
Grady Senior Partnership III, L.P.	-	113,303	-	931,386
Harris Redevelopment Partnership I, L.P.	506	21,807	336,045	-
Harris Redevelopment Partnership II, L.P.	4,616	9,997	-	694,528
Harris Redevelopment Partnership Phase V, LP	88,837	19,526	529,898	-
Harris Redevelopment Partnership Phase VI, LP	-	2,553	177,898	-
Juniper and Tenth, L.P.	-	-	-	877,514
Kimberly Associates I, L.P.	-	-	419,367	-
Kimberly Associates II, L.P.	-	-	221,850	-
Kimberly Associates III, L.P.	-	-	206,032	-
Legacy Partnership IV, L.P.	-	-	-	176,809
Mechanicsville Apartments Phase 3, L.P.	3,761	15,662	404,538	170,626
Mechanicsville Apartments Phase 4, L.P.	-	-	335,761	256,158
Mechanicsville Apartments Phase 6, L.P.	20,012	20,012	215,044	256,547
Mercy Housing Georgia VI, L.P.	71,631	31,385	403,221	934,525
Piedmont Senior Tower, LLC	-	-	-	1,260,768
The New Villages of Castleberry Hills I, LP	3,121	-	-	-
The New Villages of Castleberry Hills II, LP	-	-	827,150	-
UH Senior Partnership I, L.P.	-	126,255	-	728,396
UH Senior Partnership II, L.P.	-	15,400	-	289,963
UH Scholars Partnership III, L.P.	-	28,000	-	-
West End Phase III Redevelopment Partnership, L.P.	24,612	-	114,145	-
	$ 1,368,559	**$ 1,607,825**	**$ 12,890,814**	**$ 16,956,311**

[1] *HomeFlex payments listed are related-party only and, as a result, are not all-inclusive.*

The Housing Authority of the City of Atlanta, Georgia

SCHEDULE OF RELATED-PARTY TRANSACTIONS

Year Ended June 30, 2018

Owner Entity:	Interest Income received on Loans	Development Related Income	Housing Assistance Payments: Operating Subsidy	Housing Assistance Payments: HomeFlex [1]
Adamsville Green, L.P.	$ 88,580	$ 3,500	$ -	$ 578,320
Atlanta Housing Opportunity Inc.	-	15,000	-	-
Brock Built Homes, LLC	-	1,277,423	-	-
Campbell Stone, L.P.	-	-	-	1,451,796
Capitol Gateway Partnership I, L.P.	-	-	256,977	-
Capitol Gateway Partnership II, L.P.	-	-	174,052	140,128
Carver Redevelopment Partnership I, L.P.	-	-	478,485	-
Carver Redevelopment Partnership II, L.P.	-	-	115,518	-
Carver Redevelopment Partnership III, L.P.	-	-	340,803	-
Carver Redevelopment Partnership V, L.P.	-	-	170,872	-
Carver Senior Building, L.P.	-	-	-	563,698
CCH John Eagan I Homes, L.P.	-	-	424,267	-
CCH John Eagan II Homes, L.P.	-	-	384,618	-
Centennial Place Partnership I, L.P.	-	-	-	329,989
Centennial Place Partnership II, L.P.	-	-	-	303,319
Centennial Place Partnership III, L.P.	21,274	-	-	196,802
Centennial Place Partnership IV, L.P.	-	10,000	-	-
Columbia at Mechanicsville Apartments, L.P.	-	5,000	381,977	294,868
Columbia Commons, L.P.	83,985	-	186,226	59,119
Columbia Creste, L.P.	-	10,000	335,214	-
Columbia Estates, L.P.	-	-	435,722	-
Columbia Grove, L.P.	-	10,000	130,332	-
Columbia Heritage Senior Residences, LP	-	-	-	978,310
Columbia Mechanicsville Scattered Sites, L.P.	-	3,250	-	-
Columbia Park Citi Residences, L.P.	58,052	14,189	305,677	-
Columbia Senior Residences at Edgewood, L.P.	28,492	13,858	-	1,128,239
Columbia Senior Residences at Mechanicsville, L.P.	-	10,752	264,908	551,557
Columbia Village, L.P.	31,500	-	162,470	-
East Lake Redevelopment II, L.P.	-	10,175	1,322,036	-
East Lake Redevelopment, L.P.	-	-	733,194	-
Gates Park Crossing HFOP Apartments, L.P.	-	-	-	930,053
Gates Park Crossing HFS Apartments, L.P.	-	-	-	768,633
Grady Multifamily I, L.P.	-	-	337,637	85,183
Grady Multifamily II L.P.	15,327	-	160,937	-
Grady Redevelopment Partnership I, L.P.	-	-	154,011	646,725
Grady Senior Partnership II, L.P.	-	-	-	871,871
Grady Senior Partnership III, L.P.	-	49,216	-	913,991
Harris Redevelopment Partnership I, L.P.	-	-	330,870	-
Harris Redevelopment Partnership II, L.P.	-	-	-	680,060
Harris Redevelopment Partnership Phase V, LP	-	-	385,735	84,238
Harris Redevelopment Partnership Phase VI, LP	-	-	181,708	-
Harris VII Homeownership Offsite	-	40,323	-	-
Herndon Homes Phase I, LLC	-	10,000	-	-
Juniper and Tenth, L.P.	13,966	-	-	65,141
John Hope Community Partnership I, L.P.	-	-	452,441	-
John Hope Community Partnership II, L.P.	-	-	585,376	-
Kimberly Associates I, L.P.	-	-	396,721	51,448
Kimberly Associates II, L.P.	-	-	253,515	59,226
Kimberly Associates III, L.P.	-	-	192,214	23,354
Legacy Partnership IV, L.P.	-	-	-	189,879
Mechanicsville Apartments Phase 3, L.P.	38,132	8,160	333,384	200,779
Mechanicsville Apartments Phase 4, L.P.	45,108	15,487	324,257	278,557
Mechanicsville Apartments Phase 6, L.P.	(5,602)	5,000	276,926	267,318
Mercy Housing Georgia VI, L.P.	70,717	-	498,994	916,096
Piedmonth Senior Tower, LLC	-	762,350	-	698,311
The New Villages of Castleberry Hills I, L.P.	2,393	51,424	-	-
UH Senior Partnership I, L.P.	-	-	-	760,650
UH Senior Partnership II, L.P.		15,400	-	123,471
West End Phase III Redevelopment Partnership, L.P.	-	-	60,316	-
	$ 491,925	**$ 2,340,507**	**$ 11,528,390**	**$ 15,191,129**

[1] *HomeFlex payments listed are related-party only and, as a result, are not all-inclusive.*

The Housing Authority of the City of Atlanta, Georgia

SCHEDULE OF HUD-FUNDED GRANTS

As of and Year Ended June 30, 2019

Program	Original Grant Award	Grant Drawdown			Expenditures			HUD Receivable/ (Payable)	Remaining Grant Award
	Authorized Amount	Cumulative as of June 30, 2018	Year ended June 30, 2019	Cumulative as of June 30, 2019	Cumulative as of June 30, 2018	Year ended June 30, 2019	Cumulative as of June 30, 2019	Balance as of June 30, 2019	Unexpended Balance as of June 30, 2019
Capital Fund Program Grants:									
* GA06P006501-15 Capital Fund Program 2015	$ 5,427,060	$ 500,000	$ 4,927,060	$ 5,427,060	$ 500,000	$ 4,927,060	$ 5,427,060	$ -	$ -
GA06P006501-16 Capital Fund Program 2016	6,135,319	815,859	2,267,399	3,083,258	815,859	2,267,399	3,083,258	-	3,052,061
GA06P006501-17 Capital Fund Program 2017	10,408,220	-	958,026	958,026	-	958,026	958,026	-	9,450,194
GA06P006501-18 Capital Fund Program 2018	16,140,505	-	-	-	-	-	-	-	16,140,505
GA06P006501-19 Capital Fund Program 2019	16,309,023	-	-	-	-	-	-	-	16,309,023
Total Capital Fund Program Grants	**54,420,127**	**1,315,859**	**8,152,485**	**9,468,344**	**1,315,859**	**8,152,485**	**9,468,344**	-	**44,951,783**
HOPE VI Grants:									
GA4A006CNG114 2014/2015 Choice Neighborhood Implementation Grant	30,000,000	995,655	3,868,408	4,864,063	2,594,714	4,309,289	6,904,003	2,039,940	25,135,937
Total HOPE VI Grants	**30,000,000**	**995,655**	**3,868,408**	**4,864,063**	**2,594,714**	**4,309,289**	**6,904,003**	**2,039,940**	**25,135,937**
Replacement Housing Factor Grants:									
* GA06R006502-13 RHF 2013-2	2,672,813	628,637	2,044,176	2,672,813	628,637	2,044,176	2,672,813	-	-
* GA06R006501-14 RHF 2014-1	5,536,616	-	5,536,616	5,536,616	-	5,536,616	5,536,616	-	-
GA06R006502-14 RHF 2014-2	2,629,657	-	1,086,596	1,086,596	-	1,179,080	1,179,080	92,485	1,543,061
GA06R006501-15 RHF 2015-1	5,121,340	-	-	-	-	-	-	-	5,121,340
GA06R006502-15 RHF 2015-2	1,651,700	-	-	-	-	-	-	-	1,651,700
GA06R006501-16 RHF 2016-1	4,558,498	-	-	-	-	-	-	-	4,558,498
GA06R006502-16 RHF 2016-2	1,713,869	-	-	-	-	-	-	-	1,713,869
* GA06R006501-17 RHF 2017-1	335,503	-	335,503	335,503	-	335,503	335,503	-	-
GA06R006502-17 RHF 2017-2	1,272,118	-	-	-	-	-	-	-	1,272,118
Total Replacement Housing Factor Grants	**25,492,114**	**628,637**	**9,002,891**	**9,631,528**	**628,637**	**9,095,375**	**9,724,012**	**92,485**	**15,860,586**
Resident Opportunity & Self Sufficiency Grants:									
* GA006FSS17GA0322 ROSS 2017	249,382	110,493	138,889	249,382	130,680	118,702	249,382	-	-
GA006FSS17GA2734 ROSS 2018	249,382	-	130,650	130,650	-	154,329	154,329	23,679	118,732
Total Resident Opportunity & Self Sufficiency Grants	**498,764**	**110,493**	**269,539**	**380,032**	**130,680**	**273,031**	**403,711**	**23,679**	**118,732**
Total HUD-Funded Grants	**$ 110,411,005**	**$ 3,050,643**	**$ 21,293,323**	**$ 24,343,966**	**$ 4,669,889**	**$ 21,830,181**	**$ 26,500,070**	**$ 2,156,104**	**$ 86,067,039**

* Grants completed in year ended June 30, 2019

The Housing Authority of the City of Atlanta, Georgia

SCHEDULE OF CFP PROGRAM COMPLETION COSTS AND ADVANCES PROGRAM CERTIFICATION

Contract completed during the year ended June 30, 2019

GRANT NAME	CFP Year 2015
PROJECT NUMBER	GA06P006501-15
GRANT AWARD EFFECTIVE DATE*	February 12, 2015
CONTRACT COMPLETION DATE	February 6, 2019
BUDGET	$ 5,427,060
ADVANCES	$ 5,427,060
COSTS	5,427,060
EXCESS/(DEFICIENCY) OF ADVANCES DUE TO/(FROM) HUD	$ -
AMOUNT TO BE RECAPTURED BY HUD	$ -

*Represents the LOCCS effective date.

The actual CFRG Cost Certificate is in agreement with AHA records.

All amounts due have been received and all liabilities have been paid and there are no undischarged liens (mechanics, laborers, contractors, or material-means) against the Project on file in any public office where the same should be filed in order to be valid. The time in which such liens could be filed has expired.

The Housing Authority of the City of Atlanta, Georgia

SCHEDULE OF RHF PROGRAM COMPLETION COSTS AND ADVANCES PROGRAM CERTIFICATION

Contract completed during the year ended June 30, 2019

GRANT NAME	RHF Year 2013-2
PROJECT NUMBER	GA06R006502-13
GRANT AWARD EFFECTIVE DATE*	August 9, 2013
CONTRACT COMPLETION DATE	August 11, 2018
BUDGET	$ 2,672,813
ADVANCES	$ 2,672,813
COSTS	2,672,813
EXCESS/(DEFICIENCY) OF ADVANCES DUE TO/(FROM) HUD	$ -
AMOUNT TO BE RECAPTURED BY HUD	$ -

*Represents the LOCCS effective date.

The actual CFRG Cost Certificate is in agreement with AHA records.

All amounts due have been received and all liabilities have been paid and there are no undischarged liens (mechanics, laborers, contractors, or material-means) against the Project on file in any public office where the same should be filed in order to be valid. The time in which such liens could be filed has expired.

The Housing Authority of the City of Atlanta, Georgia

SCHEDULE OF RHF PROGRAM COMPLETION
COSTS AND ADVANCES PROGRAM CERTIFICATION

Contract completed during the year ended June 30, 2019

GRANT NAME	RHF Year 2014-1
PROJECT NUMBER	GA06R006501-14
GRANT AWARD EFFECTIVE DATE*	March 20, 2014
CONTRACT COMPLETION DATE	April 12, 2019
BUDGET	$ 5,536,616
ADVANCES	$ 5,536,616
COSTS	5,536,616
EXCESS/(DEFICIENCY) OF ADVANCES DUE TO/(FROM) HUD	$ -
AMOUNT TO BE RECAPTURED BY HUD	$ -

*Represents the LOCCS effective date.

The actual CFRG Cost Certificate is in agreement with AHA records.

All amounts due have been received and all liabilities have been paid and there are no undischarged liens (mechanics, laborers, contractors, or material-means) against the Project on file in any public office where the same should be filed in order to be valid. The time in which such liens could be filed has expired.

The Housing Authority of the City of Atlanta, Georgia

SCHEDULE OF RHF PROGRAM COMPLETION COSTS AND ADVANCES PROGRAM CERTIFICATION

Contract completed during the year ended June 30, 2019

GRANT NAME	RHF Year 2017-1
PROJECT NUMBER	GA06R006501-17
GRANT AWARD EFFECTIVE DATE*	July 6, 2017
CONTRACT COMPLETION DATE	September 7, 2018
BUDGET	$ 335,503
ADVANCES	$ 335,503
COSTS	335,503
EXCESS/(DEFICIENCY) OF ADVANCES DUE TO/(FROM) HUD	$ -
AMOUNT TO BE RECAPTURED BY HUD	$ -

*Represents the LOCCS effective date.

The actual CFRG Cost Certificate is in agreement with AHA records.

All amounts due have been received and all liabilities have been paid and there are no undischarged liens (mechanics, laborers, contractors, or material-means) against the Project on file in any public office where the same should be filed in order to be valid. The time in which such liens could be filed has expired.

The Housing Authority of the City of Atlanta, Georgia

SCHEDULE OF ROSS PROGRAM COMPLETION COSTS AND ADVANCES PROGRAM CERTIFICATION

Contract completed during the year ended June 30, 2019

GRANT NAME	ROSS 2017
PROJECT NUMBER	GA006FSS17GA0322
GRANT AWARD EFFECTIVE DATE*	February 6, 2018
CONTRACT COMPLETION DATE	January 30, 2019
BUDGET	$ 249,382
ADVANCES	$ 249,382
COSTS	249,382
EXCESS/(DEFICIENCY) OF ADVANCES DUE TO/(FROM) HUD	$ -
AMOUNT TO BE RECAPTURED BY HUD	$ -

*Represents the LOCCS effective date.

The actual CFRG Cost Certificate is in agreement with AHA records.

All amounts due have been received and all liabilities have been paid and there are no undischarged liens (mechanics, laborers, contractors, or material-means) against the Project on file in any public office where the same should be filed in order to be valid. The time in which such liens could be filed has expired.

STATISTICAL INFORMATION

The Housing Authority of the City of Atlanta, Georgia

STATEMENTS OF NET POSITION

As of June 30, 2010 to 2019

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
CURRENT ASSETS										
Cash										
Unrestricted	$ 16,587,120	$ 12,244,484	$ 27,181,054	$ 65,220,665	$ 69,105,488	$ 75,430,713	$ 57,173,407	$ 60,542,870	$ 56,647,160	$ 50,218,347
Restricted	18,483,792	36,561,259	43,505,358	56,655,221	53,126,304	51,739,171	41,376,473	40,800,144	43,174,173	49,190,808
Total cash	35,070,912	48,805,743	70,686,412	121,875,886	122,231,792	127,169,884	98,549,880	101,343,014	99,821,333	99,409,155
Investments, short-term	71,827,395	73,195,197	18,999,225	–	–	–	–	2,395,868	–	–
Receivables, net of allowance	2,786,958	2,694,220	1,532,293	2,139,916	2,613,931	2,025,560	2,943,202	4,350,989	20,764,287	21,391,452
Prepaid expense	860,114	1,079,981	992,051	1,166,983	1,065,152	1,072,733	988,049	2,311,642	729,056	356,960
Total current assets	110,545,379	125,775,141	92,209,981	125,182,785	125,910,875	130,268,177	102,481,131	110,401,513	121,314,676	121,157,567
NON-CURRENT ASSETS										
Investments, long-term	46,794,723	29,648,338	20,814,071	8,824,307	9,694,557	9,328,012	9,341,052	9,359,926	9,228,069	8,949,472
Related-party development and other loans, development receivables and investments in partnerships, net of allowances	186,972,191	179,278,993	176,307,994	177,946,199	176,075,137	173,640,209	174,908,333	167,930,497	166,027,043	150,313,997
Capital assets, net of accumulated depreciation	143,451,697	146,876,898	124,966,922	136,284,103	145,264,440	151,038,298	158,435,819	151,092,159	143,135,216	120,680,756
Other non-current assets, net of allowance	–	–	–	14,248,743	9,444,402	5,838,576	25,409,850	25,065,563	24,664,504	20,751,299
Total non-current assets	377,218,611	355,804,229	322,088,987	337,303,352	340,478,536	339,845,095	368,095,054	353,448,145	343,054,832	300,695,524
TOTAL ASSETS	487,763,990	481,579,370	414,298,968	462,486,137	466,389,411	470,113,272	470,576,185	463,849,658	464,369,508	421,853,091
DEFERRED OUTFLOWS	1,948,541	1,445,335	5,398,551	5,267,381	901,516	193,549	–	–	–	–
TOTAL ASSETS AND DEFERRED OUTFLOWS	$ 489,712,531	$ 483,024,705	$ 419,697,519	$ 467,753,518	$ 467,290,927	$ 470,306,821	$ 470,576,185	$ 463,849,658	$ 464,369,508	$ 421,853,091
CURRENT LIABILITIES										
Accounts payable	$ 399,066	$ 405,614	$ 354,209	$ 597,901	$ 398,835	$ 684,617	$ 3,395,211	$ 1,102,938	$ 1,386,807	$ 6,377,736
Accrued liabilities	10,160,851	7,239,316	8,194,323	9,281,521	10,079,969	9,923,312	8,212,829	11,158,326	14,502,525	11,822,369
Other current liabilities	6,607,108	7,354,440	7,460,174	7,743,869	8,281,552	8,058,007	7,989,674	7,713,304	8,165,157	8,426,223
Current portion of long-term debt	115,057	244,371	238,685	254,268	223,177	198,878	463,396	–	331,315	317,148
Total current liabilities	17,282,081	15,243,741	16,247,391	17,877,559	18,983,533	18,864,814	20,061,110	19,974,568	24,385,804	26,943,476
NON-CURRENT LIABILITIES										
Long-term debt, net of current portion	3,290,053	5,616,792	5,861,163	8,312,280	8,566,548	8,789,725	8,988,602	9,293,862	2,905,388	3,236,703
Other non-current liabilities	8,983,495	–	22,486	2,983,741	2,438,836	2,506,290	1,489,305	1,341,235	1,270,244	1,538,609
Net pension plan liability	900,623	605,757	486,051	4,418,902	1,672,594	2,237,859	–	–	–	–
Total non-current liabilities	13,174,171	6,222,549	6,369,700	15,714,923	12,677,978	13,533,874	10,477,907	10,635,097	4,175,632	4,775,312
TOTAL LIABILITIES	30,456,252	21,466,290	22,617,091	33,592,482	31,661,511	32,398,688	30,539,017	30,609,665	28,561,436	31,718,788
DEFERRED INFLOWS	129,773	461,122	855,229	923,653	1,006,989	550,153	–	–	–	–
NET POSITION										
Invested in capital assets, net of related debt	140,167,742	141,220,763	118,867,074	127,717,556	136,474,715	142,049,69	148,983,821	141,798,296	139,898,513	117,126,905
Restricted–expendable	252,458,484	246,932,485	241,011,264	232,858,440	228,405,882	224,622,010	215,762,032	214,894,907	217,773,685	206,842,360
Unrestricted	66,500,280	72,944,045	36,346,861	72,661,387	69,741,830	70,686,275	75,291,315	76,546,790	78,135,874	66,165,038
Total net position	459,126,506	461,097,293	396,225,199	433,237,383	434,622,427	437,357,980	440,037,168	433,239,993	435,808,072	390,134,303
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	$ 489,712,531	$ 483,024,705	$ 419,697,519	$ 467,753,518	$ 467,290,927	$ 470,306,821	$ 470,576,185	$ 463,849,658	$ 464,369,508	$ 421,853,091

The Housing Authority of the City of Atlanta, Georgia

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

Years ended June 30, 2010 to 2019

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
OPERATING REVENUES										
MTW Single Fund used for operations	$ 199,546,087	$ 234,207,383	$ 170,343,418	$ 183,182,507	$ 181,358,237	$ 198,835,971	$ 194,538,496	$ 196,943,569	$ 220,387,902	$ 228,895,356
ARRA grant used for operations	–	–	–	–	–	–	–	235,428	4,816,316	1,654,300
Tenant dwelling revenue	5,099,216	5,364,571	5,834,563	6,065,683	5,876,474	5,794,940	5,595,112	5,435,556	5,415,284	5,679,841
Development grants used for operating expense	4,600,841	2,733,981	1,603,084	3,364,537	1,779,653	1,360,826	1,871,668	3,302,837	5,744,912	10,220,644
Fees earned from National Housing Compliance	1,194,909	1,132,909	1,135,749	1,018,345	630,872	845,317	820,022	1,302,261	1,793,158	1,823,883
Other operating revenues	3,241,820	3,414,887	3,465,853	2,824,867	1,558,848	3,486,292	4,068,455	2,715,078	2,304,135	4,144,092
Total operating revenues	213,682,873	246,853,731	182,382,667	196,455,939	191,204,084	210,323,346	206,893,753	209,934,729	240,461,707	252,418,116
OPERATING EXPENSES										
Housing assistance and operating subsidy payments	158,690,971	144,374,146	140,105,876	136,313,227	135,920,454	139,600,411	138,884,767	140,645,448	147,352,440	147,254,397
Administration including direct operating division	43,182,736	44,933,456	40,840,372	35,245,986	35,469,507	42,153,856	49,021,007	47,326,831	47,050,364	44,104,887
Utilities, maintenance and protective services	9,538,984	9,929,308	10,462,840	11,034,296	12,495,604	12,855,476	13,095,127	13,809,507	13,020,689	13,076,756
Resident and participant services	3,177,038	3,253,123	3,443,628	3,161,177	3,214,506	2,888,452	3,614,930	4,033,862	3,652,211	1,023,137
Revitalization, demolition and remediation	1,915,253	3,646,297	3,885,063	3,474,924	1,788,284	1,741,887	1,005,036	3,040,768	11,247,148	29,965,460
General expense	2,442,020	2,388,563	2,298,988	2,922,669	1,896,019	2,460,498	1,497,724	1,589,610	1,818,099	582,641
Depreciation and amortization	7,014,817	7,189,426	8,706,718	9,579,660	11,905,128	14,769,400	11,252,920	7,724,701	7,478,954	8,152,155
Total operating expense	225,961,819	215,714,319	209,743,485	201,731,939	202,689,502	216,469,980	218,371,511	218,170,727	231,619,905	244,159,433
NET OPERATING INCOME (LOSS)	(12,278,946)	31,139,412	(27,360,818)	(5,276,000)	(11,485,418)	(6,146,634)	(11,477,758)	(8,235,998)	8,841,802	8,258,683
NON-OPERATING REVENUES (EXPENSES)										
Interest Income on development and other loans	1,368,559	491,925	1,577,873	1,332,490	917,974	516,285	685,019	1,153,962	428,162	1,275,968
Interest Income on investments	2,061,351	640,270	42,390	–	–	–	–	–	–	–
Gain/(loss) on sale of assets	770,955	(8,895)	(1,021,986)	555,253	(1,610,978)	3,073,744	(22,645)	7,570	84,118	–
Valuation Allowance	(10,532,612)	(6,502,265)	(16,748,120)	(1,728,240)	–	(1,310,053)	(367,413)	(845,009)	(1,874,749)	(985,601)
Interest expense	(267,897)	(315,422)	(428,455)	(434,013)	(444,322)	(461,699)	(232,730)	(713,807)	(151,992)	(175,851)
Total non-operating revenues (expenses)	(6,599,644)	(5,694,387)	(16,578,298)	(274,510)	(1,137,326)	1,818,277	62,231	(397,284)	(1,514,461)	114,516
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	(18,878,590)	25,445,025	(43,939,116)	(5,550,510)	(12,622,744)	(4,328,357)	(11,415,527)	(8,633,282)	7,327,341	8,373,199
CAPITAL CONTRIBUTIONS										
MTW Single Fund used for modernization of AH-owned properties and capital expenditures	7,877,163	39,427,069	3,096,412	3,579,449	5,935,592	4,537,078	12,186,023	4,492,985	22,090,892	3,362,297
Development grants used for development capital expenditures and loans	9,030,640	–	3,830,520	586,017	3,951,599	1,838,783	6,026,678	1,572,218	16,255,535	20,902,827
Total capital contributions	16,907,803	39,427,069	6,926,932	4,165,466	9,887,191	6,375,861	18,212,701	6,065,203	38,346,427	24,265,124
INCREASE (DECREASE) IN NET POSITION	**(1,907,787)**	**64,872,094**	**(37,012,184)**	**(1,385,044)**	**(2,735,553)**	**2,047,504**	**6,797,174**	**(2,568,079)**	**45,673,768**	**32,638,323**
NET POSITION — beginning of year	**461,097,293**	**396,225,199**	**433,237,383**	**434,622,427**	**437,357,980**	**440,037,168**	**433,239,993**	**435,808,072**	**390,134,303**	**357,495,980**
Change in accounting policy*	-	–		–	–	(4,726,691)	–	–	–	–
NET POSITION — end of year	**$ 459,126,506**	**$ 461,097,293**	**$ 396,225,199**	**$ 433,237,383**	**$ 434,622,427**	**$ 437,357,981**	**$ 440,037,167**	**$ 433,239,993**	**$ 435,808,071**	**$ 390,134,303**

* During FY 2015, AH adopted the accounting standard under GASB No. 68 "Accounting and Financial Reporting for Pension" and, accordingly, changed its accounting policy for its defined benefit pension plan, which was previously accounted for on a cash basis. Although the new pension accounting standard was adopted during FY 2015, amounts previously reported in FY 2014 financial statements were restated as if the standard had been adopted on July 1, 2013.

The Housing Authority of the City of Atlanta, Georgia

Families Served by Community & Program Type

As of June 30, 2010 to 2019

Community & Program Type	Type of Assistance	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
AH-Owned Communities	Public Housing	1,586	1,586	1,793	1,932	1,942	1,942	1,942	1,943	1,953	1,953
MIXED Communities											
(AH-Sponsored Communities)	Public Housing	2,155	2,155	2,221	2,221	2,221	2,522	2,471	2,471	2,424	2,300
	HomeFlex	1,521	1,543	1,543	1,780	1,748	1,387	1,409	1,327	1,176	970
	LIHTC-only	1,084	1,131	1,171	1,138	1,167	1,176	1,112	1,055	981	1,107
	RAD PBV	423	423	149							
HomeFlex Communities											
(Stand Alone Communities)	HomeFlex	4,230	4,012	3,447	3,271	3,244	3,040	2,949	2,953	2,894	2,526
	LIHTC-only	1,589	1,595	1,525	1,482	1,494	1,644	1,644	1,670	1,643	1,714
Housing Choice Tenant-Based *	Housing Choice Voucher	9,094	8,608	8,381	8,009	7,526	7,292	7,043	6,878	6,801	7,119
Housing Choice Port-out	Housing Choice Voucher	1,860	2,029	2,086	1,973	2,016	2,303	2,265	2,399	3,106	3,373
Housing Choice Homeownership-Mortgage Assistance	Housing Choice Voucher	19	23	25	30	37	59	62	83	85	86
Homeownership - Downpayment Assistance	MTW	993	724	553	472	384	315	277	246	204	150
Supportive Housing	MTW	380	215	199	26	-					
TOTAL		**24,934**	**24,044**	**23,093**	**22,334**	**21,779**	**21,680**	**21,174**	**21,025**	**21,267**	**21,298**

** Included in this number are 507 participants searching for a unit.*

The Housing Authority of the City of Atlanta, Georgia

Number of Households by Income Group (percent of Area Median Income (AMI))

As of June 30, 2019

Community & Program Type	Number of Households by Income group (percent of Area Median Income (AMI))														
	< 30% of AMI			31 - 50% of AMI			51 - 80% of AMI			> 80% of AMI			TOTAL		
	Jun-18	Jun-19	% Chg	Jun-18	Jun-19	% Chg	Jun-18	Jun-19	% Chg	Jun-18	Jun-19	% Chg	Jun-18	Jun-19	% Chg
AH-Owned Communities	1,348	1,364	*1%*	177	133	*-25%*	19	18	*-5%*	5	3	*-40%*	1,549	1,518	*-2%*
MIXED Communities [1]	2,459	2,425	*-1%*	943	889	*-6%*	223	199	*-11%*	20	10	*-50%*	3,645	3,523	*-3%*
RAD-PBV Conversions	274	341	*100%*	52	54	*100%*	9	7	*100%*	1	0	*100%*	336	402	*20%*
HomeFlex Communities (PBRA) [1]	2,570	3,135	*22%*	773	831	*8%*	139	117	*-16%*	4	3	*-25%*	3,486	4,086	*17%*
Housing Choice Tenant-Based	7,599	6,242	*-18%*	897	2,219	*147%*	110	591	*437%*	2	42	*2000%*	8,608	9,094	*6%*
Housing Choice Ports	1,501	1,599	*7%*	411	226	*-45%*	108	34	*-69%*	9	1	*0%*	2,029	1,860	*-8%*
TOTAL	**15,751**	**15,106**	***-4%***	**3,253**	**4,352**	***34%***	**608**	**966**	***59%***	**41**	**59**	***44%***	**19,653**	**20,483**	***4.2%***

Total households that are ≤ 50% of Area Median Income (**AMI**) = 19,458 or 95% of the households tracked.

The remaining households, 1,025, make up the 5% that falls into the > 50% of AMI category.

[1] AHA does not capture household characteristics for LIHTC-only units within AH's MIXED Communities and HomeFlex (PBRA) Communities.

The Housing Authority of the City of Atlanta, Georgia

Number of Households by Family Size

As of June 30, 2019

Community & Program Type	Number of Households by Family Size																	
	1 Member			2 Members			3 Members			4 Members			5+ Members			TOTAL		
	Jun-18	Jun-19	% Chg	Jun-18	Jun-19	% Chg	Jun-18	Jun-19	% Chg	Jun-18	Jun-19	% Chg	Jun-18	Jun-19	% Chg	Jun-18	Jun-19	% Chg
AH-Owned Communities	1,395	1,368	*-2%*	104	100	*-4%*	17	14	*-18%*	15	14	*-7%*	18	22	*22%*	**1,549**	**1,518**	***-2%***
MIXED Communities [1]	2,029	1,883	*-7%*	715	745	*4%*	505	487	*-4%*	247	253	*2%*	149	155	*4%*	**3,645**	**3,523**	***-3%***
RAD-PBV Conversions	288	354	*100%*	32	36	*100%*	13	11	*100%*	2	1	*100%*	1	0	*100%*	**336**	**402**	***20%***
HomeFlex Communities (PBRA) [1]	2,482	2,979	*20%*	640	733	*15%*	214	216	*1%*	99	106	*7%*	51	52	*2%*	**3,486**	**4,086**	***17%***
Housing Choice Tenant-Based	2,459	2,862	*16%*	2,023	2,274	*12%*	1,741	1,696	*-3%*	1,218	1,175	*-4%*	1,167	1,087	*-7%*	**8,608**	**9,094**	***6%***
Housing Choice Ports [2]	861	789	*-8%*	465	426	*-8%*	535	491	*-8%*	144	132	*-8%*	24	22	*-8%*	**2,029**	**1,860**	***-8%***
TOTAL	**9,514**	**10,235**	***8%***	**3,979**	**4,314**	***8%***	**3,025**	**2,915**	***-4%***	**1,725**	**1,681**	***-3%***	**1,410**	**1,338**	***-5%***	**19,653**	**20,483**	***N/A***

NOTES:

[1] AH does not capture household characteristics for LIHTC-only units within AH's MIXED Communities and HomeFlex (PBRA) Communities.

[2] AH estimates the family composition for HCV Port-outs.

The Housing Authority of the City of Atlanta, Georgia

Number of Households by Unit Size

As of June 30, 2019

Community & Program Type	Number of Households by Unit Size																	
	0/1 Bedroom			2 Bedrooms			3 Bedrooms			4 Bedrooms			5+ Bedrooms			TOTAL		
	Jun-18	Jun-19	% Chg	Jun-18	Jun-19	% Chg	Jun-18	Jun-19	% Chg	Jun-18	Jun-19	% Chg	Jun-18	Jun-19	% Chg	Jun-18	Jun-19	% Chg
AH-Owned Communities	1,455	1,425	-2%	46	45	-2%	20	19	-5%	28	29	4%	0	0	--	1,549	1,518	-2%
MIXED Communities [1]	1,617	1,455	-10%	1,434	1,467	2%	547	553	1%	47	48	2%	0	0	--	3,645	3,523	-3%
RAD-PBV Conversions	300	366	100%	31	31	100%	5	5	100%		0	100%			100%	336	402	20%
HomeFlex Communities (PBRA) [1]	2,090	2,608	25%	1,224	1,296	6%	167	177	6%	5	5	0%	0	0	--	3,486	4,086	17%
Housing Choice Tenant-Based [2] [3]	2,459	2,897	18%	2,023	3,110	54%	1,741	2,381	37%	1,218	706	-42%	1,167	0	-100%	8,608	9,094	6%
Housing Choice Ports	409	375	-8%	664	609	-8%	720	660	-8%	206	189	-8%	30	27	-10%	2,029	1,860	-8%
TOTAL	8,330	9,126	10%	5,422	6,558	21%	3,200	3,795	19%	1,504	977	-35%	1,197	27	-98%	19,653	20,483	4%

NOTES:

[1] AH does not capture household characteristics for LIHTC-only units within AH's MIXED Communities and HomeFlex (PBRA) Communities

[2] Increase in studio/one bedroom units reflects growth in permanent supportive housing programs that address homelessness (including VASH).

[3] Changes in household sizes reflect "right-sizing" program vouchers during program recertification

The Housing Authority of the City of Atlanta, Georgia

Full-Time Employees by Department

As of June 30, 2019

Personnel Summary*	2019	2018
Operating Divisions		
Customer Services	11	13
Housing Services	63	66
Inspections Services	24	23
Office of the Chief Real Estate Officer	1	-
Real Estate Planning & Development	5	5
Real Estate Asset & Property Management	8	6
Real Estate Development	10	8
Real Estate Investments & Capital Markets	12	12
Real Estate Program & Project Management	11	13
Total Operating Divisions	**145**	**146**
Corporate Support		
Communications, Marketing & Public Engagement	6	7
Contracts & Procurement	12	9
Executive Office	2	3
Corporate Finance	15	14
Government, External Affairs & Human Development	21	14
Human Resources	5	5
Information Technology, Record & Program Management	39	42
Office of Chief Operating Officer	2	3
Office of General Counsel	13	10
Office of Strategy, Policy & Regulatory Affairs	20	4
Total Corporate Support	**135**	**111**
Choice Neighborhoods	**12**	**10**
Grand Total	**292**	**267**

** Information reflects full-time regular headcount in payroll system on the last day of each fiscal year.*

The Housing Authority of the City of Atlanta, Georgia

Metro Atlanta Key Economic Indicators

Years 2010 to 2018

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Population[1]	5,240,828	5,286,728	5,366,252	5,444,763	5,511,323	5,594,545	5,688,284	5,790,280	5,874,249	5,949,951
Annual Net Population Gain	70,729	45,900	79,524	78,511	66,560	83,222	93,739	101,996	83,969	75,702
Annual Growth Rate	1.40%	0.90%	1.50%	1.50%	1.20%	1.50%	1.70%	1.80%	1.50%	1.30%
Labor Force[2]	2,722,616	2,720,044	2,760,194	2,791,002	2,789,870	2,800,382	2,839,002	2,941,617	3,035,596	3,071,570
Employment[2]	2,452,057	2,440,037	2,486,895	2,545,474	2,572,589	2,611,988	2,677,148	2,791,452	2,898,961	2,955,581
Unemployment Rate[2]	9.90%	10.30%	9.90%	8.80%	7.80%	6.70%	5.70%	5.10%	4.50%	3.80%
Nonagricultural Employment[2]	2,296,900	2,276,000	2,311,700	2,354,200	2,414,300	2,503,200	2,582,200	2,664,800	2,727,500	2,785,900
Annual Net Job Creation[2]	-136,500	-20,900	35,700	42,500	60,100	88,900	79,000	82,600	62,700	58,400
Annual Growth Rate	-5.60%	-0.90%	1.60%	1.80%	2.60%	3.70%	3.20%	3.20%	2.40%	2.10%
Gross Domestic Product (billions)[3]	$269.60	$272.30	$280.70	$291.50	$307.70	$326.50	$347.60	$369.80	$385.50	tbd
Total Personal Income (billions)[3]	$199.40	$203.50	$219.70	$225.90	$229.70	$248.80	$264.80	$277.70	$292.20	tbd
Per Capita Personal Income3	$38,040	$38,380	$40,892	$41,448	$41,640	$44,397	$46,444	$47,920	$49,657	tbd
Total Housing Units Authorized by Building Permits[4]	6,533	7,575	8,634	14,380	24,297	26,683	30,342	36,357	33,832	39,132
Single Family	5,421	6,384	6,214	9,167	14,824	16,984	19,995	23,100	24,973	26,097
Multi-Family & Apartments	1,112	1,191	2,420	5,213	9,473	9,699	10,347	13,257	8,859	13,035
Hartsfield-Jackson International Airport 5										
Total Operations (takeoffs & landings)	970,235	950,119	923,996	930,310	911,074	868,359	882,497	898,356	880,342	895,682
Total Passengers	88,001,381	89,331,662	92,389,023	95,513,828	94,431,224	96,178,899	101,491,106	104,171,935	103,934,717	107,394,029
International Passengers	8,832,195	9,139,022	9,856,954	9,854,343	10,258,133	10,784,219	11,233,303	11,475,615	12,501,023	12,065,290
Total Freight (metric tons)	554,888	643,502	663,162	654,013	616,365	601,270	626,201	648,595	691,269	693,790

NOTES:

1: Population figures for 2001-2009 and 2011-2018 are annual estimates by the U.S. Census Bureau between decennial Censuses; figure for 2010 is decennial Census count; all population figures based on 29-county Atlanta MSA delineation

2: Georgia Department of Labor; U.S. Bureau of Labor Statistics, not seasonally adjusted

3: U.S. Bureau of Economic Analysis, current dollars

4: U.S. Census Bureau, Manufacturing & Construction Division

5: Hartsfield-Jackson Atlanta International Airport

https://www.metroatlantachamber.com/assets/key_figures_2001_to_2018_5_15_19_7J7xw26.pdf

Metro Atlanta Top Twenty Employers
2018–2019

Rank	Employer	Full-Time Equivalent (FTE) Headcount*	Primary Facility Type
1	Delta Air Lines	34,500	Corporate HQ/Airport (FORTUNE #75)
2	Emory University & Emory Healthcare	32,091	Educational Institution/Healthcare
3	The Home Depot	16,510	Corporate HQ (FORTUNE #23)
4	Northside Hospital	16,000+	Healthcare
5	Piedmont Healthcare	15,900	Healthcare
6	Publix Super Markets	15,591	Division HQ
7	WellStar Health System	15,353	Healthcare
8	The Kroger Co.	15,000+	Division HQ
9	AT&T	15,000	Division HQ/Regional HQ
10	UPS	14,594	Corporate HQ (FORTUNE #44)
11	Marriott International	12,000+	Hotels
12	Children's Healthcare of Atlanta	9,000	Healthcare
13	Cox Enterprises	8,894	Corporate HQ
14	Centers for Disease Control and Prevention (CDC)	8,403	Federal Government Agency HQ
15	The Coca-Cola Company	8,000	Corporate HQ (FORTUNE #87)
16	Southern Company (includes Georgia Power)	7,753	Corporate HQ (FORTUNE #126)
17	Grady Health System	7,600	Healthcare
18	SunTrust Bank	7,478	Corporate HQ (FORTUNE #303)
19	Georgia Institute of Technology (Georgia Tech)	7,139	Educational Institution
20 T	State Farm	6,000	Hub
20 T	Turner	6,000	Corporate HQ

Source: https://www.metroatlantachamber.com/assets/top_employers_2018_2019_1_23_19_6a7P4J4.pdf,, 9/20/2019