

Comprehensive
Annual Financial
Report and
Independent
Auditor's Report



For the fiscal years ended
June 30, 2020 and 2019

The Housing Authority of the City of
Atlanta, Georgia

**COMPREHENSIVE ANNUAL FINANCIAL REPORT AND
INDEPENDENT AUDITOR'S REPORT**

THE HOUSING AUTHORITY OF THE CITY OF ATLANTA, GEORGIA

For the fiscal years ended June 30, 2020 and 2019

Issued by the Finance Department of Atlanta Housing

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INTRODUCTORY SECTION

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February 24, 2021

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, 2020 and June 30, 2019. 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 Auditor’s 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 55, 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 Approved MTW Activities section of AH's FY 2020 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 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 MTW Annual 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 2020 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 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 High-rise 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 several more AH communities for RAD conversion and invited AH to convert the rest of its AH-Owned and AH-supported mixed-income, mixed-finance (MIXED) properties, which AH plans to accomplish in the coming years. By June 30, 2020, AH had converted four AH-Owned communities and nine MIXED communities, and was working on the conversion of eight additional communities, all projected to be closed in FY 2021.

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, 2020, AH's housing profile and operating activities have evolved into the following:

- Public-housing-assisted communities (seven senior high-rise buildings and two small-family developments) owned and operated through professional property management firms, with 1,261 housing units, all of which are well-located in economically integrated neighborhoods (referred to as AH-Owned residential communities);
- Operating subsidy for 1,562 Annual Contribution Contract (ACC) (HUD-subsidized) units in 25 AH-Sponsored MIXED rental communities owned and operated by related public/private Owner Entities;
- Tenant-based HCV rental assistance for 10,778 units owned and operated by private rental property owners;

- HomeFlex (AH's project-based rental assistance program) for 1,358 units at 18 of the AH-Sponsored MIXED rental communities owned and operated by related public/private Owner Entities;
- Rental assistance for 4,803 HomeFlex units in 56 Stand Alone HomeFlex and Supportive Housing (HAVEN) communities owned and operated by unrelated private owners;
- Rental assistance for 1,503 HomeFlex units in the 13 communities that converted under HUD's RAD program;
- Additional rental assistance to 244 participants in a local short-term housing assistance program for homeless prevention;
- Mortgage assistance to 18 participants, who used their tenant-based HCVs for homeownership; and
- Down payment assistance loans to 1,225 first-time homebuyers since the inception of the program in 2005.

The implementation of these initiatives has also changed the mix of AH's revenue from HUD being primarily comprised of Section 9 Public Housing operating funds and capital funds in 1995 to being primarily comprised of HCV funds in FY 2020. During FY 2020, approximately 89% 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 2020 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 2020 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 2020 with AH's development partner, Integral Development. Ashley I at Scholars Landing, a \$24 million multi-family rental community of **135 units** (54 replacement/affordable, 54 workforce and 27 market units) completed construction and began lease up in January 2020. Ashley I C structure, a **72-unit** multi-family rental community (50 affordable and 22 market units), is **planned for financial closing in December 2020**. Planning work for the development of the last phase, Ashley II, a **212-unit** multi-family rental community, is well underway.
- Continued efforts to convert public housing portfolio from Section 9-funded public housing to Section 8-funded HomeFlex under HUD's RAD program. In FY 2020, AH **converted 918 units at nine communities**.

- **Positioned eight communities comprised of 650 affordable units for RAD conversion in FY 2021**, which include: Barge Road High-rise; Hightower Manor High-rise; Villages of Castleberry Hills II; and five Columbia MIXED communities.
- **Added 573 assisted units** through its private, multi-family HomeFlex program.
- **232 eligible and first-time homebuyers** received down payment assistance from AH.

Supportive Housing

- **Increased Households Served by 817**, a 3.3% increase over FY 2019 and a 3.7% increase over FY 2018 Households Served.
- **244 families at risk of homelessness** were stabilized through short-term rental assistance under the Home Again program.

Human Development

- **\$1.8 million invested to provide human development** services to help families overcome barriers to work.
- Provided **human development and case management services to more than 2,922 Housing Choice participants**.
- **33 students were awarded scholarships valued at more than \$56,125** through AH's Atlanta Community Scholars Award and University Choice Neighborhoods.
- AH's annual **Summer Internship Program hosted 14 students** residing in AH-assisted units encouraging them to explore career options and opportunities.

Administration

- Despite the COVID-19 pandemic, completed **98% of Housing Choice and HomeFlex inspections**, and **60% of scheduled audits of AH-Owned and MIXED communities**.
- Again awarded the **Distinguished Budget Presentation Award by the Government Finance Officers Association of the United States and Canada (GFOA)** for its FY 2020 Budget.
- For the second year in a row, AH was awarded a **Certificate of Achievement for Excellence in Financial Reporting** from GFOA for its FY 2019 Comprehensive Annual Financial Report.
- Positioned the Defined Benefit Pension Plan for termination in FY 2021 with Plan assets funded for sufficiency in FY 2020; final distribution of funds to participants as well as purchase of an annuity contract for remaining annuitants to occur in FY 2021.

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, 2019. 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 requirements 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 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
Chief Financial Officer



Government Finance Officers Association

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Achievement
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in Financial
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Presented to

**The Housing Authority of the City
of Atlanta, Georgia**

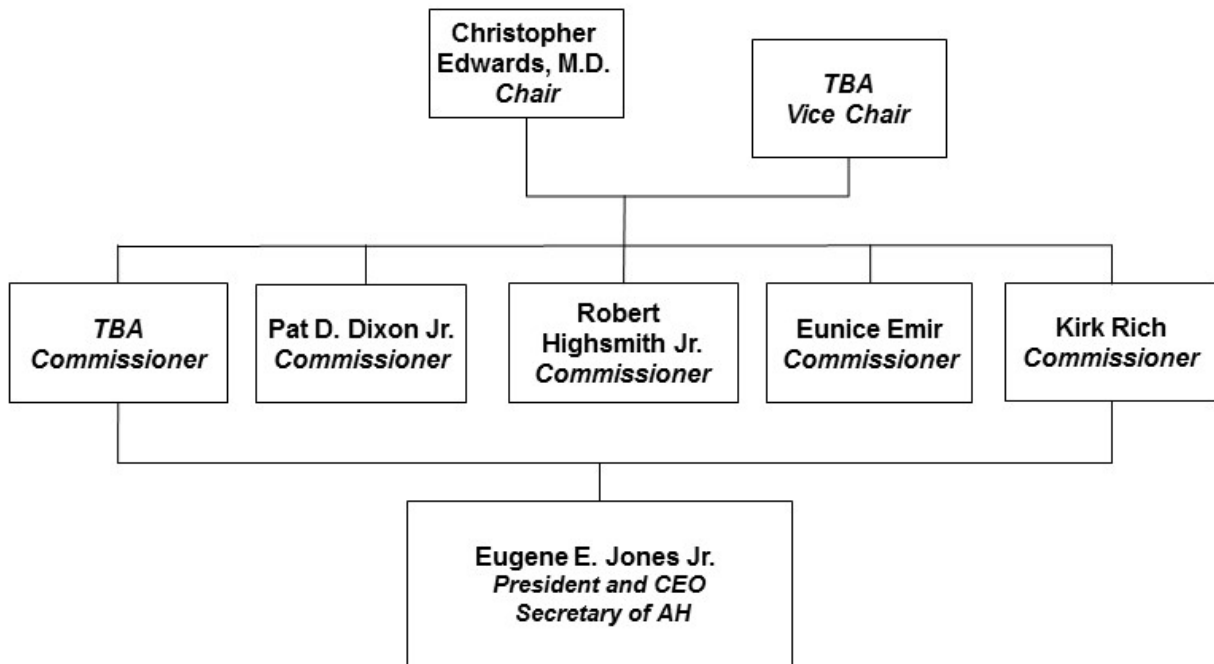
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2019

Christopher P. Morill

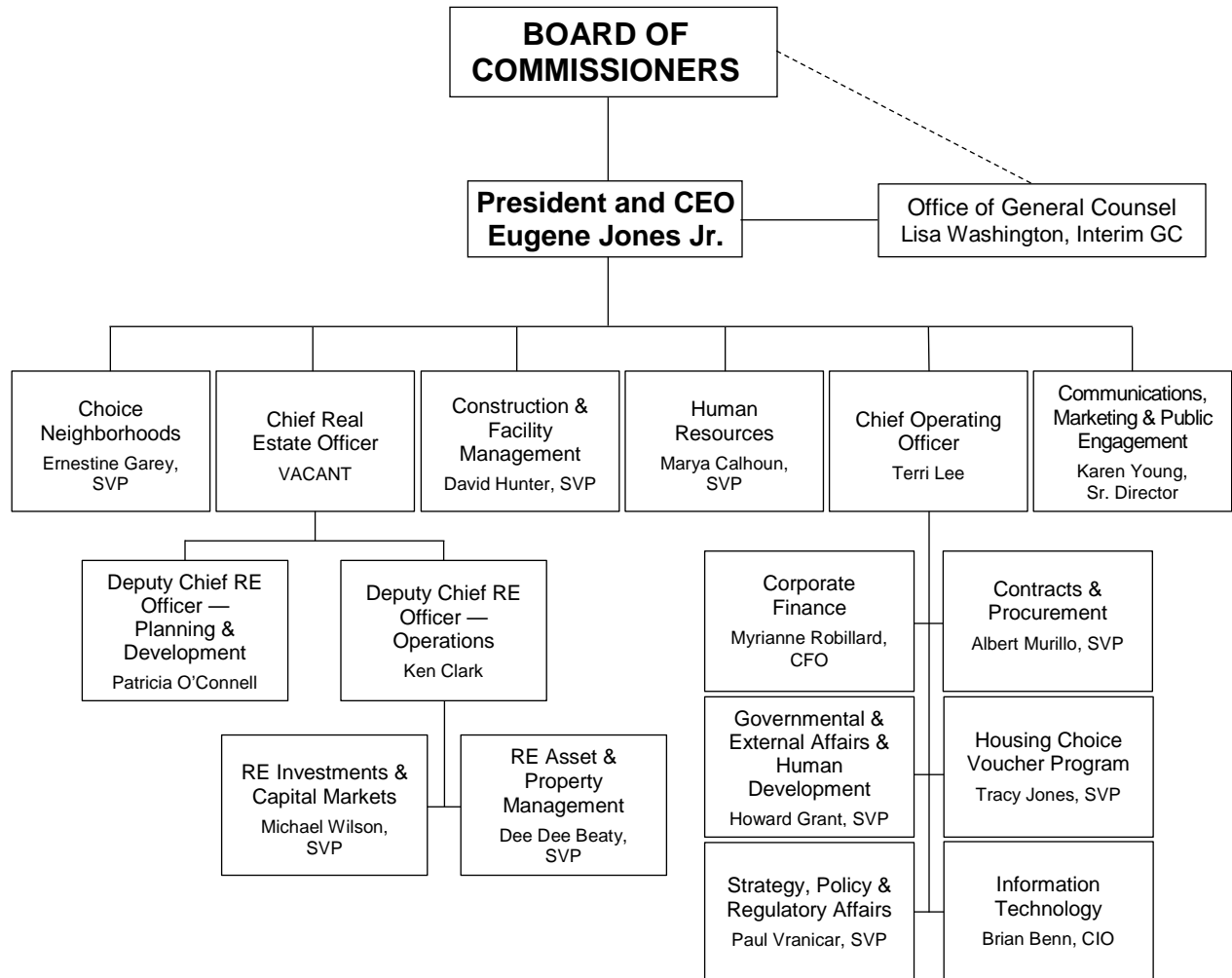
Executive Director/CEO

AH's Board of Commissioners



As of December 2020

AH's Organizational Structure



As of December 2020

FINANCIAL SECTION

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Independent Auditor's 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, 2020 and 2019, 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, 2020 and 2019, and the changes in its 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 45 and the Schedule of Changes in Net Pension Liability and Related Ratios and Schedule of Pension Plan Contributions on pages 90 and 91, 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 financial statements that collectively comprise The Housing Authority of the City of Atlanta, Georgia's basic financial statements. The introductory section, the Financial Data Schedules required by the US Department of Housing and Urban Development (HUD) and notes thereto, the Schedules of Related-Party Development Loans, the Schedules of Related-Party Other Loans and Fees Receivable, the Schedules of Related-Party Transactions, the Schedule of HUD-Funded Grants, the Schedule of CFP Program Completion Costs and Advances Program Certification, the Schedules of RHF Program Completion Costs and Advances Program Certification, the Schedule of ROSS Program Completion Costs and Advances Program Certification, and the statistical information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The HUD Financial Data Schedules 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, Schedule of CFP Program Completion Costs and Advances Program Certification, Schedules of RHF Program Completion Costs and Advances Program Certification, and Schedule 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 and related 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, Schedule of CFP Program Completion Costs and Advances Program Certification, Schedules of RHF Program Completion Costs and Advances Program Certification, and Schedule 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 February 24 2021, 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.



Charlotte, North Carolina
February 24, 2021

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The Housing Authority of the City of Atlanta, Georgia
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, 2020 (FY 2020) and June 30, 2019 (FY 2019). 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, 2020, and June 30, 2019, 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 2020 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 11,122 households at the end of FY 2020 compared to 10,973 at the end of FY 2019, 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 2020 accomplishments include:

- A total of **\$113.7 million** provided in payments under this program.
- 1,125 new households, before attrition, housed from the Housing Choice waiting list and for special programs.

HomeFlex Program

At the end of FY 2020, 7,664 households were supported under AH's HomeFlex program, including RAD converted units, compared to 6,164 at the end of FY 2019. This program includes 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 Stand Alone HomeFlex and HAVEN communities. Significant FY 2020 accomplishments include:

- A total of **\$46.8 million** provided in payments under this program.
- Rental assistance provided to 4,803 households at 56 unrelated Stand Alone HomeFlex communities, an increase of 567 over FY 2019.
- Rental assistance provided to 1,358 households at 18 of the AH-Sponsored MIXED communities, a decrease of 163 from FY 2019 due to RAD converted communities.
- RAD rental assistance, inclusive of 163 former HomeFlex units, provided to 1,503 households at 13 properties by the end of FY 2020, reflecting an increase of 918 RAD PBV units over June 30, 2019.

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

AH closed out FY 2020 serving 1,562 families in public-housing-assisted units in 25 AH-Sponsored MIXED rental communities which is a reduction of 593 units as 8 communities converted to Project Based Voucher funding under HUD's RAD program. In FY 2020, AH provided **\$10.9 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.

The Housing Authority of the City of Atlanta, Georgia
MANAGEMENT'S DISCUSSION AND ANALYSIS

FY 2020 OPERATION HIGHLIGHTS — continued

Operating Expenses and Capital Improvements at AH-Owned Residential Communities

At the end of FY 2020, AH owned nine communities: seven senior highrises which are dedicated to advancing the strategic goals of independent living and improving the quality of life for elderly and disabled persons, and two small-family communities. This represents a reduction of two highrises which were sold and converted to Project Based Voucher funding under HUD's RAD program. During FY 2020, AH:

- Funded **\$11.7 million** in operating expenses, inclusive of human development services, which were not covered by tenant rents to support a total of 1,261 households.
- Invested **\$1.2 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

The Housing Authority of the City of Atlanta, Georgia
MANAGEMENT'S DISCUSSION AND ANALYSIS

FY 2020 OPERATION HIGHLIGHTS — continued

Real Estate Development and Revitalization Activities

AH funded **\$33.9 million** in development and revitalization activities during FY 2020 as AH continued 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 2020 development and revitalization activity highlights include:

Choice Neighborhoods Implementation Grant



Pursuant to its \$30 million Choice Neighborhoods Implementation Grant (CNIG) award in 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 2020, AH continued work on the CNIG Housing Component to redevelop the former University Homes public housing community (renamed Scholars Landing) with AH's development partner, Integral Development. AH also made investments in Neighborhood and People programs and conducted activities toward the achievement of the UCN Transformation Plan milestones for 2020 through grant closeout in 2022.

As part of the housing component, progress continued on the Scholars Landing buildout in FY 2020 with AH's development partner, Integral Development.

Ashley 1 A/B (Ashley at Scholars Landing)

- The 135-unit multi-family rental community includes 54 low-income, 54 Choice Neighborhoods workforce and 27 market-rate rental units.
- Construction completed in December 2019; lease-up activities began in January 2020.



Ashley 1 C

- Planning continued for the development of a 72-unit multi-family rental community, to be comprised of 25 low-income, 25 CN workforce and 22 market rate rental units.
- Financial closing is anticipated for early 2021 with construction beginning in the spring of 2021.

FY 2020 OPERATION HIGHLIGHTS — continued

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

During FY 2020, 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.

- Marietta Road High-rise, Peachtree Road High-rise, and Villages of East Lake I and II converted under RAD allowing the properties to be rehabilitated and affordable units preserved.
- Columbia Commons, Columbia Estates, Parkside at Mechanicsville, Columbia Mechanicsville Apartments, Columbia Mechanicsville Senior Residences and Columbia Park Citi converted funding sources or subsidy only.
- Work continued to convert in FY 2021 of Columbia Village, Hightower Manor, Barge Road and Villages at Castleberry Hills II for rehabilitation and funding sources or subsidy; and four other Columbia MIXED communities for funding sources or subsidy only.

AH Co-investment Program

- AH developed the Co-investment Program to provide investments and gap financing to support affordable housing developments in partnership with Atlanta BeltLine, Invest Atlanta and private developers, that includes a \$60M commitment from the AH Board for the Invest Atlanta component. The program guidelines will be finalized in FY 2021.

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 continues to develop concept plans for low-income housing with workforce and market-rate units integrated with civic and commercial uses on the site. The final mixed-use master plan, to be completed in FY 2021, will involve input from a historic structures consultant, master planner, performing arts consultant, the community and stakeholders.
- 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.

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 an architect and engineering consultant to evaluate the physical condition of the building and determine development feasibility.
- Public improvement construction work funded by the City of Atlanta commenced on a road to accommodate the final phase of the Centennial development, Centennial Park North II and GA Tech is now scheduled to be completed in FY 2021.

CollegeTown at West End (Harris Homes Revitalization)

- During FY 2020, AH worked with HUD to approve the disposition of approximately three acres of AH-Owned land to Truly Living Well (TLW) 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. The land was disposed in July 2020.

The Housing Authority of the City of Atlanta, Georgia
MANAGEMENT'S DISCUSSION AND ANALYSIS

FY 2020 OPERATION HIGHLIGHTS — continued

Englewood Manor

- In January 2018, AH selected The Benoit Group and The Michaels Organization to develop the 30-acre site. The first phase of housing development is planned in late FY 2021.
- 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 2021.
- Community engagement will continue throughout the term of the development process.
- AH finalized negotiations on an acquisition from the City of Atlanta of land parcels at 1111 and 360 Hill Street, located north of the former public housing site with closing expected in FY 2021. The proposed transaction contemplates AH disposing of Jonesboro South to the City of Atlanta, purchasing 1111 and 360 Hill Street, with a lease-back agreement with the City of Atlanta for ongoing operations on 360 Hill Street through 2023.

Herndon Homes

- Public improvements and infrastructure construction started on site in February 2019, with vertical approximately 50% complete, and to continue through FY 2021.
- Predevelopment work on Phase I continued through the financial closing in December 2019, with vertical construction commencing on 97 affordable senior rental units to be completed in winter 2021.
- Work continued on the development plan for Phase II which will include multi-family and retail, with financial closing expected in FY 2021.
- AH continued outreach activities to former Herndon Homes residents and community engagement with the neighborhood.

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.
- Negotiating final business terms with each of the three awarded local developers, with construction to begin in FY 2021.

West Highlands at Heman Perry Boulevard (Perry Homes Revitalization)

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

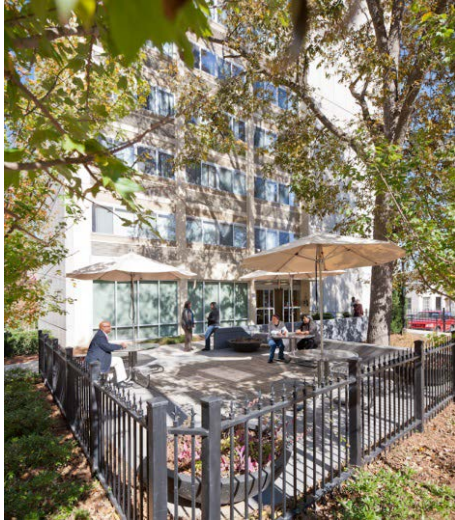
Homeownership Down Payment Assistance

Using its MTW flexibility, AH partnered with local lenders to provide \$4.9 million in down payment assistance to 232 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 \$66,150 for a family of four as of June 2020.

The Housing Authority of the City of Atlanta, Georgia
MANAGEMENT'S DISCUSSION AND ANALYSIS

FY 2020 OPERATION HIGHLIGHTS — continued

Fulfilling our Mission:



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



The Housing Authority of the City of Atlanta, Georgia
MANAGEMENT'S DISCUSSION AND ANALYSIS

FY 2020 FINANCIAL HIGHLIGHTS

AH's financial position remained strong with a net position of **\$485.2 million** at June 30, 2020.

- Total assets and deferred outflows exceeded total liabilities and deferred inflows at June 30, 2020, by \$485.2 million (net position), representing a \$26.1 million or 5.7% increase from prior year. Unrestricted net position of \$140.9 million at the end of FY 2020 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 \$140.9 million unrestricted net position, at June 30, 2020, AH had \$123.0 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 \$26.1 million increase in net position year-over-year resulted primarily from the receipt of \$31.1 million in HUD funds for development and modernization expenditures, partially offset by non-operating expenses of \$5.7 million. These non-operating expenses stemmed primarily from an \$11.4 million increase in loan valuation allowance, partially offset by \$3.9 million in interest and investment income on surplus cash and \$2.0 million in gain on sale of assets, primarily consisting of land sale as part of the homeownership program.
- AH's current ratio (ratio of current assets over current liabilities) that measures AH's liquidity decreased only slightly from 6.4 to 6.3 during FY 2020; however, AH remains financially strong.
- Related-party development loans, receivables and investments in partnerships, net of allowance, increased by \$24.6 million primarily due to new loans issued as part of Herndon Homes and Ashley at Scholars Landing developments as well as property sales under RAD conversions and other homeownership land conveyance, which were partially offset by increased loan valuation allowances.
- Capital Assets decreased by \$11.1 million due to the disposition of AH-Owned properties as part of RAD conversions and depreciation.
- Other non-current assets and deferred outflows increased by \$12.0 million primarily due to a \$14.0 million increase in non-current investments resulting from additional surplus cash investments as well as a change in the investment portfolio maturity mix, partially offset by recognition of the entire deferred outflows as a result of the pension plan termination which was effective April 1, 2020.
- The \$1.1 million increase in total liabilities and deferred inflows reflects essentially an increase in unrealized gains on land conveyance at the West Highlands site, where an additional 102 lots, totaling 10 acres, were sold to the developer in exchange for a seller financing note, partially offset by the realization of gain upon the sale of affordable and market-rate homes from the buildup of prior year land conveyed.

The Housing Authority of the City of Atlanta, Georgia
MANAGEMENT'S DISCUSSION AND ANALYSIS

FINANCIAL ANALYSIS

CONDENSED STATEMENTS OF NET POSITION*

As of June 30,

(in millions)

	2020	2019	2018	2020 vs. 2019 Increase/ (Decrease)	2019 vs. 2018 Increase/ (Decrease)
ASSETS AND DEFERRED OUTFLOWS					
Current assets	\$ 112.1	\$ 110.5	\$ 125.8	\$ 1.6	\$ (15.3)
Related-party development loans, receivables and investments in partnerships, net of allowance	211.6	187.0	179.3	24.6	7.7
Capital assets, net of accumulated depreciation	132.4	143.5	146.9	(11.1)	(3.4)
Other non-current assets and deferred outflows	60.7	48.7	31.0	12.0	17.7
Total non-current assets and deferred outflows	404.7	379.2	357.2	25.5	22.0
TOTAL ASSETS AND DEFERRED OUTFLOWS	\$ 516.9	\$ 489.7	\$ 483.0	\$ 27.2	\$ 6.7
LIABILITIES AND DEFERRED INFLOWS					
Current liabilities	\$ 17.8	\$ 17.3	\$ 15.2	\$ 0.5	\$ 2.1
Long-term debt, net of current portion	3.2	3.3	5.6	(0.1)	(2.3)
Net pension plan liability	0.8	0.9	0.6	(0.1)	0.3
Other non-current liabilities and deferred inflows	9.9	9.1	0.5	0.8	8.6
Total liabilities and deferred inflows	31.7	30.6	21.9	1.1	8.7
NET POSITION					
Net investment in capital assets	129.2	140.1	141.2	(10.9)	(1.1)
Restricted—Notes receivables, HUD and program reserves	215.1	252.5	246.9	(37.4)	5.6
Unrestricted	140.9	66.5	73.0	74.4	(6.5)
Total net position	485.2	459.1	461.1	26.1	(2.0)
LIABILITIES, DEFERRED INFLOWS AND NET POSITION	\$ 516.9	\$ 489.7	\$ 483.0	\$ 27.2	\$ 6.7

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

The Housing Authority of the City of Atlanta, Georgia
MANAGEMENT'S DISCUSSION AND ANALYSIS

FINANCIAL ANALYSIS — continued

Total Assets and Deferred Outflows

June 30, 2020 vs. June 30, 2019

Total assets and deferred outflows increased by **\$27.2 million** year-over-year primarily due to the following:

- *Current assets* increased by **\$1.6 million** year-over-year primarily due to funds being re-invested in shorter term maturity instruments as interest rate environment continued to be uncertain, in addition to meeting HUD's cash management policy requiring AH to hold only minimal MTW Single Fund cash.
- *Total non-current assets and deferred outflows* increased by **\$25.5 million** year-over-year primarily due to the following items:
 - An increase in *Related-party development loans, receivables and investments in partnerships, net of allowance* of **\$24.6 million** primarily resulting from \$35.4 million of new loans and development-related fees related to RAD conversions for Peachtree Road and Marietta Road highrises and Villages at East Lake, as well as existing and prior year development and homeownership projects, namely, Herndon Homes Senior, Ashley 1 at Scholars Landing, Oasis at Scholars Landing and West Highlands. These were partially offset by \$4.1 million of loan repayments and a \$6.7 million increase in loan valuation allowances.
 - A decrease in *Capital assets, net of accumulated depreciation* of **\$11.1 million** reflecting the disposition of Peachtree Road and Marietta Road highrises under RAD conversions, a structure on Civic Center property sold to Southface Energy Institute (SEI) and depreciation which together exceeded net additions to capital assets (see also Note H).
 - An increase of *Other non-current assets and deferred outflows* of **\$12.0 million** due to an increase in investments, non-current of \$14.0 million primarily from additional surplus cash investments and change in maturity mix of the investment portfolio, partially offset by a \$1.9 million decrease in deferred outflows as a result of the pension plan termination requiring recognition of the entire deferred actuarial experience losses.

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.

The Housing Authority of the City of Atlanta, Georgia
MANAGEMENT'S DISCUSSION AND ANALYSIS

FINANCIAL ANALYSIS, Total Assets and Deferred Outflows — continued

- **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 loans, receivables and investments in partnerships, net of allowance** 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*).
 - 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.

Total Liabilities and Deferred Inflows

June 30, 2020 vs. June 30, 2019

Total liabilities and deferred inflows increased by **\$1.1 million** year-over-year primarily due to the following:

- **Current liabilities** increased by **\$0.5 million** year-over-year primarily due to a \$0.3 million increase in accrued liabilities and a \$0.2 million increase in other current liabilities due to the timing of invoicing and payments.
- **Long-term debt, net of current portion** decreased by **\$0.1 million**, corresponding to the principal portion of the EPC capital lease payments made during FY 2020.
- **Net pension plan liability** decreased by a net **\$0.1 million** over FY 2019, primarily due to lower experience loss on projected liability (*see also Note P*).
- **Other non-current liabilities and deferred inflows** increased by **\$0.8 million** primarily due to unrealized gains on additional land conveyed at West Highlands as part of the homeownership program, partially offset by a decrease in deferred inflows as a result of the pension plan termination requiring full recognition of prior year experience gains.

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.

The Housing Authority of the City of Atlanta, Georgia
MANAGEMENT'S DISCUSSION AND ANALYSIS

FINANCIAL ANALYSIS, Total Liabilities and Deferred Inflows — continued

- **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 Road and Peachtree Road 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*).
- **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.

Total Net Position

June 30, 2020 vs. June 30, 2019

Total net position amounting to \$485.2 million at June 30, 2020, represented a **\$26.1 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 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 **\$10.9 million** decrease year-over-year is primarily due to the disposition of Peachtree Road and Marietta Road highrises as part of their conversion under RAD, the disposition of a structure on Civic Center property to SEI, as well as annual depreciation. See additional information under *Total Assets and Deferred Outflows* year-over-year analysis on page 30.
- **Restricted-Notes receivable, HUD and program reserves** 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. The restricted 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 decreased by **\$37.4 million** year-over-year as a result of \$60.3 million reclassification to unrestricted following a comprehensive analysis on program income fund characterization finalized during FY 2020. In addition, \$2.1 million of public improvement interest was reclassified from restricted to unrestricted cash. Partially offsetting these decreases, are a \$22.9 million increase in related-party development and other loans funded with capital contributions or resulting from property sales under RAD during the year, net of loan valuation allowance, and a \$2.1 million net increase in restricted cash and investments from development-related and investment income.

The Housing Authority of the City of Atlanta, Georgia
MANAGEMENT'S DISCUSSION AND ANALYSIS

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 Annual 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. Unrestricted net position increased by **\$74.4 million** year-over-year primarily due to a reclassification of program income and public improvement interest totaling \$62.4 million as discussed above, as well as \$12.0 million net increase in unrestricted cash and investments resulting from investment and other income.

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– Notes receivable, HUD and program reserves** 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. The restricted 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 re-characterization of \$0.6 million of public improvement interest from restricted to unrestricted cash.
- **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 re-characterization of public improvement interest from restricted to unrestricted cash.

The Housing Authority of the City of Atlanta, Georgia
MANAGEMENT'S DISCUSSION AND ANALYSIS

FINANCIAL ANALYSIS — continued

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

Years ended June 30,

(in millions)

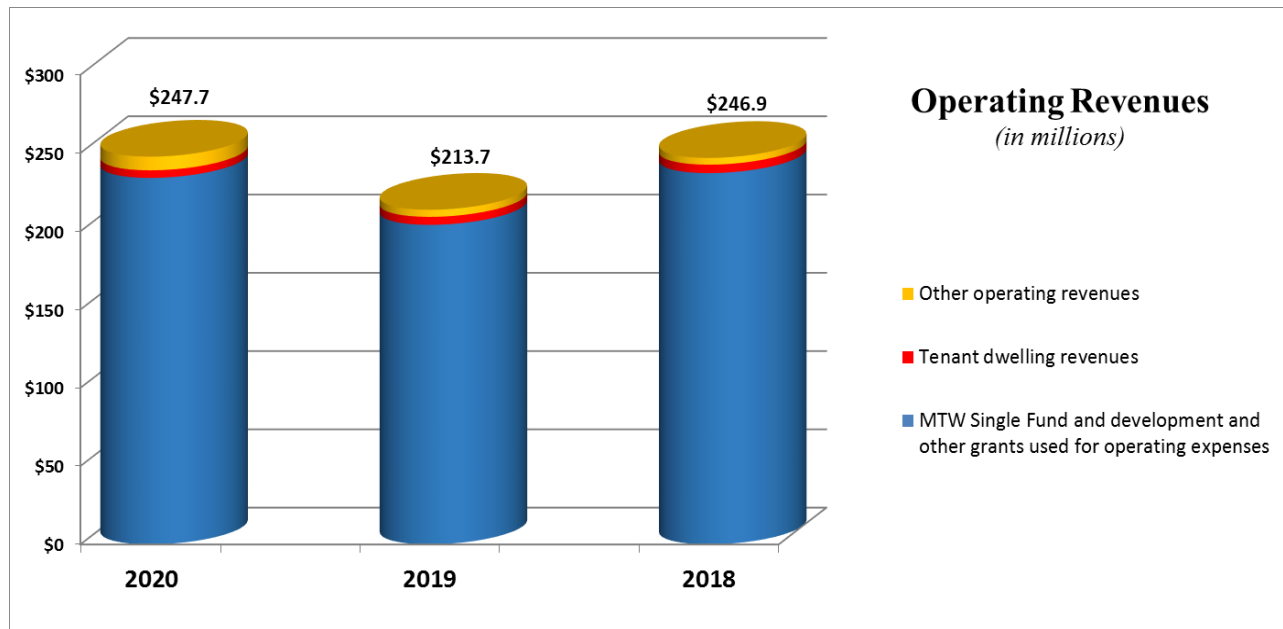
	2020	2019	2018	2020 vs. 2019 Increase/ (Decrease)	2019 vs. 2018 Increase/ (Decrease)
OPERATING REVENUES					
MTW Single Fund and development and other grants used for operating expenses	\$ 234.2	\$ 204.1	\$ 237.2	\$ 30.1	\$ (33.1)
Tenant dwelling revenues	4.8	5.1	5.4	(0.3)	(0.3)
Other operating revenues	8.7	4.5	4.3	4.2	0.2
Total operating revenues	<u>247.7</u>	<u>213.7</u>	<u>246.9</u>	<u>34.0</u>	<u>(33.2)</u>
OPERATING EXPENSES					
Housing assistance and operating subsidy payments	171.2	158.7	144.4	12.5	14.3
Administration and general, including direct operating divisions	56.2	45.7	47.3	10.5	(1.6)
Utilities, maintenance and protective services	10.0	9.5	9.9	0.4	(0.4)
Resident and participant services	3.1	3.2	3.3	(0.1)	(0.1)
Revitalization, demolition and remediation	0.5	1.9	3.6	(1.4)	(1.7)
Depreciation and amortization	6.0	7.0	7.2	(1.0)	(0.2)
Total operating expenses	<u>246.9</u>	<u>226.0</u>	<u>215.7</u>	<u>20.9</u>	<u>10.3</u>
NET OPERATING INCOME (LOSS)	0.8	(12.3)	31.2	13.1	(43.5)
NON-OPERATING REVENUES (EXPENSES)					
Interest and investment income	3.9	3.4	1.1	0.5	2.3
Gain (loss) on sale of assets	2.0	0.8	—	1.2	0.8
Valuation allowance	(11.4)	(10.5)	(6.5)	(0.9)	(4.0)
Interest expense	(0.2)	(0.3)	(0.3)	0.1	—
Total non-operating revenues (expenses)	<u>(5.7)</u>	<u>(6.6)</u>	<u>(5.7)</u>	<u>0.9</u>	<u>(0.9)</u>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	(4.9)	(18.9)	25.5	14.0	(44.4)
CAPITAL CONTRIBUTIONS					
MTW Single Fund used for modernization and development capital expenditures and loans	12.1	7.9	39.4	4.2	(31.5)
Development grants used for development capital expenditures and loans	19.0	9.0	—	10.0	9.0
Total capital contributions	<u>31.1</u>	<u>16.9</u>	<u>39.4</u>	<u>14.2</u>	<u>(22.5)</u>
INCREASE (DECREASE) IN NET POSITION	26.1	(2.0)	64.9	28.0	(66.9)
NET POSITION — beginning of year	<u>459.1</u>	<u>461.1</u>	<u>396.2</u>	<u>(2.0)</u>	<u>64.9</u>
NET POSITION — end of year	<u>\$ 485.2</u>	<u>\$ 459.1</u>	<u>\$ 461.1</u>	<u>\$ 26.1</u>	<u>\$ (2.0)</u>

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

The Housing Authority of the City of Atlanta, Georgia
MANAGEMENT'S DISCUSSION AND ANALYSIS

FINANCIAL ANALYSIS — continued

Operating Revenues



FY 2020 vs. FY 2019

Total operating revenues increased by **\$34.0 million** year-over-year primarily due to a \$30.1 million increase in MTW Single Fund and development and other grants used for operating expenses, which is primarily comprised of HCV subsidy disbursements and Public Housing Operating Subsidy drawdowns used for operating expenses. Since HUD disburses these funds based on actual cash requirements, the increase is primarily explained by increased expenditures for Housing Assistance Payments and operating subsidy payments as well as increased administration expenses including direct operating divisions expenditures during the year. The funds also included \$6.7 million required for the termination of the defined benefit pension plan. HUD also disbursed an additional \$3.0 million in CARES Act funding in response to the COVID-19 pandemic. Finally, AH recognized \$2.2 million in other operating revenues when it determined that interest earned on City of Atlanta public improvement funds held by AH was unrestricted.

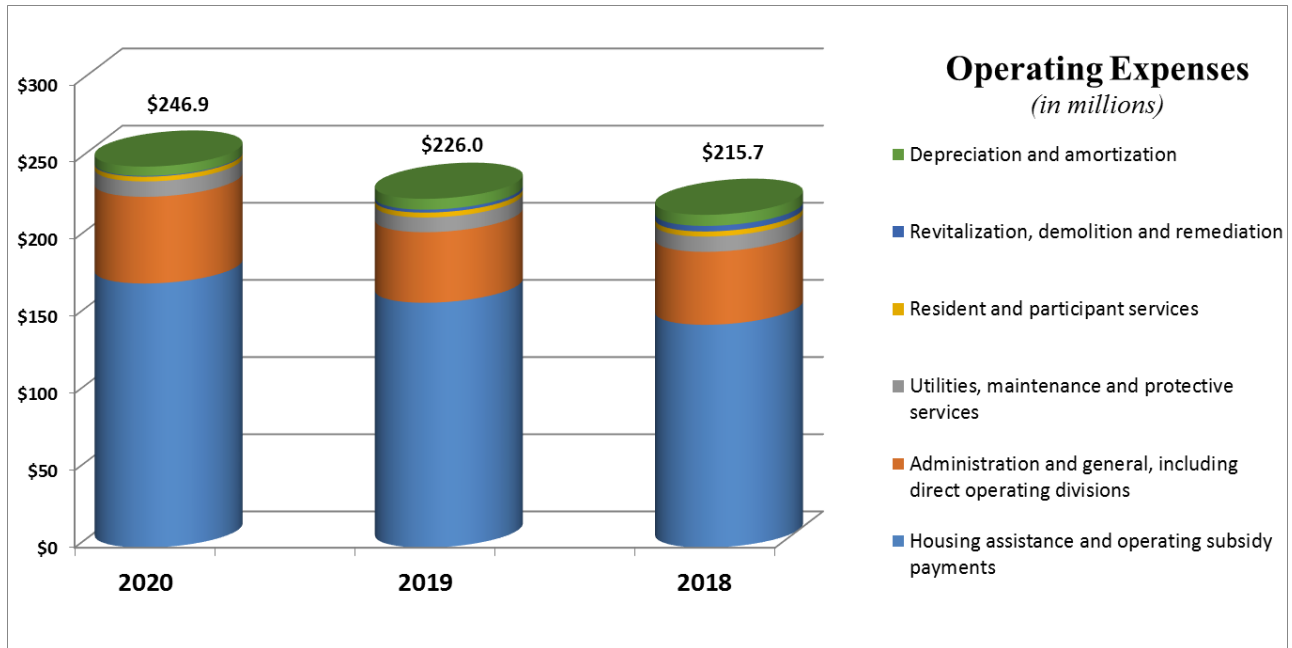
FY 2019 vs. FY 2018

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.

The Housing Authority of the City of Atlanta, Georgia
MANAGEMENT'S DISCUSSION AND ANALYSIS

FINANCIAL ANALYSIS — continued

Operating Expenses



FY 2020 vs. FY 2019

Total operating expenses increased by **\$20.9 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. In aggregate, those payments increased by a net of **\$12.5 million** year-over-year as presented below:

	(in millions)			2020 vs. 2019 Increase/ (Decrease)	2019 vs. 2018 Increase/ (Decrease)
Housing Assistance and Operating Subsidy Payments	2020	2019	2018		
Tenant-based HCV	\$ 113.4	\$ 104.7	\$ 96.3	\$ 8.7	\$ 8.4
HomeFlex	46.9	41.1	36.6	5.8	4.5
MIXED Operating Subsidy	10.9	12.9	11.5	(2.0)	1.4
Total	\$ 171.2	\$ 158.7	\$ 144.4	\$ 12.5	\$ 14.3

- **Tenant-based HCV** HAP to landlords and tenants increased by \$8.7 million year-over-year reflecting a 2.6% increase in lease up of vouchers primarily from the waiting list, as well as a 10.9% increase in the average cost of HAP payments due to increased rents.

The Housing Authority of the City of Atlanta, Georgia
MANAGEMENT'S DISCUSSION AND ANALYSIS

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 \$5.8 million year-over-year primarily due to 504 new assisted units and 918 new RAD Project-Based Voucher (PBV) units that came on line or converted during FY 2020, as well as full year funding of the units that came on line during FY 2019.
- **MIXED Operating Subsidy** for public-housing-assisted units in AH-Sponsored MIXED communities decreased by \$2.0 million, primarily due the conversion of Villages of East Lake I and II and six Columbia communities to PBV funding under the RAD program in the second half of 2020, partially offset by greater true-up adjustments of prior year operating subsidies and increased rents at various other communities.
- **Administration and general, including direct operating divisions** increased by **\$10.5 million** year-over-year primarily due to increases in pension expense of \$6.5 million resulting from the termination of the defined benefit pension plan, salaries and employer-paid benefits of \$2.1 million due to increased number of employees, consulting and professional services of \$1.1 million, as well as a \$1.3 million litigation settlement during the year. Partially offsetting these increases is an aggregate \$0.5 million decrease from various other expenses.
- **Utilities, maintenance and protective services** increased by **\$0.4 million** year-over-year primarily due to increased protective service expenses at the Civic Center.
- **Resident and participant services** at \$3.1 million, remained basically at the same level of FY 2019.
- **Revitalization, demolition and remediation** expenses decreased by **\$1.4 million** year-over-year primarily due to a \$1.0 million reduction in public improvement activity at the former Perry Homes site (West Highlands) and a \$0.4 million decrease in public improvements at the Choice Neighborhoods sites.
- **Depreciation and amortization** decreased by **\$1.0 million** year-over-year primarily due to the sale of two AH-Owned communities under the RAD conversion program, offset by minor increases at other properties as new assets were depreciated in FY 2020.

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 follows:
 - **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.

The Housing Authority of the City of Atlanta, Georgia
MANAGEMENT'S DISCUSSION AND ANALYSIS

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.

Non-Operating Revenues (Expenses)

FY 2020 vs. FY 2019

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

- **Interest and investment income** increased by **\$0.5 million** year-over-year primarily due to a \$1.5 million increase in investment income from increased surplus cash investments, offset by a \$1.0 million decrease in interest income earned on AH loans to partners resulting from the timing of cash flow distribution by partners.
- **Gain (loss) on sale of assets** increased by **\$1.2 million** year-over-year, as the \$2.0 million gain resulting from AH profit participation in the sale of land in FY 2020 at the former Perry Homes, exceeded the \$0.8 million profit participation realized by AH in FY 2019 upon the disposal by Integral of the last Centennial Park East parcel.

The Housing Authority of the City of Atlanta, Georgia
MANAGEMENT'S DISCUSSION AND ANALYSIS

FINANCIAL ANALYSIS, Non-Operating Revenues (Expenses) — continued

- **Valuation allowance** increased by **\$0.9 million** year-over-year primarily explained by a \$1.9 million additional valuation allowance taken on loans and receivables over the additional provision taken in FY 2019, offset by a \$0.9 million decrease in FY 2020 DPA mortgages, which are fully reserved as they are expected to be forgiven at the end of their amortization period.
- **Interest expenses** at **\$0.2 million** represent the interest on the EPC loan, which has decreased slightly as properties were removed from the loan due to RAD conversion.

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.

Capital Contributions

Capital contributions typically consist of reimbursements for capital expenditures and loans under capital grants, primarily from 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.

The Housing Authority of the City of Atlanta, Georgia
MANAGEMENT'S DISCUSSION AND ANALYSIS

FINANCIAL ANALYSIS, Capital Contributions — continued

FY 2020 vs. FY 2019

Capital contributions overall increased by **\$14.2 million** year-over-year primarily due to the following:

- *MTW Single Fund used for modernization and development capital expenditures and loans* increased by **\$4.2 million** primarily from a \$3.1 million loan for Oasis at Scholars Landing, higher predevelopment and development loans of \$1.2 million for London Townhomes, Ashley I C at Scholars Landing, and Herndon Homes as well as \$0.6 million increased MTW funds used for capital expenditures at AH-Owned properties in FY 2020, partially offset by lower Homeownership DPAs of \$0.7 million.
- *Development grants used for development capital expenditures and loans* increased by **\$10.0 million** year-over-year primarily due to \$7.4 million higher use in FY 2020 of RHF funds for the Herndon Homes development loan as well as for loans provided as part of Marietta Road and Peachtree Road highrise conversions under RAD. Also contributing to the increase is the use of \$2.6 million additional Choice Neighborhoods grants for Ashley I at Scholars Landing construction loan.

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 \$5.4 million in Choice Neighborhoods grants for Ashley I at Scholars Landing for construction loan.

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 continued to decline until the effects of the novel coronavirus ("COVID-19") began to be felt in the spring of 2020.

As in the rest of the world, COVID-19 has had a significant impact on the City of Atlanta and the State of Georgia. During the last four months of FY 2020, the Governor declared a state of emergency and implemented restrictions on business operations, while the Atlanta Mayor imposed even more restrictive guidance. Together, these policies forced most students and employees to stay at home and many continue to do so. All of AH's employees and most of AH's residents and participants were affected. At the time of this writing, AH continues to operate remotely with a limited number of employees working fulltime at the headquarters building. The City of Atlanta is only beginning to lift restrictions and may reinstate them if conditions warrant.

The U.S. Congress responded to COVID-19 by passing the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") which included funds for public housing. HUD has authorized a total of over \$9 million in CARES Act funding to AH. Due to its MTW status, AH can use these specifically for COVID-19-related expenses or for other MTW-authorized expenditures.

Although widely affected by COVID-19, AH has yet to experience significant new expenses related to the virus. There have been expenses to ensure the safety of AH-Owned buildings and our employees, and to ensure the continuity of AH operations with most employees working remotely. HAP and Operating Subsidy expenses have risen slightly as layoffs of participants resulted in lower tenant contributions to their rents. These expenses may increase significantly if another round of COVID-19 occurs.

It is uncertain at this time how long the pandemic will continue and if there will be subsequent increases in infections which will trigger more restrictions that may impact AH operations and its participants. In addition to the CARES Act funds, Congress is expected to grant additional COVID-19 relief funds and AH has additional funds to respond to future expenses in the event they are required.

In addition to the impacts of COVID-19, AH faces uncertainty from the results of the 2020 Presidential and Congressional elections. While housing has not been a major topic during the campaigns, a change to the current power structure in Washington could have financial and operational impacts on AH.

While facing the above uncertainty, AH will continue to accomplish its mission. Some issues AH currently face include:

- 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 2020, the metropolitan-Atlanta real estate market continued to strengthen, especially in the multi-family rental market. Despite the pandemic, AH expects real estate

ECONOMIC FACTORS — continued

development activities to continue to pick up as those markets improve and investors continue to return to the market.

- The impact of the 2008 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 are 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 of 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 extremely 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.
- The growing employment market experienced in the past couple of years was put to a halt with the pandemic, thereby impacting working households and increases in wages. Therefore, AH is facing an increase in average housing assistance payments, which may continue should the pandemic persist.
- 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.

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

ECONOMIC FACTORS — continued

Federal Funding — Status and Outlook

As in previous years, funding for AH's FY 2021 is uncertain. Congress has passed and the President has signed the Appropriations Act for 2020, which will fund AH through December 2020. 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 2020.

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.



The Housing Authority of the City of Atlanta, Georgia
MANAGEMENT'S DISCUSSION AND ANALYSIS

RECENT ACCOUNTING PRONOUNCEMENTS

The Governmental Accounting Standards Board (GASB) has issued new pronouncements during FY 2020, which, except for GASB No. 95 adopted in fiscal year 2020, will be implemented by the Authority starting in fiscal year 2021, where applicable: GASB No. 92, *"Omnibus 2020"*; GASB No. 93, *"Replacement of Interbank Offered Rates"*; GASB No. 94, *"Public-Private and Public-Public Partnership and Availability Payment Arrangements"*; GASB No. 95, *"Postponement of the Effective Dates of Certain Authoritative Guidance"*; GASB No. 96, *"Subscription-Based Information Technology Arrangements"*; GASB No. 97, *"Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans — an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB No. 32."*

Please refer to *Note U in the Notes to Financial Statements* for additional information regarding each of the GASB pronouncements.

The Housing Authority of the City of Atlanta, Georgia
MANAGEMENT'S DISCUSSION AND ANALYSIS

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.

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BASIC FINANCIAL STATEMENTS

The Housing Authority of the City of Atlanta, Georgia

STATEMENTS OF NET POSITION

As of June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>	<u>Note</u>
CURRENT ASSETS			
Cash	\$ 29,945,189	\$ 35,070,912	C
Receivables, net of allowance	2,203,766	2,786,958	D
Investments current	78,639,957	71,827,395	E
Prepaid expense	1,360,389	860,114	
Total current assets	<u>112,149,301</u>	<u>110,545,379</u>	
NON-CURRENT ASSETS			
Investments non-current	60,749,411	46,794,723	E
Related-party development and other loans, development receivables and investments in partnerships, net of allowances of \$64,956,123 and \$52,295,548 in 2020 and 2019, respectively	211,564,207	186,972,191	F
Capital assets, net of accumulated depreciation of \$111,402,105 and \$127,053,354 in 2020 and 2019, respectively	132,393,548	143,451,697	H
Other non-current assets, net of allowance of \$22,798,454 and \$31,755,216 in 2020 and 2019, respectively	<u>—</u>	<u>—</u>	I
Total non-current assets	<u>404,707,166</u>	<u>377,218,611</u>	
TOTAL ASSETS	<u>516,856,467</u>	<u>487,763,990</u>	
DEFERRED OUTFLOWS	<u>—</u>	<u>1,948,541</u>	P
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>\$ 516,856,467</u>	<u>\$ 489,712,531</u>	

The Housing Authority of the City of Atlanta, Georgia

STATEMENTS OF NET POSITION

As of June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>	<u>Note</u>
CURRENT LIABILITIES			
Accounts payable	\$ 386,582	\$ 399,065	
Accrued liabilities	10,414,547	10,160,851	J
Other current liabilities	6,847,809	6,607,108	K
Current portion of long-term debt	<u>137,763</u>	<u>115,057</u>	L
Total current liabilities	17,786,701	17,282,081	
NON-CURRENT LIABILITIES			
Long-term debt, net of current portion	3,152,290	3,290,053	L
Other non-current liabilities	9,917,478	8,983,495	M
Net pension plan liability	<u>804,937</u>	<u>900,623</u>	P
Total non-current liabilities	<u>13,874,705</u>	<u>13,174,171</u>	
TOTAL LIABILITIES	31,661,406	30,456,252	
DEFERRED INFLOWS	—	129,773	P
NET POSITION			S
Net investment in capital assets	129,230,309	140,167,742	
Restricted—Notes receivables, HUD and program reserves	215,068,526	252,458,484	
Unrestricted	<u>140,896,226</u>	<u>66,500,280</u>	
Total net position	<u>485,195,061</u>	<u>459,126,506</u>	
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	<u>\$ 516,856,467</u>	<u>\$ 489,712,531</u>	

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, 2020 and 2019

	2020	2019
OPERATING REVENUES		
MTW Single Fund used for operating expenses	\$ 230,786,504	\$ 199,546,087
Tenant dwelling revenues	4,831,385	5,099,216
Development and other grants used for operating expenses	3,370,670	4,600,841
Contributions from National Housing Compliance	1,294,909	1,194,909
Other operating revenues	7,429,967	3,241,820
Total operating revenues	247,713,435	213,682,873
OPERATING EXPENSES		
Housing assistance and operating subsidy payments	171,172,558	158,690,971
Administration, including direct operating divisions	53,145,313	43,182,736
Utilities, maintenance and protective services	9,974,604	9,538,984
Resident and participant services	3,082,812	3,177,038
Revitalization, demolition and remediation	525,928	1,915,253
General expenses	3,036,830	2,442,020
Depreciation and amortization	5,995,576	7,014,817
Total operating expenses	246,933,621	225,961,819
NET OPERATING INCOME (LOSS)	779,814	(12,278,946)
NON-OPERATING REVENUES (EXPENSES)		
Interest income on development and other loans	381,737	1,368,559
Interest income on investments	3,521,145	2,061,351
Gain/(loss) on sale of assets	1,958,970	770,955
Valuation allowance increase	(11,393,067)	(10,532,612)
Interest expense on EPC capital lease	(216,750)	(267,897)
Total non-operating revenues (expenses)	(5,747,965)	(6,599,644)
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	(4,968,151)	(18,878,590)
CAPITAL CONTRIBUTIONS		
MTW Single Fund used for modernization and development capital expenditures and loans	12,073,374	7,877,163
Development grants used for development capital expenditures and loans	18,963,332	9,030,640
Total capital contributions	31,036,706	16,907,803
INCREASE (DECREASE) IN NET POSITION	26,068,555	(1,970,787)
NET POSITION — beginning of year	459,126,506	461,097,293
NET POSITION — end of year	\$ 485,195,061	\$ 459,126,506

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, 2020 and 2019

	2020	2019
Increase (decrease) in cash		
Cash flows from operating activities		
MTW and grant funds used for operating expenses	\$ 235,964,753	\$ 203,629,057
Receipts from residents	4,771,639	5,078,555
Payments to landlords, tenants and partners	(172,234,409)	(158,800,034)
Payments to suppliers	(30,189,803)	(25,525,923)
Payments for employees	(37,255,154)	(31,697,503)
CARES Act funds, net of expenses	2,385,781	—
Other receipts	5,085,793	4,226,238
Net cash provided by (used in) operating activities	8,528,600	(3,089,610)
Cash flows from capital and related financing activities		
Capital contributions from MTW and grant funds	2,903,538	5,423,857
Acquisition, development and revitalization — capitalized expenditures	(979,362)	(1,503,429)
Modernization — AH-Owned properties	(2,345,378)	(2,109,677)
Proceeds from sale of capital assets	3,319,478	794,445
Payments on EPC capital lease, including interest	(284,631)	(2,741,257)
Net cash provided by (used in) capital and related financing activities	2,613,745	(136,061)
Cash flows from investing activities		
Capital contributions from MTW and grant funds	27,661,821	11,472,934
Development and other loans, net of reimbursements	(26,512,989)	(9,627,784)
Sale (purchase) of investments of surplus cash	(20,767,250)	(15,778,583)
Interest income on investments of surplus cash	2,968,613	2,055,714
Interest income on development and other loans	381,737	1,368,559
Net cash provided by (used in) investing activities	(16,268,068)	(10,509,160)
Net increase (decrease) in cash	(5,125,723)	(13,734,831)
Cash — beginning of year	35,070,912	48,805,743
Cash — end of year	<u>\$ 29,945,189</u>	<u>\$ 35,070,912</u>

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, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Reconciliation of net operating income (loss) to net cash provided by (used in) operating activities		
Net operating income (loss)	\$ 779,814	\$ (12,278,946)
Adjustments to reconcile net operating income (loss) to net cash provided by (used in) operating activities		
Depreciation and amortization	5,995,576	7,014,817
Changes in assets and deferred outflows and liabilities and deferred inflows relating to operating activities:		
Decrease (increase) in receivables	95,671	313,195
Decrease (increase) in prepaid expense	(500,275)	219,867
Decrease (increase) in deferred outflows	1,948,541	(503,208)
Increase (decrease) in accounts payable and accrued liabilities	190,300	2,929,660
Increase (decrease) in other current liabilities	(2,166,936)	(626,024)
Increase (decrease) in unearned revenue	2,411,368	(122,488)
Increase (decrease) in net pension plan liability and deferred inflows	(225,459)	(36,483)
Total changes in assets and deferred outflows and liabilities and deferred inflows relating to operating activities	<u>1,753,210</u>	<u>2,174,519</u>
Total adjustments	<u>7,748,786</u>	<u>9,189,336</u>
Net cash provided by (used in) operating activities	<u><u>\$ 8,528,600</u></u>	<u><u>\$ (3,089,610)</u></u>

The accompanying notes are an integral part of these statements.

NOTES TO THE FINANCIAL STATEMENTS

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NOTES TO THE FINANCIAL STATEMENTS

Years ended June 30, 2020 and 2019

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 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.

NOTES TO THE FINANCIAL STATEMENTS

Years ended June 30, 2020 and 2019

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 89% of AH's FY 2020 HUD funding coming from HCV funds (including CARES Act.), 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 T, 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 AH for an occupancy fee equivalent to its operating 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.

NOTES TO THE FINANCIAL STATEMENTS

Years ended June 30, 2020 and 2019

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 receive contributions and gifts, in any forms, and to use such funds for the intended purposes or any other purposes as determined by the Board of Directors.
- 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 in recent years.
- Buttermilk Bottom Renewal 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 acquire and hold the Civic Center property. This entity had no activity in recent years.
- Atlanta Housing Partnership Investments 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 invest in multi-family transactions. This entity had no activity in recent years.
- Housing Capital Investments Managing Member 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 invest in multi-family transactions. This entity had no activity in recent years.

NOTES TO THE FINANCIAL STATEMENTS

Years ended June 30, 2020 and 2019

NOTE A — ORGANIZATION AND NATURE OF OPERATIONS — continued

AH has one affiliate, Atlanta Housing Opportunity, Inc. (AHOI), which 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 LLCs, 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 LLCs 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.

Except for the adoption of GASB No. 95 *“Postponement of the Effective Dates of Certain Authoritative Guidance”* during FY 2020, AH did not adopt any other new GASB Standards during FY 2020 or FY 2019.

NOTES TO THE FINANCIAL STATEMENTS

Years ended June 30, 2020 and 2019

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 surplus 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, 2020 and 2019 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.

NOTES TO THE FINANCIAL STATEMENTS

Years ended June 30, 2020 and 2019

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 and landlords 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 acquisition 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.

NOTES TO THE FINANCIAL STATEMENTS

Years ended June 30, 2020 and 2019

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.

NOTES TO THE FINANCIAL STATEMENTS

Years ended June 30, 2020 and 2019

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 interest earned on investments of surplus cash, 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, 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 related-party development and other loans is subordinated and contingent on cash flows from the property for the most part. 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.

NOTES TO THE FINANCIAL STATEMENTS

Years ended June 30, 2020 and 2019

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 can be reasonably estimated (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, 2020 and 2019, all of AH's investments were collateralized and registered in its name.

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, 2020 and 2019, this is not a risk, as all AH's cash and investments were collateralized or issued by the U.S. Government or its agencies.

NOTES TO THE FINANCIAL STATEMENTS

Years ended June 30, 2020 and 2019

NOTE B — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES — continued

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, 2020 and 2019, 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; public improvement funds received from the City of Atlanta; and CARES Act funds received from HUD.

NOTES TO THE FINANCIAL STATEMENTS

Years ended June 30, 2020 and 2019

NOTE C — CASH AND CASH EQUIVALENTS — continued

Cash at June 30, 2020 and 2019 consisted of the following:

	2020	2019
Unrestricted:		
MTW cash	\$ 7,505,483	\$ 8,142,228
MTW program income	4,261,081	2,563,189
Perry Bolton TAD program income	190,926	1,196,732
Non-federal funds (including NHC)	2,449,397	1,844,357
Component units	3,584,411	2,840,614
	<u>17,991,298</u>	<u>16,587,120</u>
Restricted:		
Development-related program income	2,445,372	7,408,132
Public improvement funds	3,508,677	5,629,024
Proceeds from disposition activity	1,866,419	3,749,084
Harris program income	1,156,193	1,156,193
Resident security deposits	227,343	268,876
CARES Act funds	2,449,140	—
Other	300,747	272,483
	<u>11,953,891</u>	<u>18,483,792</u>
	<u><u>\$ 29,945,189</u></u>	<u><u>\$ 35,070,912</u></u>

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, 2020 and 2019, the market value of collateral held by a third party on behalf of AH to cover deposits exceeding the FDIC-insured funds amounted to \$25,051,995 and \$32,444,722, respectively.

NOTE D — RECEIVABLES

Current receivables at June 30, 2020 and 2019 consisted of the following:

	2020	2019
HUD grants receivable	\$ 910,087	\$ 2,220,733
Other receivables (net of allowance of \$763,514 and \$598,636 in 2020 and 2019, respectively)	707,581	536,912
Interest receivable	576,109	23,577
Tenant dwelling rents (net of allowance of \$1,015 and \$730 in 2020 and 2019, respectively)	9,988	5,736
	<u>\$ 2,203,766</u>	<u>\$ 2,786,958</u>

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. In addition, it includes RHF funds drawn by AH but yet to be received from HUD.

NOTES TO THE FINANCIAL STATEMENTS

Years ended June 30, 2020 and 2019

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 banking 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, 2020 and 2019 consisted of the following:

Investments current:

	2020	2019
Unrestricted:		
MTW Programs	\$ 18,483,480	\$ 30,866,908
Development-related program income	50,195,969	—
Perry Bolton TAD program income	—	4,995,000
Non-federal funds (including NHC)	5,980,032	3,489,162
Component Units	2,000,000	4,976,250
	<u>76,659,481</u>	<u>44,327,320</u>
Restricted:		
Proceeds from disposition activity	—	2,502,075
Development-related program income	1,980,476	24,998,000
	<u>1,980,476</u>	<u>27,500,075</u>
	<u>\$ 78,639,957</u>	<u>\$ 71,827,395</u>

NOTES TO THE FINANCIAL STATEMENTS

Years ended June 30, 2020 and 2019

NOTE E — INVESTMENTS, CURRENT AND NON-CURRENT — continued**Investments non-current:**

	2020	2019
Unrestricted:		
MTW Program	\$ 17,010,000	\$ —
Non-federal funds (including NHC)	4,501,500	3,981,693
Perry Bolton TAD Program Income	10,997,120	4,995,000
Component Units	3,502,625	—
Development-related program income	16,497,313	2,017,672
	<u>52,508,558</u>	<u>10,994,365</u>
Restricted:		
Operating reserve in escrow	8,240,853	8,195,802
Development-related program income	—	27,604,556
	<u>8,240,853</u>	<u>35,800,358</u>
	<u>\$ 60,749,411</u>	<u>\$ 46,794,723</u>

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, 2020 and 2019 consisted of the following:

	2020	2019
Development loans (net of allowance of \$59,014,758 and \$47,232,865 in 2020 and 2019, respectively) (<i>Note 1</i>)	\$ 193,410,252	\$ 170,039,250
Other loans (net of allowance of \$4,971,369 and \$2,947,574 in 2020 and 2019, respectively) (<i>Note 1</i>)	14,162,234	15,083,912
Developer and other fees receivable (net of allowance of \$1,250,614 and \$1,280,613 in 2020 and 2019, respectively) (<i>Note 2</i>)	2,575,651	1,064,245
Predevelopment loans (<i>Note 1</i>)	1,416,070	784,784
Investments in partnerships (net of allowance of \$414,494 and \$414,494 in 2020 and 2019, respectively)	—	—
	<u>\$ 211,564,207</u>	<u>\$ 186,972,191</u>

Note 1: These items totaling \$208,988,556 and \$185,907,946 at June 30, 2020 and 2019, 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 \$63,325,062 and \$47,858,968 at June 30, 2020 and 2019, respectively, correspond to the FDS line 174 — Other Assets.

NOTES TO THE FINANCIAL STATEMENTS

Years ended June 30, 2020 and 2019

**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.

Also included in development loans are Purchase Money Promissory Notes that AH may issue when AH-Owned communities are rehabilitated under HUD's Rental Assistance Demonstration ("RAD") Program.

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 financial 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.

NOTES TO THE FINANCIAL STATEMENTS

Years ended June 30, 2020 and 2019

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, 2020 and 2019 consisted of the following:

	<u>2020</u>	<u>2019</u>
Type of income (expense)		
Interest income	\$ 381,737	\$ 1,368,559
Development-related income	4,477,616	1,607,825
Housing assistance payments to Owner Entities of the MIXED rental communities where AH has a Regulatory and Operating Agreement for public housing units	(10,914,426)	(12,890,814)
HomeFlex payments to related Owner Entities where AH has a HomeFlex Agreement	(19,612,640)	(16,956,311)

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 \$1,294,909 and \$1,194,909 for the years ended June 30, 2020 and 2019, 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.

NOTES TO THE FINANCIAL STATEMENTS

Years ended June 30, 2020 and 2019

NOTE H — CAPITAL ASSETS

A summary of changes in capital assets of the Authority for the years ended June 30, 2020, and June 30, 2019, respectively, is presented below:

	Balance at June 30, 2019	Additions and reclasses	Disposal and reclasses	Balance at June 30, 2020
Capital assets, not being depreciated:				
Land	\$ 98,714,984	\$ 82,951	\$ (1,359,857)	\$ 97,438,078
Modernization in process	1,023,758	252,451	(764,570)	511,639
Total capital assets, not being depreciated	99,738,742	335,402	(2,124,427)	97,949,717
Depreciable capital assets:				
Land improvements	28,597,592	896,411	(1,193,084)	28,300,918
Buildings and improvements	104,806,448	319,560	(21,445,150)	83,680,858
Equipment	37,362,269	2,537,836	(6,035,946)	33,864,160
Total depreciable capital assets	170,766,309	3,753,807	(28,674,180)	145,845,936
Less accumulated depreciation				
Land improvements	(20,829,549)	(1,077,359)	634,169	(21,272,739)
Buildings and improvements	(76,445,766)	(3,121,815)	16,644,544	(62,923,037)
Equipment	(29,778,039)	(1,796,402)	4,368,112	(27,206,329)
Total accumulated depreciation	(127,053,354)	(5,995,576)	21,646,825	(111,402,105)
Total depreciable capital assets, net	43,712,955	(2,241,769)	(7,027,355)	34,443,831
Total capital assets, net	\$ 143,451,697	\$ (1,906,367)	\$ (9,151,782)	\$ 132,393,548
	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

On September 12, 2019, AH entered into a sale agreement with Southface Energy Institute, for a structure located on the Civic Center property, for a cash consideration of \$1,167,363. Southface occupied the site, under a lease agreement, since the acquisition of the Civic Center in November 2017.

NOTES TO THE FINANCIAL STATEMENTS

Years ended June 30, 2020 and 2019

NOTE H — CAPITAL ASSETS — continued

On January 30, 2020, AH entered into multiple agreements for the conversion of its Marietta Road Senior Highrise under RAD; among others, the sale of the community building and improvements to a new owner in consideration for a \$6,200,000 Purchase Money Promissory Note (“Note”) (established market value). The sale of the building and improvements translated into a gain of \$3,478,990, which was applied against the value of the Note as an allowance in accordance with the Authority’s accounting policy.

On March 24, 2020, AH acquired a property located at 939 Camilla Street for a cash consideration of \$82,451. The property will be used as an off-site to the University Homes’ footprint.

On April, 15, 2020, AH entered into multiple agreements for the conversion of its Peachtree Road Senior Highrise under RAD; among others, the sale of the community building and improvements to a new owner in consideration for a \$7,200,000 Purchase Money Promissory Note (“Note”) (established market value). The sale of the building and improvements translated into a gain of \$2,894,306, which was applied against the value of the Note as an allowance in accordance with the Authority’s accounting policy.

The cost and accumulated depreciation of AH capital assets financed under an EPC capital lease at June 30, 2020 and 2019 were as follows:

	2020	2019
Building improvements	\$ 3,646,507	\$ 4,589,463
Equipment	3,561,600	5,330,119
	<u>7,208,107</u>	<u>9,919,582</u>
Accumulated depreciation	(4,526,381)	(5,470,043)
	<u>\$ 2,681,726</u>	<u>\$ 4,449,539</u>

NOTE I — OTHER NON-CURRENT ASSETS

Other non-current assets at June 30, 2020 and 2019 consisted of the following:

	2020	2019
Public improvement advances due from the City of Atlanta and related entities (net of allowance of \$13,647,385 in 2019)*		\$ —
Homeownership down payment assistance (DPA) loans (net of allowance of \$22,378,454 and \$18,107,831 in 2020 and 2019, respectively)	\$ —	—
Owner Occupied Rehab Loans (net of allowance of \$420,000 in 2020 and 2019)	—	—
	<u>\$ —</u>	<u>\$ —</u>

* These advances were entirely written off during 2020.

NOTES TO THE FINANCIAL STATEMENTS

Years ended June 30, 2020 and 2019

NOTE I — OTHER NON-CURRENT ASSETS — continued

Under its DPA program for first-time homebuyers earning 80% or less of AMI, AH issued payments of \$4,940,225 and \$5,598,205 during the years ended June 30, 2020 and 2019, 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, 2020 and 2019 consisted of the following:

	2020	2019
Accrued expense	\$ 7,117,725	\$ 7,499,315
Wages and benefits	858,947	769,213
Compensated absences	1,579,033	1,136,469
Contract retention	131,412	270,599
Insurance, claims and litigation (Note N)	600,000	405,000
Interest payable	127,430	80,255
	<u>\$ 10,414,547</u>	<u>\$ 10,160,851</u>

Compensated absences at June 30, 2020 consisted of the following:

	Balance at June 30, 2019	Additions	Reductions	Balance at June 30, 2020
Compensated absences	\$ 1,136,469	552,785	(110,221)	\$ 1,579,033

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

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. Due to the COVID-19 pandemic, employees deferred taking vacations, resulting in a higher than usual balance at June 30, 2020.

NOTES TO THE FINANCIAL STATEMENTS

Years ended June 30, 2020 and 2019

NOTE K — OTHER CURRENT LIABILITIES

Other current liabilities at June 30, 2020 and 2019 consisted of the following:

	2020	2019
Public improvement advances received from the City of Atlanta and related entities	\$ 3,412,160	\$ 5,539,838
Unearned revenue — CARES Act	2,411,368	—
Resident security deposits	227,343	268,876
Other	796,938	798,394
	<u>\$ 6,847,809</u>	<u>\$ 6,607,108</u>

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, 2020 consisted of the following:

	Balance at June 30, 2019	Additions	Reductions	Balance at June 30, 2020	Non- current	Current
EPC Capital Lease	<u>\$ 3,405,110</u>	<u>—</u>	<u>(115,057)</u>	<u>\$ 3,290,053</u>	<u>\$ 3,152,290</u>	<u>\$ 137,763</u>

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	<u>\$ 5,861,163</u>	<u>—</u>	<u>(2,456,053)</u>	<u>\$ 3,405,110</u>	<u>\$ 3,290,053</u>	<u>\$ 115,057</u>

NOTES TO THE FINANCIAL STATEMENTS

Years ended June 30, 2020 and 2019

NOTE L — LONG-TERM DEBT — continued

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 \$216,750 and \$267,897 for the years ended June 30, 2020 and 2019, respectively.

In September 2018, in preparation for the RAD conversion of two of its residential communities, AH reimbursed a portion of the EPC capital lease for an amount of \$2,254,902 in principal, interest and penalty. The financial closing of the communities occurred during 2020.

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

	Principal	Interest	Total
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	209,057	128,979	338,036
2026 to 2030	1,459,428	462,960	1,922,388
2031 to 2032	921,462	58,856	980,318
	<u>\$ 3,290,053</u>	<u>\$ 1,260,074</u>	<u>\$ 4,550,127</u>

NOTE M — OTHER NON-CURRENT LIABILITIES

Other non-current liabilities at June 30, 2020 and 2019 consisted of the following:

	2020	2019
Unrealized gain on land sale	\$ 9,917,478	\$ 8,983,495

In accordance with GAAP requirements for non-monetary transactions, gains on the sale of land conveyance are 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.

NOTES TO THE FINANCIAL STATEMENTS

Years ended June 30, 2020 and 2019

NOTE N — INSURANCE, CLAIMS AND LITIGATION — continued

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 as of June 30, 2020 and 2019.

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 \$520,000 and \$325,000 as of June 30, 2020 and 2019, 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.

NOTES TO THE FINANCIAL STATEMENTS

Years ended June 30, 2020 and 2019

NOTE O — CONTINGENCIES AND UNCERTAINTIES — continued

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 closely monitor the performance of the properties and local market conditions in order to mitigate 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.

NOTES TO THE FINANCIAL STATEMENTS

Years ended June 30, 2020 and 2019

NOTE P — DEFINED BENEFIT PENSION PLAN — continued

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.

Effective April 1, 2020, the Plan was terminated with credited services and earnings frozen for accruing participants at the end of day on March 31, 2020. On July 1, 2020, participants, other than retirees, were offered three benefit distribution options for which the participants had to make an election no later than August 31, 2020. The options offered were: 1) one-time lump sum; 2) immediate annuity; and 3) deferred annuity. The immediate annuity start date and distributions of lump sums began/were made on October 1, 2020. AH will purchase an annuity contract to cover the deferred annuity payments for retirees and immediate and deferred annuities elected by participants after issuing a Request for Annuity Proposals to prospect insurance providers.

At June 30, 2020 and 2019, the Plan included the following participants:

	2020	2019
Inactive participants or beneficiaries currently receiving benefits	138	133
Inactive participants entitled to but not yet receiving benefits	208	213
Active participants, accruing	5	5
	<u>351</u>	<u>351</u>

Net pension liability

AH's net pension liability was measured at June 30, 2020 and 2019, corresponding to the dates where the total pension liability used to calculate the net pension liability was determined by an actuarial valuation. In the case of the net pension liability at June 30, 2020, measurement was performed in the context of the termination.

Actuarial assumptions

The total pension liability in the June 30, 2020 and 2019 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:

	2020	2019
Inflation	2.0%	2.0%
Salary increases	4.0%	4.0%
Investment rate of return	3.9%	3.9%

2020 Mortality: RP-2019 Mortality Tables for Annuitants and Non Annuitants, fully generational with Scale MP-2019.

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

NOTES TO THE FINANCIAL STATEMENTS

Years ended June 30, 2020 and 2019

NOTE P — DEFINED BENEFIT PENSION PLAN — continued

Plan Termination Assumptions

Lump Sum Election	60%
Discount rates —	
Segment 1 (less than 5 years)	2.13%
Segment 2 (between 5 to 20 years)	3.07%
Segment 3 (more than 20 years)	3.65%
Deferred & Immediate Annuity Election	40%
Discount rate (annuity contract)	1.5%
Mortality table	2020 IRC #430

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, 2020 and 2019 is presented below:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)–(b)
Balances at June 30, 2019	\$ 25,819,254	\$ 24,918,631	\$ 900,623
Changes during the year			
Service cost	5,036		5,036
Interest cost	994,606		994,606
Difference between expected and actual experience	31,313		31,313
Contribution — employer		5,000,000	(5,000,000)
Projected earnings on plan fiduciary net position		950,944	(950,944)
Difference between projected and actual earnings on plan fiduciary net position		1,302,093	(1,302,093)
Change in assumptions	6,058,397		6,058,397
Benefit payments and other	(1,070,944)	(1,138,943)	67,999
Net changes	6,018,408	6,114,094	(95,686)
Balances at June 30, 2020	\$ 31,837,662	\$ 31,032,725	\$ 804,937

NOTES TO THE FINANCIAL STATEMENTS

Years ended June 30, 2020 and 2019

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, 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

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

The following presents the net pension liability of AH calculated using rates presented above under the Plan Termination, as well as what the net pension liability would be if the total pension liability, in the context of the Plan Termination, were calculated using a discount rate that is 1 percentage point lower for annuities (0.5%) or 1 percentage point higher for annuities (2.5%) than the above-stated assumed discount rate. Please note that the discount rate for calculating lump sums is the IRS 3 segment yield curve the fourth month preceding the 2020 Plan year and will not vary.

	1% Decrease	Current Rates	1% Increase
Net pension liability (asset)	\$ 3,033,573	\$ 804,937	\$ (1,423,699)

Pension expense

For the years ended June 30, 2020 and 2019, AH recorded pension expense in the amount of \$6,723,082 and \$210,309, respectively, comprised of the following components:

	2020	2019
Service cost	\$ 5,036	\$ 55,525
Interest	994,606	1,794,096
Amortization of deferred inflows	(129,773)	(461,121)
Projected earnings on plan fiduciary net position	(950,944)	(1,742,407)
Amortization of deferred outflows	1,948,541	564,216
Actuarial liability loss — current year	31,313	—
Actuarial asset gain — current year	(1,302,093)	—
Change in assumptions and other expense	6,126,396	—
Total pension expense	\$ 6,723,082	\$ 210,309

NOTES TO THE FINANCIAL STATEMENTS

Years ended June 30, 2020 and 2019

NOTE P — DEFINED BENEFIT PENSION PLAN — continued**Deferred outflows and deferred inflows related to the Plan**

As a result of the Plan termination, deferred outflows and deferred inflows balances at June 30, 2019 were recognized during the year and included in the pension expense.

At June 30, 2019, 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	<u>\$ 1,948,541</u>	<u>\$ 129,773</u>

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.

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, 2020 and 2019. 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, 2020 and 2019, AH funded pension payments of \$5,000,000 and \$750,000, 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 \$1,577,504 and \$1,404,656 were made to the plan for the fiscal years ended June 30, 2020 and 2019, respectively.

NOTES TO THE FINANCIAL STATEMENTS

Years ended June 30, 2020 and 2019

NOTE Q — DEFERRED COMPENSATION AND DEFINED CONTRIBUTION PLANS
— continued

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 \$935,354 and \$812,816 for the fiscal years ended June 30, 2020 and 2019, 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 Record-keeper 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. Effective July 29, 2020, following a Request for Proposals, Principal Financial Services, Inc. was selected as new Trustee, Custodian and Record-keeper of both 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, 2020 and 2019, were as follows:

	2020	2019
Land	\$ 23,203,833	\$ 23,902,903
Modernization in process	—	319,560
Total capital assets, not being depreciated	23,203,833	23,522,743
Land improvements	22,765,983	23,959,067
Building and improvements	66,988,108	88,113,699
Equipment	20,210,422	25,023,692
Total depreciable capital assets	109,964,513	137,096,458
Less accumulated depreciation	(86,575,566)	(103,651,278)
Total depreciable capital assets, net	23,388,947	33,445,180
Total capital assets, net	\$ 46,592,780	\$ 56,967,923

NOTES TO THE FINANCIAL STATEMENTS

Years ended June 30, 2020 and 2019

NOTE R — LEASES — continued**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:

<u>Years ending June 30,</u>	<u>Amount</u>
2021	\$ 121,333
2022	86,931
2023	40,682
Total	<u>\$ 248,946</u>

The lease expense, including equipment servicing, incurred in connection with these operating leases amounted to \$296,701 and \$306,928 for the years ended June 30, 2020 and 2019, respectively, and is reported under administration, including direct operating divisions expenses.

Following the acquisition of the Civic Center in November 2017, AH entered into an office space lease agreement with 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. In September 2019, this lease was terminated following the purchase of the property by Southface.

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. During 2019, this lease was extended through January 2021.

NOTE S — 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 for the next payment.
2. Restricted—Notes receivable, HUD and program reserves 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. The restricted 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**).

NOTES TO THE FINANCIAL STATEMENTS

Years ended June 30, 2020 and 2019

NOTE S — 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 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 T — 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, 2020 and 2019, and activity for the years then ended were as follows:

Combining Statement of Net Position							
As of June 30, 2020							
	JWD	AAHFI	SHHI	RAH	SRDC	WAH	Total Component Units
ASSETS							
Current and non-current assets	\$ 5,441,184	\$ 267,907	\$ 1,357,951	\$ -	\$ 27,041	\$ 2,104,328	\$ 9,503,654
Capital assets, net	7,317,976	-	-	-	-	36,678,267	43,996,243
TOTAL ASSETS	<u>\$ 12,759,160</u>	<u>\$ 267,907</u>	<u>\$ 1,357,951</u>	<u>\$ -</u>	<u>\$ 27,041</u>	<u>\$ 38,782,595</u>	<u>\$ 53,499,897</u>
LIABILITIES AND NET POSITION							
Current and non-current liabilities	\$ 666,714	\$ -	\$ 60	\$ -	\$ -	\$ 13,016	\$ 679,790
Long-term debt outstanding	-	-	-	-	-	-	-
Total liabilities	666,714	-	60	-	-	13,016	679,790
Net Investment in capital assets	7,317,975	-	-	-	-	36,678,267	43,996,242
Restricted	-	-	-	-	26,301	135,100	161,401
Unrestricted	4,774,470	267,907	1,357,891	-	740	1,956,212	8,662,464
Total net position	12,092,445	267,907	1,357,891	-	27,041	38,769,579	52,820,107
TOTAL LIABILITIES AND NET POSITION	<u>\$ 12,759,160</u>	<u>\$ 267,907</u>	<u>\$ 1,357,951</u>	<u>\$ -</u>	<u>\$ 27,041</u>	<u>\$ 38,782,595</u>	<u>\$ 53,499,897</u>
Combining Statement of Revenues, Expenses and Changes in Net Position							
Year Ended June 30, 2020							
	JWD	AAHFI	SHHI	RAH	SRDC	WAH	Total Component Units
REVENUES							
Operating revenues	\$ 2,088,663	\$ 11	\$ -	\$ -	\$ 25,000	\$ 434,174	\$ 2,559,076
Non-operating revenues	104,083	-	34,364	-	-	34,364	172,812
TOTAL REVENUES	<u>2,192,746</u>	<u>11</u>	<u>34,364</u>	<u>-</u>	<u>25,000</u>	<u>468,538</u>	<u>2,731,888</u>
EXPENSES							
Operating and other expenses	(2,148,835)	(5,854)	(22,028)	(1,510)	(2,106)	(259,420)	(2,452,570)
Operating transfers in (out)	-	50	30	1,510	30	60	1,730
TOTAL EXPENSES	<u>(2,148,835)</u>	<u>(5,804)</u>	<u>(21,998)</u>	<u>-</u>	<u>(2,076)</u>	<u>(259,360)</u>	<u>(2,450,840)</u>
CHANGE IN NET POSITION	43,911	(5,793)	12,366	-	22,924	209,178	281,048
NET POSITION - beginning of year	12,048,535	273,700	1,345,525	-	4,117	38,560,401	52,539,059
NET POSITION - end of year	<u>\$ 12,092,445</u>	<u>\$ 267,907</u>	<u>\$ 1,357,891</u>	<u>\$ -</u>	<u>\$ 27,041</u>	<u>\$ 38,769,579</u>	<u>\$ 52,820,107</u>

NOTES TO THE FINANCIAL STATEMENTS

Years ended June 30, 2020 and 2019

NOTE T — COMBINING SCHEDULES OF BLENDED COMPONENT UNITS — continued

Combining Statement of Net Position As of June 30, 2019							
	JWD	AAHFI	SHHI	RAH	SRDC	WAH	Total Component Units
ASSETS							
Current and non-current assets	\$ 4,547,407	\$ 273,700	\$ 1,345,525	\$ -	\$ 4,117	\$ 1,692,201	\$ 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	\$ 53,070,781
LIABILITIES AND NET POSITION							
Current and non-current liabilities	\$ 509,713	\$ -	\$ -	\$ -	\$ -	\$ 17,009	\$ 531,722
Long-term debt outstanding	-	-	-	-	-	-	-
Total liabilities	509,713	-	-	-	-	17,009	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	7,504,532
Total net position	12,048,535	273,700	1,345,525	-	4,117	38,560,401	52,539,059
TOTAL LIABILITIES AND NET POSITION	\$ 12,558,248	\$ 273,700	\$ 1,345,525	\$ -	\$ 4,117	\$ 38,577,410	\$ 53,070,781
Combining Statement of Revenues, Expenses and Changes in Net Position Year Ended June 30, 2019							
	JWD	AAHFI	SHHI	RAH	SRDC	WAH	Total Component Units
REVENUES							
Operating revenues	\$ 2,209,157	\$ 13,383	\$ -	\$ -	\$ 10,040	\$ 63,126	\$ 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	2,404,214
EXPENSES							
Operating and other expenses	(2,200,617)	(5,348)	(22,983)	(1,470)	(10,942)	(98,388)	(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)	(2,303,311)
CHANGE IN NET POSITION	88,522	8,035	2,078	-	(132)	(19,207)	100,903
NET POSITION - beginning of year	11,960,013	265,665	1,343,447	-	4,249	38,579,608	52,438,156
NET POSITION - end of year	\$ 12,048,535	\$ 273,700	\$ 1,345,525	\$ -	\$ 4,117	\$ 38,560,401	\$ 52,539,059

NOTE U — RECENT ACCOUNTING PRONOUNCEMENTS

GASB has issued new pronouncements, which, except for the adoption of GASB No. 95 during FY 2020, will be implemented by the Authority starting in FY 2021, where applicable: GASB No. 92, “Omnibus 2020”; GASB No. 93, “Replacement of Interbank Offered Rates”; GASB No. 94, “Public-Private and Public-Public Partnership and Availability Payment Arrangements”; GASB No. 95, “Postponement of the Effective Dates of Certain Authoritative Guidance”; GASB No. 96, “Subscription-Based Information Technology Arrangements”; GASB No. 97, “Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans — an amendment of GASB Statements No. 14 and No.84, and a supersession of GASB No. 32.”

GASB No. 92 provides requirements to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements,

NOTES TO THE FINANCIAL STATEMENTS

Years ended June 30, 2020 and 2019

NOTE U — RECENT ACCOUNTING PRONOUNCEMENTS — continued

notably, interim financial reports for leases, intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan, accounting and financial reporting for pensions and related assets and OPEB, fiduciary activities with OPEB arrangements, measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition and derivative instruments. Depending on the requirements, this statement is effective either upon issuance or for reporting periods beginning after June 15, 2021.

GASB No. 93 provides guidance to governments that have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR) — most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate. Depending of the requirements, this statement is effective for reporting periods beginning after June 15, 2020 through December 31, 2021.

GASB No. 94 provides guidance to governments to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. This statement is effective for reporting periods beginning after June 15, 2022.

GASB No. 95 provides temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later, more specifically, GASB Nos. 83, 84, 87, 88 to 93. This statement was effective upon issuance in May 2020 and adopted by AH during FY 2020.

GASB No. 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset — an intangible asset — and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. A SBITA is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. This statement is effective for reporting periods beginning after June 15, 2022.

NOTES TO THE FINANCIAL STATEMENTS

Years ended June 30, 2020 and 2019

NOTE U — RECENT ACCOUNTING PRONOUNCEMENTS — continued

GASB No. 97 primary objectives are to (1) increase consistency with reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. This statement is effective for reporting periods beginning after June 15, 2021.

NOTE V — 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 February 24, 2021, 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 August 31, 2020, AH entered into various financing and operating agreements for the renovation and preservation of an established 200-unit residential community known as London Townhomes ("LTH") to be converted from a cooperative and located on a 17-acre property in the City of Atlanta. Among these agreements, AH will provide a \$6,370,301 third Priority Bridge Loan Promissory Note ("Bridge Loan") bearing a 3% annual interest rate payable monthly and maturing no later than 24 months from the date of disbursement of the last installment from the Bridge Loan, with principal and any unpaid interest due and payable after this period. AH will also provide a second priority construction/permanent loan with a 40-year term in the principal amount of \$1,094,065. In addition, AH committed to provide HomeFlex housing assistance for a maximum of 150 units for residents earning up to 60% AMI (to be reduced to 100 through attrition) for a period not to exceed 20 years. Atlanta Affordable Housing for the Future, Inc., an AH affiliate, is a 20% member of the General Partner.

On August 31, 2020, AH purchased a 4.28-acre vacant land located at 3650 Bakers Ferry Road, Atlanta, Georgia, for a cash consideration of \$1.68 million. In partnership with a developer, AH plans to develop the property as 100% affordable senior rental housing. As part of the deal, AH will provide a predevelopment loan in an amount up to \$1,275,000, issue a construction to permanent

NOTES TO THE FINANCIAL STATEMENTS

Years ended June 30, 2020 and 2019

NOTE V — SUBSEQUENT EVENTS — continued

loan in an amount up to \$2,365,000 and issue a HomeFlex commitment for 108 units for a term not to exceed 15 years.

On December 15, 2020, in preparation for the RAD conversion of Barge Road and Hightower Manor highrises, AH reimbursed a portion of the EPC capital lease for an amount of \$1,500,000 in principal, interest and penalty.

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 to purchase AH land, the Developers filed counterclaims against AH and its President and CEO, seeking to enforce the agreements through contract, quasi-contract and mandamus claims, respectively. On April 30, 2018, the court granted the Developers’ request to dismiss AH’s declaratory judgment claims which asserted AH’s contract defenses. On June 29, 2018, the Developers refiled their counterclaims in the declaratory judgment as an Amended Complaint against AH — the current complaint in the case and, accordingly, the Developers are now the plaintiffs in the pending lawsuit and AH is the defendant. In April 2019, AH filed a Motion for Summary Judgment on all counts and in October 2019, the Court granted AH’s Motion for Summary Judgment to two of the three claims of the Developers — 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.

AH and the Developers negotiated and executed a Settlement Agreement on December 18, 2019, which was contingent upon HUD approval. It was subsequently amended and voted upon by the AH Board of Commissioners on February 26, 2020. Consistent with the amended Settlement Agreement, AH sought HUD approval to convey the land that is the subject of the lawsuit (and which is held by AH in trust for HUD pursuant to Declarations of Trust). Based on the structure of the disposition, the lack of offered fair market value, the lack of commensurate public benefit to AH and the proposed seller financing of the transaction, HUD declined to consent. On August 28, 2020, the Developers filed a Motion to Enforce the Settlement Agreement. On September 18, 2020, AH filed its response to Developers’ Motion as well as a renewed Motion for Summary Judgment on the remaining breach of contract claim in light of the denial letter from HUD, which has improved AH’s legal position in the lawsuit. A hearing on the Developers’ Motion to Enforce Settlement and AH’s Renewed Motion for Summary Judgment occurred on January 29, 2021 with a decision from the Judge on the Motions expected within 30 to 90 days. As always, AH will continue to aggressively defend against the Developers’ claims while continuing to pursue possible resolution and settlement. 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, *

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total Pension Liability							
Service cost	\$ 5,036	\$ 55,525	\$ 86,857	\$ 141,274	\$ 154,807	\$ 130,078	\$ 166,019
Interest	994,606	1,794,096	1,782,631	2,072,456	1,980,774	2,009,842	2,093,307
Difference between expected and actual experience	31,313	694,316	(367,576)	3,174,248	3,595,608	(500,189)	(550,153)
Benefit payments	(1,070,944)	(2,256,671)	(2,931,794)	(2,914,748)	(2,905,948)	(2,850,564)	(2,873,036)
Change in Assumptions/Purchase of annuity contract	6,058,397	(20,118,978)	—	—	—	—	—
Net change in total pension liability	6,018,408	(19,831,712)	(1,429,882)	2,473,230	2,825,241	(1,210,833)	(1,163,863)
Total pension liability — beginning	25,819,254	45,650,966	47,080,848	44,607,618	41,782,377	42,993,210	44,157,073
Total pension liability — ending (a)	<u>\$ 31,837,662</u>	<u>\$ 25,819,254</u>	<u>\$ 45,650,966</u>	<u>\$ 47,080,848</u>	<u>\$ 44,607,618</u>	<u>\$ 41,782,377</u>	<u>\$ 42,993,210</u>
Plan Fiduciary Net Position							
Contribution — employer	\$ 5,000,000	\$ 750,000	\$ —	\$ 7,500,000	\$ 2,000,000	\$ 1,000,000	\$ 2,500,500
Projected earnings on plan fiduciary net position	950,944	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	1,302,093	(243,336)	(377,821)	(77,007)	(958,302)	(746,677)	(194,549)
Benefit and other payments	(1,138,943)	(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	6,114,094	(20,126,578)	(1,549,588)	6,406,081	78,933	(645,568)	1,354,898
Plan fiduciary net position — beginning	24,918,631	45,045,209	46,594,797	40,188,716	40,109,783	40,755,351	39,400,453
Plan fiduciary net position — ending (b)	<u>\$ 31,032,725</u>	<u>\$ 24,918,631</u>	<u>\$ 45,045,209</u>	<u>\$ 46,594,797</u>	<u>\$ 40,188,716</u>	<u>\$ 40,109,783</u>	<u>\$ 40,755,351</u>
Net pension liability — ending (a)–(b)	<u>\$ 804,937</u>	<u>\$ 900,623</u>	<u>\$ 605,757</u>	<u>\$ 486,051</u>	<u>\$ 4,418,902</u>	<u>\$ 1,672,594</u>	<u>\$ 2,237,859</u>
Plan fiduciary net position as a percentage of the total pension liability	97.5%	96.5%	98.7%	99.0%	90.1%	96.0%	94.8%
Covered payroll	\$ 5,472,365	\$ 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	14.7%	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,*

	2020	2019	2018	2017	2016	2015	2014
Actuarially determined employer contributions	\$ —	\$ 111,650	\$ —	\$ 784,941	\$ 654,176	\$ 387,153	\$ 546,432
Cash contributions from AH	5,000,000	750,000	—	7,500,000	2,000,000	1,000,000	2,500,000
Contribution excess	<u>\$ 5,000,000</u>	<u>\$ 638,350</u>	<u>\$ —</u>	<u>\$ 6,715,059</u>	<u>\$ 1,345,824</u>	<u>\$ 612,847</u>	<u>\$ 1,953,568</u>
Covered payroll	\$ 5,472,365	\$ 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	91.4%	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-2019 Mortality Tables for Annuitants and Non Annuitants, fully generational with Scale MP-2019

* 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

The Housing Authority of the City of Atlanta, Georgia

Financial Data Schedule of Combining Program Net Position

As of June 30, 2020

	Project Total	14.879 Mainstream Vouchers	14.889 Choice Neighborhoods Implementation Grants	14.MSC Mainstream CARES Act Funding	14.896 PH Family Self- Sufficiency Program	14.881 Moving to Work Demonstration Program	14.HOC HCV CARES Act Funding	14.CMT CARES Act Funding Transferred to MTW
111 Cash - Unrestricted	\$ 1,093,919	\$ 439	\$ 1,611	\$ -	\$ -	\$ 5,110,421	\$ -	\$ -
112 Cash - Restricted - Modernization and Development	-	-	-	-	-	-	-	-
113 Cash - Other Restricted	-	-	-	9,035	-	-	2,402,333	-
114 Cash - Tenant Security Deposits	227,343	-	-	-	-	-	-	-
115 Cash - Restricted for Payment of Current Liabilities	126,814	-	-	-	-	-	-	37,772
100 Total Cash	1,448,076	439	1,611	9,035	-	5,110,421	2,402,333	37,772
122 Accounts Receivable - HUD Other Projects	563,832	32,086	261,618	-	26,965	-	-	-
125 Accounts Receivable - Miscellaneous	363,297	6,857	-	-	-	618,881	-	-
126 Accounts Receivable - Tenants	11,003	-	-	-	-	-	-	-
126.1 Allowance for Doubtful Accounts - Tenants	(1,015)	-	-	-	-	-	-	-
126.2 Allowance for Doubtful Accounts - Other	(42,658)	(3,632)	-	-	-	(386,175)	-	-
120 Total Receivables, Net of Allowances for Doubtful Accounts	894,459	35,311	261,618	-	26,965	232,706	-	-
131 Investments - Unrestricted	11,847,735	-	-	-	-	6,635,745	-	-
132 Investments - Restricted	-	-	-	-	-	-	-	-
142 Prepaid Expenses and Other Assets	27,917	-	-	-	-	6,221	-	-
144 Inter Program Due From	-	-	-	-	-	596,307	-	-
150 Total Current Assets	14,218,187	35,750	263,229	9,035	26,965	12,581,400	2,402,333	37,772
161 Land	27,797,784	-	500	-	-	30,930,792	-	-
162 Buildings	95,245,364	-	-	-	-	854,651	-	-
163 Furniture, Equipment & Machinery - Dwellings	20,246,226	-	-	-	-	116,951	-	-
164 Furniture, Equipment & Machinery - Administration	200,946	-	-	-	-	1,683,828	-	-
166 Accumulated Depreciation	(88,218,146)	-	-	-	-	(2,055,113)	-	-
167 Construction in Progress	295,625	-	-	-	-	124,765	-	-
160 Total Capital Assets, Net of Accumulated Depreciation	55,567,799	-	500	-	-	31,655,874	-	-
171 Notes, Loans and Mortgages Receivable - Non-Current	481,750	-	-	-	-	934,321	-	-
174 Other Assets	-	-	-	-	-	17,010,000	-	-
180 Total Non-Current Assets	56,049,549	-	500	-	-	49,600,195	-	-
200 Deferred Outflow of Resources	-	-	-	-	-	-	-	-
290 Total Assets and Deferred Outflow of Resources	\$ 70,267,736	\$ 35,750	\$ 263,729	\$ 9,035	\$ 26,965	\$ 62,181,595	\$ 2,402,333	\$ 37,772
312 Accounts Payable <= 90 Days	\$ 196,402	\$ 3,225	\$ 13,033	\$ -	\$ -	\$ 79,441	\$ -	\$ 1,027
321 Accrued Wage/Payroll Taxes Payable	-	-	-	-	-	-	-	-
322 Accrued Compensated Absences - Current Portion	-	-	-	-	-	38,539	-	-
324 Accrued Contingency Liability	-	-	-	-	-	59,518	-	-
325 Accrued Interest Payable	127,431	-	-	-	-	-	-	-
331 Accounts Payable - HUD PHA Programs	-	-	-	-	-	-	-	-
332 Account Payable - PHA Projects	-	-	-	-	-	-	-	-
333 Accounts Payable - Other Government	-	-	-	-	-	-	-	-
341 Tenant Security Deposits	227,343	-	-	-	-	-	-	-
342 Unearned Revenue	2,654	-	-	9,035	-	6,748	2,402,333	-
343 Current Portion of Long-term Debt - Capital Projects	137,763	-	-	-	-	-	-	-
345 Other Current Liabilities	1,062,017	206	229	-	-	59,411	-	-
346 Accrued Liabilities - Other	2,914,470	-	120,557	-	-	1,319,198	-	36,745
347 Inter Program - Due To	51,257	36,526	129,409	-	26,965	24,388	-	-
348 Loan Liability - Current	-	-	-	-	-	-	-	-
310 Total Current Liabilities	4,719,337	39,957	263,228	9,035	26,965	1,587,243	2,402,333	37,772
351 Long-term Debt, Net of Current - Capital Projects	3,152,290	-	-	-	-	-	-	-
353 Non-current Liabilities - Other	-	-	-	-	-	-	-	-
357 Accrued Pension and OPEB Liabilities	-	-	-	-	-	-	-	-
350 Total Non-Current Liabilities	3,152,290	-	-	-	-	-	-	-
300 Total Liabilities	7,871,627	39,957	263,228	9,035	26,965	1,587,243	2,402,333	37,772
400 Deferred Inflow of Resources	-	-	-	-	-	-	-	-
508.4 Net Investment in Capital Assets	52,404,560	-	500	-	-	31,655,874	-	-
511.4 Restricted Net Position	481,750	-	-	-	-	934,320	-	-
512.4 Unrestricted Net Position	9,509,799	(4,207)	1	-	-	28,004,158	-	-
513 Total Equity - Net Assets / Position	62,396,109	(4,207)	501	-	-	60,594,352	-	-
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$ 70,267,736	\$ 35,750	\$ 263,729	\$ 9,035	\$ 26,965	\$ 62,181,595	\$ 2,402,333	\$ 37,772

The Housing Authority of the City of Atlanta, Georgia

1 Business Activities	14.CFP MTW Demonstration Program for Capital Fund	2 State/Local	14.OPS MTW Demonstration Program for Low Rent	8 Other Federal Program 1	6.2 Component Unit - Blended	14.871 Housing Choice Vouchers	COCC	Subtotal	ELIM	Total
\$ 2,449,397	\$ -	\$ -	\$ -	\$ 4,470,165	\$ 3,681,830	\$ 1,179,568	\$ 3,950	\$ 17,991,300	\$ -	\$ 17,991,300
-	-	-	-	1,866,419	-	-	-	1,866,419	-	1,866,419
-	-	3,508,677	-	3,604,565	161,401	-	9,533	9,695,544	-	9,695,544
-	-	-	-	-	-	-	-	227,343	-	227,343
-	-	-	-	-	-	-	-	164,586	-	164,586
2,449,397	-	3,508,677	-	9,941,149	3,843,231	1,179,568	13,483	29,945,192	-	29,945,192
-	-	-	-	-	-	-	-	910,088	-	910,088
153,576	-	-	-	474,079	46,307	87,258	33,886	1,784,141	-	1,784,141
-	-	-	-	-	-	-	-	11,003	-	11,003
-	-	-	-	-	-	-	-	(1,015)	-	(1,015)
-	-	-	-	-	-	(67,987)	-	(500,452)	-	(500,452)
153,576	-	-	-	474,079	46,307	19,271	33,886	2,203,765	-	2,203,765
5,980,032	-	-	-	50,195,969	2,000,000	-	-	76,659,481	-	76,659,481
-	-	-	-	1,980,476	-	-	-	1,980,476	-	1,980,476
1,000	-	-	-	140	9,003	-	1,316,110	1,360,391	-	1,360,391
67	-	213	-	613	102,488	-	142,255	841,943	(841,943)	-
8,584,072	-	3,508,890	-	62,592,426	6,001,029	1,198,839	1,505,734	112,991,248	(841,943)	112,149,305
111,793	-	-	-	-	38,597,208	-	-	97,438,077	-	97,438,077
-	-	-	-	-	15,801,881	-	79,881	111,981,777	-	111,981,777
-	-	-	-	-	3,571,286	-	323,360	24,257,823	-	24,257,823
-	-	-	-	-	-	-	7,721,564	9,606,338	-	9,606,338
-	-	-	-	-	(14,065,380)	-	(7,063,466)	(111,402,105)	-	(111,402,105)
-	-	-	-	-	91,248	-	-	511,638	-	511,638
111,793	-	-	-	-	43,996,243	-	1,061,339	132,393,548	-	132,393,548
-	-	-	-	207,572,485	-	-	-	208,988,556	-	208,988,556
6,225,840	-	-	-	36,586,597	3,502,625	-	-	63,325,062	-	63,325,062
6,337,633	-	-	-	244,159,082	47,498,868	-	1,061,339	404,707,166	-	404,707,166
-	-	-	-	-	-	-	-	-	-	-
\$14,921,705	\$ -	\$ 3,508,890	\$ -	\$306,751,508	\$ 53,499,897	\$ 1,198,839	\$ 2,567,073	\$517,698,414	\$ (841,943)	\$516,856,471
\$ 25,908	\$ -	\$ -	\$ -	\$ -	\$ 4,191	\$ 518	\$ 62,836	\$ 386,581	\$ -	\$ 386,581
-	-	-	-	-	12,558	-	688,723	701,281	-	701,281
-	-	-	-	-	-	-	1,540,494	1,579,033	-	1,579,033
-	-	-	-	-	-	-	460,482	520,000	-	520,000
-	-	-	-	-	-	-	-	127,431	-	127,431
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	227,343	-	227,343
-	-	-	-	-	-	5	-	2,420,775	-	2,420,775
-	-	-	-	-	-	-	-	137,763	-	137,763
-	-	3,471,312	-	781,323	-	1,974	52,500	5,428,972	-	5,428,972
7,000	-	-	-	-	168,637	-	1,665,326	6,257,520	-	6,257,520
-	-	-	-	-	494,404	-	78,994	841,943	(841,943)	-
-	-	-	-	-	-	-	-	-	-	-
32,908	-	3,471,312	-	781,323	679,790	2,497	4,549,355	18,628,642	(841,943)	17,786,699
-	-	-	-	-	-	-	-	3,152,290	-	3,152,290
-	-	-	-	9,917,478	-	-	-	9,917,478	-	9,917,478
-	-	-	-	-	-	-	804,937	804,937	-	804,937
-	-	-	-	9,917,478	-	-	804,937	13,874,705	-	13,874,705
32,908	-	3,471,312	-	10,698,801	679,790	2,497	5,354,292	32,503,347	(841,943)	31,661,404
-	-	-	-	-	-	-	-	-	-	-
111,793	-	-	-	-	43,996,243	-	1,061,339	129,230,309	-	129,230,309
-	-	37,365	-	213,444,158	161,401	-	9,533	215,068,527	-	215,068,527
14,777,004	-	213	-	82,608,549	8,662,463	1,196,342	(3,858,091)	140,896,231	-	140,896,231
14,888,797	-	37,578	-	296,052,707	52,820,107	1,196,342	(2,787,219)	485,195,067	-	485,195,067
\$14,921,705	\$ -	\$ 3,508,890	\$ -	\$306,751,508	\$ 53,499,897	\$ 1,198,839	\$ 2,567,073	\$517,698,414	\$ (841,943)	\$516,856,471

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, 2020

	Project Total	14.879 Mainstream Vouchers	14.HCV MTW Demonstration Program for HCV program	14.889 Choice Neighborhoods Implementation Grants	14.MSC Mainstream CARES Act Funding	14.896 PIH Family Self- Sufficiency Program	14.881 Moving to Work Demonstration Program	14.HCC HCV CARES Act Funding	14.CMT CARES Act Funding Transferred to MTW
70500 Total Tenant Revenue	\$ 4,831,384	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
70600 HUD PHA Operating Grants	2,257,013	886,326	215,060,545	858,331	439	255,327	-	682,989	-
70610 Capital Grants	13,518,101	-	-	5,445,231	-	-	-	-	-
70710 Management Fee	-	-	-	-	-	-	-	-	-
70750 Other Fees	-	-	-	-	-	-	-	-	-
70700 Total Fee Revenue	-	-	-	-	-	-	-	-	-
71100 Investment Income - Unrestricted	-	-	-	-	-	-	881,868	-	-
71500 Other Revenue	540,980	-	-	-	-	-	89,902	-	-
71600 Gain or Loss on Sale of Capital Assets	-	-	-	-	-	-	-	-	-
72000 Investment Income - Restricted	-	-	-	-	-	-	1,185	-	-
70000 Total Revenue	21,147,478	886,326	215,060,545	6,303,562	439	255,327	972,955	682,989	-
91100 Administrative Salaries	-	-	-	315,414	-	-	467,146	-	-
91200 Auditing Fees	-	-	-	-	-	-	-	-	-
91300 Management Fee	2,519,158	51,446	-	-	-	-	-	-	-
91400 Advertising and Marketing	7,783	-	-	-	-	-	2,225	-	-
91500 Employee Benefit contributions - Administrative	-	-	-	75,709	-	-	100,158	-	-
91600 Office Expenses	404,204	-	-	5,260	-	-	44,626	-	32,077
91700 Legal Expense	553,017	-	-	200	-	-	215,687	-	1,970
91800 Travel	3,561	-	-	1,677	-	-	3,760	-	612
91900 Other	1,652,226	-	-	406,980	-	-	2,071,731	-	6,000
91000 Total Operating - Administrative	5,139,949	51,446	-	805,240	-	-	2,905,333	-	40,659
92100 Tenant Services - Salaries	-	-	-	-	-	178,487	-	-	986
92200 Relocation Costs	13,954	-	-	53,090	-	-	30,869	-	-
92300 Employee Benefit Contributions - Tenant Services	-	-	-	-	-	76,840	-	-	-
92400 Tenant Services - Other	1,210,253	-	-	-	-	-	1,500	-	217,372
92500 Total Tenant Services	1,224,207	-	-	53,090	-	255,327	32,369	-	218,358
93000 Total Utilities	2,413,524	-	-	-	-	-	144,869	-	-
94000 Total Maintenance	3,705,333	-	-	-	-	-	455,515	-	36,200
95000 Total Protective Services	1,076,256	-	-	-	-	-	576,531	-	-
96100 Total Insurance Premiums	251,602	-	-	-	-	-	2,300	-	-
96000 Total Other General Expenses	13,064,120	1,790	-	-	-	-	949,861	-	-
96700 Total Interest Expense and Amortization Cost	216,749	-	-	-	-	-	-	-	-
96900 Total Operating Expenses	27,091,740	53,236	-	858,330	-	255,327	5,066,778	-	295,217
97000 Excess of Operating Revenue over Operating Expenses	(5,944,262)	833,090	215,060,545	5,445,232	439	-	(4,093,823)	682,989	(295,217)
97100 Extraordinary Maintenance	418,285	-	-	-	-	-	305,233	-	-
97300 Housing Assistance Payments	-	836,530	-	-	439	-	148,870,553	10,983	315,923
97400 Depreciation Expense	4,781,057	-	-	-	-	-	28,838	-	-
90000 Total Expenses	32,291,082	889,766	-	858,330	439	255,327	154,271,402	10,983	611,140
10010 Operating Transfer In	896,411	-	-	-	-	-	231,966,734	-	611,140
10020 Operating transfer Out	(896,411)	-	(215,060,545)	(5,362,279)	-	-	(52,736,932)	(672,006)	-
10040 Operating Transfers from/to Component Unit	-	-	-	-	-	-	-	-	-
10091 Inter Project Excess Cash Transfer In	1,330,321	-	-	-	-	-	-	-	-
10092 Inter Project Excess Cash Transfer Out	(1,330,321)	-	-	-	-	-	-	-	-
10093 Transfers between Program and Project - In	21,768,744	-	-	-	-	-	-	-	-
10094 Transfers between Project and Program - Out	(19,424,731)	-	-	(82,452)	-	-	(21,686,293)	-	-
10100 Total Other financing Sources (Uses)	2,344,013	-	(215,060,545)	(5,444,731)	-	-	157,543,509	(672,006)	611,140
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$ (8,799,591)	\$ (3,440)	\$ -	\$ 501	\$ -	\$ -	\$ 4,245,062	\$ -	\$ -
11020 Required Annual Debt Principal Payments	\$ 115,057	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11030 Beginning Equity	\$ 71,195,700	\$ (767)	\$ -	\$ -	\$ -	\$ -	\$ 56,349,290	\$ -	\$ -
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11170 Administrative Fee Equity									
11180 Housing Assistance Payments Equity									
11190 Unit Months Available	40,488	804	-	-	-	-	233,892	-	-
11210 Number of Unit Months Leased	36,635	804	-	-	-	-	197,803	-	-
11270 Excess Cash	\$ 8,433,601								
11610 Land Purchases	\$ 82,952								
11620 Building Purchases	\$ 896,411								
11630 Furniture & Equipment - Dwelling Purchases	\$ 1,153,625								
11640 Furniture & Equipment - Administrative Purchases									
13901 Replacement Housing Factor Funds	\$ 15,775,114								

The Housing Authority of the City of Atlanta, Georgia

14.PHC Public Housing CARES Act Funding	1 Business Activities	14.CFP MTW Demonstratio n Program for Capital Fund	2 State/Local	14.OPS MTW Demonstration Program for Low Rent	8 Other Federal Program 1	6.2 Component Unit - Blended	14.871 Housing Choice Vouchers	COCC	Subtotal	ELIM	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,831,384	\$ -	\$ 4,831,384
87,125	-	287,472	-	13,518,717	-	-	9,236,161	-	243,130,445	-	243,130,445
-	-	3,100,000	-	-	-	-	-	-	22,063,332	-	22,063,332
-	-	-	-	-	-	-	-	2,637,560	2,637,560	(2,637,560)	-
-	1,667,596	-	-	-	-	-	-	-	1,667,596	-	1,667,596
-	-	-	-	-	-	-	-	2,637,560	2,637,560	(2,637,560)	-
-	198,455	-	-	-	728,453	172,812	-	-	1,981,588	-	1,981,588
-	3,457,353	-	6,507	-	2,528,814	2,559,077	-	3,617	9,186,250	(2,085,628)	7,100,622
-	23,316	-	-	-	2,115,797	(189,621)	-	9,478	1,958,970	-	1,958,970
-	12,165	-	-	-	1,884,256	-	-	-	1,897,606	-	1,897,606
87,125	5,358,885	3,387,472	6,507	13,518,717	7,257,320	2,542,268	9,236,161	2,650,655	289,354,731	(4,723,188)	284,631,543
-	250,752	-	-	-	-	-	-	22,971,984	24,005,296	-	24,005,296
-	-	-	-	-	-	-	-	160,000	160,000	-	160,000
-	-	-	-	-	-	44,000	1,013,142	-	3,627,746	(2,637,560)	990,186
-	-	-	-	-	-	-	-	62,750	72,758	-	72,758
-	-	-	-	-	-	-	-	12,441,337	12,617,204	-	12,617,204
-	31,728	-	-	-	21,706	38,527	-	3,469,042	4,047,170	-	4,047,170
-	28,439	-	-	-	-	-	-	2,152,946	2,952,259	-	2,952,259
-	-	-	-	-	-	-	-	167,722	177,332	-	177,332
-	170,000	-	-	-	-	129,348	-	4,364,664	8,800,949	(2,085,628)	6,715,321
-	480,919	-	-	-	21,706	211,875	1,013,142	45,790,445	56,460,714	(4,723,188)	51,737,526
-	-	-	-	-	-	-	-	355,923	535,396	-	535,396
-	-	-	-	-	-	-	-	-	97,913	-	97,913
-	-	-	-	-	-	-	-	105,949	182,789	-	182,789
87,125	-	-	-	-	-	-	-	835,925	2,352,175	-	2,352,175
87,125	-	-	-	-	-	-	-	1,297,797	3,168,273	-	3,168,273
-	-	-	-	-	-	224,667	-	-	2,783,060	-	2,783,060
-	-	-	-	-	-	624,509	-	178,752	5,000,309	-	5,000,309
-	-	-	-	-	-	209,285	-	-	1,862,072	-	1,862,072
-	-	-	-	-	1,529	28,197	-	520,930	804,558	-	804,558
60,866	1,384,745	-	-	-	11,396,564	5,179	18,347	509,264	27,390,736	-	27,390,736
-	-	-	-	-	-	-	-	-	216,749	-	216,749
147,991	1,865,664	-	-	-	11,419,799	1,303,712	1,031,489	48,297,188	97,686,471	(4,723,188)	92,963,283
(60,866)	3,493,221	3,387,472	6,507	13,518,717	(4,162,479)	1,238,556	8,204,672	(45,646,533)	191,668,260	-	191,668,260
-	-	-	4,018	-	-	121,366	-	-	848,902	-	848,902
-	-	-	-	-	-	-	8,720,792	-	158,755,220	-	158,755,220
-	-	-	-	-	-	837,872	-	347,808	5,995,575	-	5,995,575
147,991	1,865,664	-	4,018	-	11,419,799	2,262,950	9,752,281	48,644,996	263,286,168	(4,723,188)	258,562,980
60,866	-	-	-	-	14,170,107	-	-	43,929,104	291,634,362	(291,634,362)	-
-	-	(3,387,472)	-	(13,518,717)	-	-	-	-	(291,634,362)	291,634,362	-
-	-	-	-	-	-	1,730	-	(1,730)	-	-	-
-	-	-	-	-	-	-	-	-	1,330,321	(1,330,321)	-
-	-	-	-	-	-	-	-	-	(1,330,321)	1,330,321	-
-	-	-	-	-	19,424,732	-	-	-	41,193,476	(41,193,476)	-
-	-	-	-	-	-	-	-	-	(41,193,476)	41,193,476	-
60,866	-	(3,387,472)	-	(13,518,717)	33,594,839	1,730	-	43,927,374	-	-	-
\$ -	\$ 3,493,221	\$ -	\$ 2,489	\$ -	\$ 29,432,360	\$ 281,048	\$ (516,120)	\$ (2,066,967)	\$ 26,068,563	\$ -	\$ 26,068,563
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 115,057		\$ 115,057
\$ -	\$ 278,002,347	\$ -	\$ 31,070	\$ -	\$ 17,595	\$ 52,539,059	\$ 1,712,462	\$ (720,252)	\$ 459,126,504		\$ 459,126,504
\$ -	\$ (266,606,771)	\$ -	\$ 4,019	\$ -	\$ 266,602,752	\$ -	\$ -	\$ -	\$ -		\$ -
							\$ (11,442)		\$ (11,442)		\$ (11,442)
							\$ 1,207,784		\$ 1,207,784		\$ 1,207,784
-	-	-	-	-	-	-	8,940	-	284,124		284,124
-	-	-	-	-	-	-	8,584	-	243,826		243,826
									\$ 8,433,601		\$ 8,433,601
									\$ 82,952		\$ 82,952
									\$ 896,411		\$ 896,411
									\$ 1,153,625		\$ 1,153,625
								\$ 860,746	\$ 860,746		\$ 860,746
								\$ -	\$ 15,775,114		\$ 15,775,114

NOTES TO FINANCIAL DATA SCHEDULES

Year Ended June 30, 2020

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**, 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).

The Housing Authority of the City of Atlanta, Georgia

NOTES TO FINANCIAL DATA SCHEDULES

Year Ended June 30, 2020

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.

8 Other Federal

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**.

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 as well as from disposals of assets.

1 Business Activities

Includes entrepreneurial activities that generate non-federal funds. Primarily, 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 non-federal funds. For further information, refer to Note G of the **Financial Statements**.

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**. See Note T of the **Notes to the Financial Statements** for balances and activity for 2020 and 2019.

NOTES TO FINANCIAL DATA SCHEDULES

Year Ended June 30, 2020

NOTE A — BASIS OF PRESENTATION — continued

14.PHC — Public Housing CARES Act Funding

Includes supplemental Operating Funds received under the CARES Act for all projects as restricted cash, cash restricted for payments of current liabilities and project-associated COVID-19 expenses and accrued expenses, if any.

14.HCC — HCV CARES Act Funding

Includes supplemental HCV administrative fees received under the CARES Act as restricted cash, cash restricted for payments of current liabilities, unearned revenue for fees not yet recognized, non-MTW voucher supplemental rent and other COVID-19-related expenses, accrued expenses, if any, and funds transferred out to cover expenses in other CARES Act programs such as PHC and MTC.

14.MSC — Mainstream CARES Act Funding

Includes supplemental Mainstream voucher administrative fees received under the CARES Act as restricted cash, cash restricted for payments of current liabilities, unearned revenue for fees not yet recognized, Mainstream voucher supplemental rent, and other COVID-19-related expenses and accrued expenses, if any.

14.CMT — CARES Act Funding Transferred to MTW

Includes supplemental funds transferred in from other CARES Act Programs used to support AH's MTW Program expenses, incurred either directly or indirectly for COVID-19-related expenses.

The Housing Authority of the City of Atlanta, Georgia

SCHEDULE OF RELATED-PARTY DEVELOPMENT LOANS

Year Ended June 30, 2020 and 2019

Owner Entity:	Effective Date	Interest Rate	Maturity Date	Outstanding Balance as of June 30, 2020	Outstanding Balance as of June 30, 2019
Capitol Gateway Partnership I, L.P.	9/15/2008	1.000%	12/31/2072	\$ 10,084,861	\$ 10,084,861
Capitol Gateway Partnership II, L.P.	11/29/2006	4.890%	11/1/2058	1,436,874	1,436,874
Capitol Gateway Partnership II, L.P.	11/29/2006	1.000%	11/1/2072	2,405,708	2,405,708
Carver Redevelopment Partnership I, L.P.	9/1/2006	1.000%	7/20/2060	7,700,000	7,700,000
Carver Redevelopment Partnership I, L.P.	7/21/2000	0.500%	1/1/2059	500,000	500,000
Carver Redevelopment Partnership I, L.P.	9/1/2006	5.210%	12/31/2055	874,250	874,250
Carver Redevelopment Partnership II, L.P.	12/2/2002	4.920%	7/20/2060	740,000	740,000
Carver Redevelopment Partnership III, L.P.	3/31/2006	1.000%	7/20/2060	8,430,000	8,430,000
Carver Redevelopment Partnership V, L.P.	8/15/2009	0.500%	7/20/2060	6,240,000	6,240,000
CCH John Egan I Homes, L.P.	8/12/1998	1.000%	8/12/2055	5,896,000	5,896,000
CCH John Egan II Homes, L.P.	11/17/2000	1.000%	11/30/2057	4,536,000	4,536,000
Centennial Place Partnership I, LP	6/11/2015	0.500%	6/11/2070	4,044,270	4,044,270
Centennial Place Partnership II, LP	12/4/2015	0.500%	12/4/2070	4,150,000	4,150,000
Centennial Place Partnership III, LP	12/29/2016	0.500%	12/28/2071	4,266,771	4,266,771
Centennial Place Partnership IV, LP	12/28/2018	1.000%	12/28/2075	4,235,060	4,235,060
Centennial Place Partnership IV, LP	12/28/2018	0.500%	12/28/2075	2,560,438	2,415,539
Columbia at Mechanicsville Apartments, L.P.	12/19/2006	0.000%	12/31/2063	5,115,000	5,115,000
Columbia at Mechanicsville Apartments, L.P.	2/19/2020	0.000%	2/19/2060	88,287	-
Columbia Commons, L.P.	3/30/2007	5.010%	12/30/2059	2,800,000	2,800,000
Columbia Commons, L.P.	3/30/2007	5.010%	10/30/2059	625,221	625,221
Columbia Commons, L.P.	2/19/2020	0.000%	2/19/2060	73,345	-
Columbia Creste, L.P.	8/7/2007	5.210%	10/30/2059	4,900,000	4,900,000
Columbia Creste, L.P.	8/7/2007	5.210%	10/30/2059	346,290	346,290
Columbia Estates, L.P.	3/30/2007	5.010%	10/30/2059	3,750,000	3,750,000
Columbia Estates, L.P.	3/30/2007	5.010%	10/30/2059	816,413	816,413
Columbia Estates, L.P.	2/26/2020	0.000%	2/26/2060	76,410	-
Columbia Grove, L.P.	7/23/2008	4.600%	7/31/2055	4,303,896	4,303,896
Columbia Grove, L.P.	7/23/2008	4.600%	7/31/2055	162,773	162,773
Columbia Park Citi Residences, L.P.	10/5/2006	5.210%	10/30/2059	4,575,000	4,575,000
Columbia Park Citi Residences, L.P.	10/5/2006	5.210%	10/30/2059	253,164	253,164
Columbia Park Citi Residences, L.P.	3/11/2020	0.000%	3/11/2060	94,704	-
Columbia Senior Residences at Mechanicsville, L.P.	12/20/2006	4.900%	12/31/2063	4,349,852	4,273,628
Columbia Village, L.P.	8/14/1998	6.504%	6/12/2040	2,250,000	2,250,000
East Lake Redevelopment II, L.P.	7/29/1999	0.000%	7/29/2039	-	11,903,505
East Lake Redevelopment, L.P.	12/13/1996	0.000%	12/12/2036	-	5,824,000
Grady Multifamily I, LP	12/18/2009	0.500%	12/1/2067	6,423,179	6,497,619
Grady Multifamily II, L.P.	12/18/2012	2.000%	12/17/2067	5,432,980	5,432,980
Grady Redevelopment Partnership I, L.P.	9/20/2007	1.000%	9/1/2067	2,577,376	2,577,376
Grady Senior Partnership II, LP	3/12/2010	0.500%	12/1/2067	2,106,132	1,938,987
Harris Redevelopment Partnership I, L.P.	1/1/2006	1.000%	10/31/2063	7,925,000	7,925,000
Harris Redevelopment Partnership V, LP	12/18/2009	0.500%	10/1/2063	8,528,879	8,565,152
Hemdon Homes Phase I, LLC	12/18/2019	3.000%	12/18/2059	6,650,002	-
John Hope Community Partnership I, L.P.	6/1/2018	0.000%	5/31/2075	875,152	875,152
John Hope Community Partnership II, L.P.	5/12/1999	1.000%	5/11/2054	7,980,000	7,980,000
Juniper and Tenth, LP	11/22/2016	0.500%	11/21/2066	3,662,500	3,662,500
Kimberly Associates I, L.P.	12/30/1999	6.470%	12/30/2054	2,605,000	2,605,000
Kimberly Associates II, L.P.	8/29/2001	5.720%	12/30/2054	1,507,000	1,507,000
Kimberly Associates III, L.P.	11/15/2002	5.340%	12/30/2054	1,305,000	1,305,000
Marietta Road Senior Tower, LLC	1/30/2020	3.000%	1/30/2051	2,600,000	-
Marietta Road Senior Tower, LLC	1/30/2020	3.000%	10/31/2061	6,200,000	-
Mechanicsville Apartments Phase 3, L.P.	12/14/2007	4.720%	12/31/2059	5,965,395	5,965,395
Mechanicsville Apartments Phase 4, L.P.	12/21/2007	0.000%	12/31/2059	5,494,000	5,494,000
Mechanicsville Apartments Phase 6, L.P.	1/14/2011	2.500%	12/31/2063	5,158,796	5,158,796
Mercy Housing Georgia VI, L.P.	7/20/2007	1.000%	10/1/2063	5,600,000	5,600,000
Peachtree Road Senior Tower, LLC	4/15/2020	3.000%	5/1/2052	3,100,000	-
Peachtree Road Senior Tower, LLC	4/15/2020	3.000%	1/31/2062	7,200,000	-
Piedmont Senior Tower, LLC	11/29/2017	2.600%	5/1/2034	2,034,077	2,153,000
Piedmont Senior Tower, LLC	11/29/2017	2.600%	11/29/2067	9,000,000	9,000,000
Piedmont Senior Tower, LLC	11/29/2017	2.600%	5/1/2020	3,300,000	3,300,000
The New Villages of Castleberry Hill I, LP	6/1/2018	1.000%	5/31/2075	3,744,848	3,744,848
UH Scholars Partnership III, LP	9/25/2018	0.500%	9/25/2060	8,168,529	2,881,687
UH Senior Partnership II, LP	12/24/2013	1.000%	12/17/2066	1,500,000	1,500,000
UH Senior Partnership II, LP	2/27/2015	0.000%	2/27/2065	450,000	450,000
UH Senior Partnership II, LP	12/23/2019	2.000%	12/31/2059	3,083,074	-
Villages of East Lake Redevelopment, L.P.	11/22/2019	0.000%	11/22/2061	18,269,103	-
West End Phase III Redevelopment Partnership, L.P.	5/19/2000	6.200%	5/31/2034	1,298,400	1,298,400
				252,425,010	217,272,116
Valuation allowance				(59,014,758)	(47,232,865)
				\$ 193,410,252	\$ 170,039,251

The Housing Authority of the City of Atlanta, Georgia

SCHEDULE OF RELATED-PARTY OTHER LOANS AND FEES RECEIVABLE

As of June 30, 2020

Owner Entity:	Other Loans	Developer and Other Fees Long Term	Predevelopment Loans Long Term	Investment In Partnership
Adamsville Green, L.P.	\$ 1,643,109	\$ 3,500	\$ -	\$ -
Brock Built Homes, LLC	10,018,000	-	-	-
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 II, L.P.	-	-	-	-
Centennial Place Partnership III, L.P.	-	-	-	-
Columbia at Mechanicsville Apartments, L.P.	-	8,469	-	-
Columbia Commons, L.P.	-	-	-	82,580
Columbia Creste, L.P.	148,009	121,414	-	-
Columbia Estates, L.P.	168,791	35,518	-	-
Columbia Grove, L.P.	227,999	64,855	-	-
Columbia Heritage Senior Residences, L.P.	-	91,899	-	-
Columbia Park Citi Residences, L.P.	117,687	44,312	-	-
Columbia Senior Residences at Edgewood, L.P.	889,829	-	-	-
Columbia Senior Residences at Mechanicsville, L.P.	-	8,034	-	-
Columbia Village, L.P.	-	-	-	111,914
Cosby Spear, L.P.	-	8,250	-	-
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 Phase VI, L.P.	-	18,136	-	220,000
Harris Redevelopment, LLC	-	-	8,468	-
Herndon Homes Phase I, LLC	-	474,053	-	-
Hightower Manor Redevelopment, L.P.	-	-	275,000	-
Kimberly Associates I, L.P.	152,484	-	-	-
Kimberly Associates II, L.P.	70,335	7,833	-	-
Kimberly Associates III, L.P.	22,080	92,567	-	-
Marietta Road Senior Tower, LLC	-	697,396	-	-
Mechanicsville Apartments Phase 3, L.P.	-	34,627	-	-
Mechanicsville Apartments Phase 4, L.P.	-	73,668	-	-
Mechanicsville Apartments Phase 6, L.P.	-	73,659	-	-
Mechanicsville I Homeownership	-	3,250	-	-
Mercy Housing Georgia VI, L.P.	111,296	20,732	-	-
Peachtree Road Senior Tower, LLC	-	970,200	-	-
Piedmont Senior Tower, LLC	-	77,406	-	-
TBG London Townhomes, L.P.	-	-	869,746	-
UH Scholars Partnership III, L.P.	-	144,302	-	-
UH Scholars Partnership IV, L.P.	-	10,000	-	-
UH Scholars Partnership Vine Street, L.P.	-	-	262,856	-
West End Phase III Redevelopment Partnership, L.P.	97,805	-	-	-
	18,438,490	3,826,264	1,416,070	414,494
Valuation allowance	(4,276,256)	(1,250,613)	-	(414,494)
	\$ 14,162,234	\$ 2,575,651	\$ 1,416,070	\$ -

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 TRANSACTIONS

Year ended June 30, 2020

Owner Entity:	Interest Income received on Loans	Development Related Income	Housing Assistance Payments	
			Operating Subsidy	HomeFlex ¹
Adamsville Green, L.P.	\$ 49,709	\$ 7,000	\$ -	\$ 578,368
Brock Built Homes, LLC	-	710,499	-	-
Campbell Stone, L.P.	29,591	-	-	1,480,854
Capitol Gateway Partnership I, L.P.	-	22,939	297,931	-
Capitol Gateway Partnership II, L.P.	-	-	257,024	143,268
Carver Redevelopment Partnership I, L.P.	-	-	631,433	-
Carver Redevelopment Partnership II, L.P.	-	-	115,307	-
Carver Redevelopment Partnership III, L.P.	-	-	366,961	-
Carver Redevelopment Partnership V, L.P.	-	-	259,883	-
Carver Senior Building, L.P.	-	-	-	555,286
CCH John Eagan I Homes, L.P.	-	-	504,512	-
CCH John Eagan II Homes, L.P.	-	-	561,003	-
Centennial Park North II, LLC	-	419,457	-	-
Centennial Place Partnership I, L.P.	-	-	-	373,528
Centennial Place Partnership II, L.P.	-	-	-	362,672
Centennial Place Partnership III, L.P.	-	-	-	387,418
Centennial Place Partnership IV, L.P.	-	-	-	233,937
Columbia at Mechanicsville Apartments, L.P.	-	-	360,388	335,104
Columbia Commons, L.P.	-	-	203,086	97,357
Columbia Creste, L.P.	-	-	337,756	-
Columbia Estates, L.P.	-	14,394	284,544	55,293
Columbia Grove, L.P.	-	-	179,675	-
Columbia Heritage Senior Residences, LP	-	8,492	-	1,037,600
Columbia Mechanicsville Scattered Sites, L.P.	-	3,250	-	-
Columbia Park Citi Residences, L.P.	-	30,126	340,084	65,444
Columbia Senior Residences at Edgewood, L.P.	-	11,229	-	1,163,691
Columbia Senior Residences at Mechanicsville, L.P.	-	-	250,149	611,249
Columbia Village, L.P.	-	-	144,126	-
East Lake Redevelopment II, L.P.	15,441	-	642,302	676,503
East Lake Redevelopment, L.P.	9,726	-	422,321	328,467
Gates Park Crossing HFOP Apartments, L.P.	-	-	-	1,128,236
Gates Park Crossing HFS Apartments, L.P.	-	-	-	792,735
Grady Multifamily I, L.P.	-	-	287,757	80,823
Grady Multifamily II, L.P.	-	-	233,388	-
Grady Redevelopment Partnership I, L.P.	-	-	159,910	639,163
Grady Senior Partnership II, L.P.	-	-	-	858,520
Grady Senior Partnership III, L.P.	-	-	-	907,274
Harris Redevelopment Partnership I, L.P.	-	-	364,550	-
Harris Redevelopment Partnership II, L.P.	-	-	-	694,735
Harris Redevelopment Partnership Phase V, LP	-	-	511,241	-
Harris Redevelopment Partnership Phase VI, LP	-	-	179,164	-
Harris VII Homeownership Offsite	-	23,015	-	-
Herdon Homes Phase I, LLC	13,350	698,155	-	-
John Hope Community Partnership II, L.P.	-	-	318,465	-
Juniper and Tenth, L.P.	-	-	-	870,669
Kimberly Associates I, L.P.	-	-	368,904	-
Kimberly Associates II, L.P.	-	-	203,396	3,341
Kimberly Associates III, L.P.	-	-	175,505	4,947
Marietta Road Senior Tower, LLC	-	758,046	-	377,205
Mechanicsville Apartments Phase 3, L.P.	-	15,662	438,593	196,112
Mechanicsville Apartments Phase 4, L.P.	-	-	400,753	249,478
Mechanicsville Apartments Phase 6, L.P.	-	-	231,912	304,028
Mercy Housing Georgia VI, L.P.	73,899	42,624	730,530	950,140
Peachtree Road Senior Tower, LLC	-	1,010,850	-	-
Piedmont Senior Tower, LLC	144,272	39,079	-	1,315,681
TBG London Townhomes, L.P.	-	5,000	-	-
The New Villages of Castleberry Hills I, LP	25,124	38,549	51,436	387,482
UH Senior Partnership I, L.P.	-	-	-	733,509
UH Senior Partnership II, L.P.	20,624	-	-	414,281
UH Scholars Partnership III, L.P.	-	347,501	-	218,242
Villages of East Lake Redevelopment, L.P.	-	271,750	-	-
West End Phase III Redevelopment Partnership, L.P.	-	-	100,437	-
	\$ 381,737	\$ 4,477,616	\$ 10,914,426	\$ 19,612,640

¹ HomeFlex payments listed are related-party only and, as a result, are not all-inclusive. However, inclusive of payments for RAD converted units.

The Housing Authority of the City of Atlanta, Georgia

SCHEDULE OF RELATED-PARTY TRANSACTIONS

Year ended June 30, 2019

Owner Entity:	Interest Income received on Loans	Development Related Income	Housing Assistance Payments	
			Operating Subsidy	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 HUD-FUNDED GRANTS

As of and Year Ended June 30, 2020

Program	Original Grant Award	Grant Drawdown			Expenditures			HUD Receivable/ (Payable)	Remaining Grant Award
	Authorized Amount	Cumulative as of June 30, 2019	Year ended June 30, 2020	Cumulative as of June 30, 2020	Cumulative as of June 30, 2019	Year ended June 30, 2020	Cumulative as of June 30, 2020	Balance as of June 30, 2020	Unexpended Balance as of June 30, 2020
Capital Fund Program Grants:									
* GA06P006501-16 Capital Fund Program 2016	\$ 6,135,319	\$ 3,083,258	\$ 3,052,061	\$ 6,135,319	\$ 3,083,258	\$ 3,052,061	\$ 6,135,319	\$ -	\$ -
GA06P006501-17 Capital Fund Program 2017	10,408,220	958,026	47,939	1,005,965	958,026	47,939	1,005,965	-	9,402,255
GA06P006501-18 Capital Fund Program 2018	16,140,505	-	-	-	-	-	-	-	16,140,505
GA06P006501-19 Capital Fund Program 2019	16,398,914	-	287,472	287,472	-	287,472	287,472	-	16,111,442
GA06P006501-20 Capital Fund Program 2020	16,689,508	-	-	-	-	-	-	-	16,689,508
Total Capital Fund Program Grants	65,772,466	4,041,284	3,387,472	7,428,756	4,041,284	3,387,472	7,428,756	-	58,343,710
HOPE VI Grants:									
GA4A006CNG114 2014/2015 Choice Neighborhood Implementation Grant	30,000,000	4,864,063	8,081,883	12,945,946	6,904,003	6,303,561	13,207,564	261,618	17,054,054
Total HOPE VI Grants	30,000,000	4,864,063	8,081,883	12,945,946	6,904,003	6,303,561	13,207,564	261,618	17,054,054
Replacement Housing Factor Grants:									
* GA06R006502-14 RHF 2014-2	2,629,657	1,086,596	1,543,061	2,629,657	1,179,080	1,450,577	2,629,657	-	-
* GA06R006501-15 RHF 2015-1	5,121,340	-	5,121,340	5,121,340	-	5,121,340	5,121,340	-	-
* GA06R006502-15 RHF 2015-2	1,651,700	-	1,651,700	1,651,700	-	1,651,700	1,651,700	-	-
* GA06R006501-16 RHF 2016-1	4,558,498	-	4,558,498	4,558,498	-	4,558,498	4,558,498	-	-
* GA06R006502-16 RHF 2016-2	1,713,869	-	1,713,869	1,713,869	-	1,713,869	1,713,869	-	-
GA06R006502-17 RHF 2017-2	1,272,118	-	708,286	708,286	-	1,272,118	1,272,118	563,832	563,832
Total Replacement Housing Factor Grants	16,947,182	1,086,596	15,296,754	16,383,350	1,179,080	15,768,102	16,947,182	563,832	563,832
Resident Opportunity & Self Sufficiency Grants:									
* FSS18GA2734 ROSS 2019	249,382	130,650	118,732	249,382	154,329	95,053	249,382	-	-
FSS20GA3292 ROSS 2020	276,021	-	133,309	133,309	-	160,274	160,274	26,965	142,712
Total Resident Opportunity & Self Sufficiency Grants	525,403	130,650	252,041	382,691	154,329	255,327	409,656	26,965	142,712
Total HUD-Funded Grants	\$ 113,245,051	\$ 10,122,592	\$ 27,018,150	\$ 37,140,743	\$ 12,278,696	\$ 25,714,462	\$ 37,993,158	\$ 852,415	\$ 76,104,308

* Grants completed in year ended June 30, 2020

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, 2020

GRANT NAME	CFP Year 2016
PROJECT NUMBER	<u>GA06P006501-16</u>
GRANT AWARD EFFECTIVE DATE*	February 17, 2016
CONTRACT COMPLETION DATE	December 13, 2019
BUDGET	<u>\$ 6,135,319</u>
ADVANCES	\$ 6,135,319
COSTS	<u>6,135,319</u>
EXCESS/(DEFICIENCY) OF ADVANCES DUE TO/(FROM) HUD	<u>\$ -</u>
AMOUNT TO BE RECAPTURED BY HUD	<u>\$ -</u>

*Represents the LOCCS effective date.

The actual CFRG Cost Certificate is in agreement with AH 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, 2020

GRANT NAME	RHF Year 2014-2
PROJECT NUMBER	<u>GA06R006502-14</u>
GRANT AWARD EFFECTIVE DATE*	March 20, 2014
CONTRACT COMPLETION DATE	November 20, 2019
BUDGET	<u>\$ 2,629,657</u>
ADVANCES	\$ 2,629,657
COSTS	<u>2,629,657</u>
EXCESS/(DEFICIENCY) OF ADVANCES DUE TO/(FROM) HUD	<u>\$ -</u>
AMOUNT TO BE RECAPTURED BY HUD	<u>\$ -</u>

*Represents the LOCCS effective date.

The actual CFRG Cost Certificate is in agreement with AH 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, 2020

GRANT NAME	RHF Year 2015-1
PROJECT NUMBER	<u>GA06R006501-15</u>
GRANT AWARD EFFECTIVE DATE*	February 12, 2015
CONTRACT COMPLETION DATE	April 10, 2020
BUDGET	<u>\$ 5,121,340</u>
ADVANCES	\$ 5,121,340
COSTS	<u>5,121,340</u>
EXCESS/(DEFICIENCY) OF ADVANCES DUE TO/(FROM) HUD	<u>\$ -</u>
AMOUNT TO BE RECAPTURED BY HUD	<u>\$ -</u>

*Represents the LOCCS effective date.

The actual CFRG Cost Certificate is in agreement with AH 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, 2020

GRANT NAME	RHF Year 2015-2
PROJECT NUMBER	<u>GA06R006502-15</u>
GRANT AWARD EFFECTIVE DATE*	February 12, 2015
CONTRACT COMPLETION DATE	April 10, 2020
BUDGET	<u>\$ 1,651,700</u>
ADVANCES	\$ 1,651,700
COSTS	<u>1,651,700</u>
EXCESS/(DEFICIENCY) OF ADVANCES DUE TO/(FROM) HUD	<u>\$ -</u>
AMOUNT TO BE RECAPTURED BY HUD	<u>\$ -</u>

*Represents the LOCCS effective date.

The actual CFRG Cost Certificate is in agreement with AH 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, 2020

GRANT NAME	RHF Year 2016-1
PROJECT NUMBER	<u>GA06R006501-16</u>
GRANT AWARD EFFECTIVE DATE*	February 17, 2016
CONTRACT COMPLETION DATE	December 23, 2019
BUDGET	<u>\$ 4,558,498</u>
ADVANCES	\$ 4,558,498
COSTS	<u>4,558,498</u>
EXCESS/(DEFICIENCY) OF ADVANCES DUE TO/(FROM) HUD	<u>\$ -</u>
AMOUNT TO BE RECAPTURED BY HUD	<u>\$ -</u>

*Represents the LOCCS effective date.

The actual CFRG Cost Certificate is in agreement with AH 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, 2020

GRANT NAME	RHF Year 2016-2
PROJECT NUMBER	<u>GA06R006502-16</u>
GRANT AWARD EFFECTIVE DATE*	February 17, 2016
CONTRACT COMPLETION DATE	June 18, 2020
BUDGET	<u>\$ 1,713,869</u>
ADVANCES	\$ 1,713,869
COSTS	<u>1,713,869</u>
EXCESS/(DEFICIENCY) OF ADVANCES DUE TO/(FROM) HUD	<u>\$ -</u>
AMOUNT TO BE RECAPTURED BY HUD	<u>\$ -</u>

*Represents the LOCCS effective date.

The actual CFRG Cost Certificate is in agreement with AH 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, 2020

GRANT NAME	ROSS 2019
PROJECT NUMBER	<u>FSS18GA2734</u>
GRANT AWARD EFFECTIVE DATE*	March 12, 2019
CONTRACT COMPLETION DATE	November 5, 2019
BUDGET	<u>\$ 249,382</u>
ADVANCES	\$ 249,382
COSTS	<u>249,382</u>
EXCESS/(DEFICIENCY) OF ADVANCES DUE TO/(FROM) HUD	<u>\$ -</u>
AMOUNT TO BE RECAPTURED BY HUD	<u>\$ -</u>

*Represents the LOCCS effective date.

The actual CFRG Cost Certificate is in agreement with AH 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.

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STATISTICAL INFORMATION

The Housing Authority of the City of Atlanta, Georgia

STATEMENTS OF NET POSITION

As of June 30, 2011 to 2020

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
CURRENT ASSETS										
Cash										
Unrestricted	\$ 17,991,298	\$ 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
Restricted	11,953,891	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
Total cash	29,945,189	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
Investments, short-term	78,639,957	71,827,395	73,195,197	18,999,225	—	—	—	—	2,395,868	—
Receivables, net of allowance	2,203,766	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
Prepaid expense	1,360,389	860,114	1,079,981	992,051	1,166,983	1,065,152	1,072,733	988,049	2,311,642	729,056
Total current assets	112,149,301	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
NON-CURRENT ASSETS										
Investments, long-term	60,749,411	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
Related-party development and other loans, development receivables and investments in partnerships, net of allowances	211,564,207	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
Capital assets, net of accumulated depreciation	132,393,548	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
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
Total non-current assets	404,707,166	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
TOTAL ASSETS	516,856,467	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
DEFERRED OUTFLOWS	—	1,948,541	1,445,335	5,398,551	5,267,381	901,516	193,549	—	—	—
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>\$ 516,856,467</u>	<u>\$ 489,712,531</u>	<u>\$ 483,024,705</u>	<u>\$ 419,697,519</u>	<u>\$ 467,753,518</u>	<u>\$ 467,290,927</u>	<u>\$ 470,306,821</u>	<u>\$ 470,576,185</u>	<u>\$ 463,849,658</u>	<u>\$ 464,369,508</u>
CURRENT LIABILITIES										
Accounts payable	\$ 386,582	\$ 399,066	\$ 405,614	\$ 354,209	\$ 597,901	\$ 398,835	\$ 684,617	\$ 3,395,211	\$ 1,102,938	\$ 1,386,807
Accrued liabilities	10,414,547	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
Other current liabilities	6,847,809	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
Current portion of long-term debt	137,763	115,057	244,371	238,685	254,268	223,177	198,878	463,396	—	331,315
Total current liabilities	17,786,701	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
NON-CURRENT LIABILITIES										
Long-term debt, net of current portion	3,152,290	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
Other non-current liabilities	9,917,478	8,983,495	—	22,486	2,983,741	2,438,836	2,506,290	1,489,305	1,341,235	1,270,244
Net pension plan liability	804,937	900,623	605,757	486,051	4,418,902	1,672,594	2,237,859	—	—	—
Total non-current liabilities	13,874,705	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
TOTAL LIABILITIES	31,661,406	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
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	129,230,309	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
Restricted-Notes receivable, HUD, program reserves	215,068,526	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
Unrestricted	140,896,226	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
Total net position	485,195,061	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
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	<u>\$ 516,856,467</u>	<u>\$ 489,712,531</u>	<u>\$ 483,024,705</u>	<u>\$ 419,697,519</u>	<u>\$ 467,753,518</u>	<u>\$ 467,290,927</u>	<u>\$ 470,306,821</u>	<u>\$ 470,576,185</u>	<u>\$ 463,849,658</u>	<u>\$ 464,369,508</u>

The Housing Authority of the City of Atlanta, Georgia

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

Years ended June 30, 2011 to 2020

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
OPERATING REVENUES										
MTW Single Fund used for operations	\$ 230,786,504	\$ 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
ARRA grant used for operations	—	—	—	—	—	—	—	—	235,428	4,816,316
Tenant dwelling revenue	4,831,385	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
Development grants used for operating expenses	3,370,670	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
Fees earned from National Housing Compliance	1,294,909	1,194,909	1,132,909	1,135,749	1,018,345	630,872	845,317	820,022	1,302,261	1,793,158
Other operating revenues	7,429,967	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
Total operating revenues	247,713,435	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
OPERATING EXPENSES										
Housing assistance and operating subsidy payments	171,172,558	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
Administration including direct operating divisions	53,145,313	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
Utilities, maintenance and protective services	9,974,604	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
Resident and participant services	3,082,812	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
Revitalization, demolition and remediation	525,928	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
General expenses	3,036,830	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
Depreciation and amortization	5,995,576	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
Total operating expenses	246,933,621	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
NET OPERATING INCOME (LOSS)	779,814	(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
NON-OPERATING REVENUES (EXPENSES)										
Interest Income on development and other loans	381,737	1,368,559	491,925	1,577,873	1,332,490	917,974	516,285	685,019	1,153,962	428,162
Interest Income on investments	3,521,145	2,061,351	640,270	42,390	—	—	—	—	—	—
Gain/(loss) on sale of assets	1,958,970	770,955	(8,895)	(1,021,986)	555,253	(1,610,978)	3,073,744	(22,645)	7,570	84,118
Valuation Allowance	(11,393,067)	(10,532,612)	(6,502,265)	(16,748,120)	(1,728,240)	—	(1,310,053)	(367,413)	(845,009)	(1,874,749)
Interest expense	(216,750)	(267,897)	(315,422)	(428,455)	(434,013)	(444,322)	(461,699)	(232,730)	(713,807)	(151,992)
Total non-operating revenues (expenses)	(5,747,965)	(6,599,644)	(5,694,387)	(16,578,298)	(274,510)	(1,137,326)	1,818,277	62,231	(397,284)	(1,514,461)
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	(4,968,151)	(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
CAPITAL CONTRIBUTIONS										
MTW Single Fund used for modernization of AH-Owned properties and capital expenditures	12,073,374	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
Development grants used for development capital expenditures and loans	18,963,332	9,030,640	—	3,830,520	586,017	3,951,599	1,838,783	6,026,678	1,572,218	16,255,535
Total capital contributions	31,036,706	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
INCREASE (DECREASE) IN NET POSITION	26,068,555	(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
NET POSITION — beginning of year	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
Change in accounting policy*	—	—	—	—	—	—	(4,726,691)	—	—	—
NET POSITION — end of year	\$ 485,195,061	\$ 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

* 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, 2011 to 2020

Community & Program Type	Type of Assistance	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
AH-Owned Communities	Public Housing	1,261	1,586	1,586	1,793	1,932	1,942	1,942	1,942	1,943	1,953
MIXED Communities (AH-Sponsored Communities)	Public Housing	1,562	2,155	2,155	2,221	2,221	2,221	2,522	2,471	2,471	2,424
	HomeFlex*	1,520	1,521	1,543	285	1,780	1,748	1,387	1,409	1,327	1,176
	LIHTC-only	1,088	1,084	1,131	1,171	1,138	1,167	1,176	1,112	1,055	981
	RAD PBV*	1,341	423	423	149						
HomeFlex Communities (Stand Alone Communities)	HomeFlex	4,803	4,230	4,012	4,705	3,271	3,244	3,040	2,949	2,953	2,894
	LIHTC-only	1,585	1,589	1,595	1,525	1,482	1,494	1,644	1,644	1,670	1,643
Housing Choice Tenant-Based **	Housing Choice Voucher	9,393	9,094	8,608	8,381	8,009	7,526	7,292	7,043	6,878	6,801
Housing Choice Port-out	Housing Choice Voucher	1,711	1,860	2,029	2,086	1,973	2,016	2,303	2,265	2,399	3,106
Housing Choice Homeownership- Mortgage Assistance	Housing Choice Voucher	18	19	23	25	30	37	59	62	83	85
Homeownership - Downpayment Assistance	MTW	1,225	993	724	553	472	384	315	277	246	204
Short-Term Housing Assistance	MTW	244	380	215	199	26	-				
TOTAL		25,751	24,934	24,044	23,093	22,334	21,779	21,680	21,174	21,025	21,267

* RAD PBV corresponds to converted public housing units to HomeFlex under RAD Program. Some converted MIXED communities in FY 2020 already included 162 HomeFlex units in aggregate which are reported as HomeFlex. RAD PBV inclusive of HomeFlex units for the RAD converted communities total 1,503 units, thereby reducing HomeFlex at MIXED communities to 1,358 units.

** Included in FY 2020 number are 531 participants searching for a unit (FY 2019 - 507).

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, 2020 and 2019

Community & Program Type	2019 Households by Income Group					2020 Households by Income Group					2020 vs. 2019	
	≤ 30% AMI	31 - 50% AMI	51 - 80% AMI	> 80% AMI	Total	≤ 30% AMI	31 - 50% AMI	51 - 80% AMI	> 80% AMI	Total	# Change	% Change
AH-Owned Communities	1,364	133	18	3	1,518	1,099	117	11	3	1,230	(288)	-19.0%
MIXED Communities*	2,425	889	199	10	3,523	1,978	683	155	16	2,832	(691)	-19.6%
RAD-PBV Conversions	341	54	7	-	402	963	248	67	9	1,287	885	220.1%
HomeFlex Communities*	3,135	831	117	3	4,086	3,424	1,012	135	4	4,575	489	12.0%
Housing Choice Tenant-Based	6,242	2,219	591	42	9,094	6,489	2,230	620	54	9,393	299	3.3%
Housing Choice Port Out	1,599	226	34	1	1,860	1,459	212	39	1	1,711	(149)	-8.0%
TOTAL	15,106	4,352	966	59	20,483	15,412	4,502	1,027	87	21,028	545	2.7%

The total number of households in 2020 that were earning 50% or less than Area Median Income (AMI) was 19,914 or 95% of total households

The 1,114 remaining households, or 5% of total households, were earning more than 50% of AMI

NOTE:

* AH does not capture household characteristics for LIHTC-only units within MIXED and HomeFlex communities.

The Housing Authority of the City of Atlanta, Georgia

Number of Households by Family Size

As of June 30, 2020 and 2019

Community & Program Type	2019 Households by Family Size						2020 Households by Family Size						2020 vs. 2019	
	1 Member	2 Members	3 Members	4 Members	5+ Members	Total	1 Member	2 Members	3 Members	4 Members	5+ Members	Total	# Change	% Change
AH-Owned Communities	1,368	100	14	14	22	1,518	1,099	78	15	14	24	1,230	(288)	-19.0%
MIXED Communities*	1,455	1,467	553	48	-	3,523	1,617	559	355	183	118	2,832	(691)	-19.6%
RAD-PBV Conversions	354	36	11	1	-	402	797	234	146	64	46	1,287	885	220.1%
HomeFlex Communities*	2,979	733	216	106	52	4,086	3,353	823	241	104	54	4,575	489	12.0%
Housing Choice Tenant-Based	2,862	2,274	1,696	1,175	1,087	9,094	2,955	2,372	1,747	1,179	1,140	9,393	299	3.3%
Housing Choice Port Out**	Unknown	Unknown	Unknown	Unknown	Unknown		337	309	327	362	376	1,711	1,711	Unk
TOTAL	9,018	4,610	2,490	1,344	1,161	18,623	10,158	4,375	2,831	1,906	1,758	21,028	2,405	12.9%

NOTES:

* AH does not capture household characteristics for LIHTC-only units within MIXED and HomeFlex communities.

** Although family composition for HCV Port Out was unknown to AH in 2019, it was estimated for 2020.

The Housing Authority of the City of Atlanta, Georgia

Number of Households by Unit Size

As of June 30, 2020 and 2019

Community & Program Type	2019 Households by Unit Size						2020 Households by Unit Size						2020 vs. 2019	
	0/1 BR	2 BRs	3 BRs	4 BRs	5+ BRs	Total	0/1 BR	2 BRs	3 BRs	4 BRs	5+ BRs	Total	BR # Change	% Change
AH-Owned Communities	1,425	45	19	29	-	1,518	1,137	45	19	29	0	1,230	(288)	-19.0%
MIXED Communities *	1,455	1,467	553	48	-	3,523	1,276	1,153	377	27	0	2,833	(690)	-19.6%
RAD-PBV Conversions	366	31	5	-		402	736	354	177	19	0	1,286	884	219.9%
HomeFlex Communities*	2,608	1,296	177	5	-	4,086	2,985	1,387	199	4	0	4,575	489	12.0%
Housing Choice Tenant-Based	2,897	3,110	2,381	706	-	9,094	2,323	3,423	2,770	758	119	9,393	299	3.3%
Housing Choice Port Out	375	609	660	189	27	1,860	329	563	604	184	31	1,711	(149)	-8.0%
TOTAL	9,126	6,558	3,795	977	27	20,483	8,786	6,925	4,146	1,021	150	21,028	545	2.7%

NOTE:

* AH does not capture household characteristics for LIHTC-only units within MIXED and HomeFlex communities.



The Housing Authority of the City of Atlanta, Georgia

Full-Time Employees by Department

As of June 30, 2018 to 2020

Personnel Summary*	2020	2019	2018
Operating Divisions			
Housing Choice Administration	12	11	13
Housing Services	60	63	66
Inspections Services	24	24	23
Real Estate Operations**	4	1	-
Real Estate Asset & Property Management***	19	8	6
Real Estate Planning & Development****	14	15	13
Real Estate Transactions Management & Capital Markets**	8	12	12
Construction and Facilities Management	11	11	13
Total Operating Divisions	152	145	146
Corporate Support			
Executive Office	2	2	3
Office of Chief Operating Officer	1	2	3
Office of General Counsel	12	13	10
Corporate Finance	16	15	14
Information Technology, Record & Information Management	46	39	42
Office of Strategy, Policy & Regulatory Affairs***	12	20	4
Government, External Affairs & Human Development	22	21	14
Communications, Marketing & Public Engagement	8	6	7
Contracts & Procurement	14	12	9
Human Resources	9	5	5
Total Corporate Support	142	135	111
Choice Neighborhoods	12	12	10
Grand Total	306	292	267

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

** Transfer of employees between these departments in 2020 while prior years data was unadjusted.

***Transfer of employees between these departments in 2020 while prior years data was unadjusted.

**** Real Estate Development and Planning and Development departments merged in 2020 and prior years data was adjusted accordingly.

The Housing Authority of the City of Atlanta, Georgia

Metro Atlanta Key Economic Indicators

Years 2010 to 2019

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Population ¹	5,302,598	5,366,462	5,444,473	5,510,530	5,593,204	5,686,048	5,787,965	5,872,432	5,945,303	6,020,364
Annual Net Population Gain	61,770	63,864	78,011	66,057	82,674	92,844	101,917	84,467	72,871	75,061
Annual Growth Rate	1.2%	1.2%	1.5%	1.2%	1.5%	1.7%	1.8%	1.5%	1.2%	1.3%
Labor Force ²	2,720,044	2,760,194	2,791,002	2,789,870	2,800,382	2,835,028	2,936,885	3,029,401	3,056,740	3,090,100
Employment ²	2,440,037	2,486,895	2,545,474	2,572,589	2,611,988	2,672,682	2,786,479	2,892,848	2,941,061	2,989,672
Unemployment Rate ²	10.3%	9.9%	8.8%	7.8%	6.7%	5.7%	5.1%	4.5%	3.8%	3.2%
Nonagricultural Employment ²	2,276,200	2,312,100	2,354,900	2,415,100	2,503,900	2,582,700	2,665,300	2,727,800	2,785,600	2,849,400
Annual Net Job Creation ²	-20,600	35,900	42,800	60,200	88,800	78,800	82,600	62,500	57,800	63,800
Annual Growth Rate	-0.9%	1.6%	1.9%	2.6%	3.7%	3.1%	3.2%	2.3%	2.1%	2.3%
Gross Domestic Product (billions, current dollars) ³	\$268.7	\$277.4	\$287.6	\$299.9	\$319.9	\$340.3	\$361.2	\$380.2	\$397.3	tbd
Total Personal Income (billions) ³	\$203.5	\$219.1	\$226.6	\$230.5	\$250.3	\$266.0	\$278.2	\$295.3	\$312.2	tbd
Per Capita Personal Income ³	\$38,379	\$40,825	\$41,625	\$41,817	\$44,744	\$46,757	\$48,052	\$50,269	\$52,473	tbd
Total Housing Units Authorized by Building Permits ⁴	7,575	8,634	14,380	24,297	26,683	30,342	36,357	33,832	39,441	32,729
Single Family	6,384	6,214	9,167	14,824	16,984	19,995	23,100	24,973	26,506	26,166
Multi-Family & Apartments	1,191	2,420	5,213	9,473	9,699	10,347	13,257	8,859	12,935	6,563
Hartsfield-Jackson Atlanta International Airport ⁵										
Total Operations (takeoffs & landings)	950,119	923,996	930,310	911,074	868,359	882,497	898,356	880,342	895,682	904,301
Total Passengers	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	110,531,300
International Passengers	9,139,022	9,856,954	9,854,343	10,258,133	10,784,219	11,233,303	11,475,615	12,065,290	12,501,023	12,655,294
Total Freight (metric tons)	643,502	663,162	654,013	616,365	601,270	626,201	648,595	691,269	693,790	639,276

Sources:

1: Population figures for 2010–2019 are July 1 annual estimates by the U.S. Census Bureau; April 1, 2010 Census count was 5,286,728; 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

The Housing Authority of the City of Atlanta, Georgia

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

**Note: No data available for 2020*

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