



**Metropolitan Housing Alliance**  
**100 S. Arch Street**  
**Little Rock, Arkansas 72201**  
**(501) 340-4821**  
[www.mhapha.org](http://www.mhapha.org)

October 18, 2021  
**Addendum # 1 to all Offerors**

**Reference:** RFQ # MHA-2021-02R

**Re- Issued Date:** September 26, 2021

**Closing Date and Time:** October 25, 2021, at 2:00 p.m. (CST)

**The solicitation is hereby changed and/or updated as follows:**

**Item #1:** The following is a list of questions submitted to MHA along with the answers in reference to the MHA 2021-02R Financial Compliance and Audit Services. Some questions have created an amendment to the original request for proposal.

1. Have there been any changes in programs, funding, component units (new, discontinued, etc.), etc.  
that would impact the audit as compared to prior years?

- No, not currently.

2. Have there been any changes in personnel, organization structure or operationally that would impact the audit as compared to prior years?

- No

3. Is there anything MHA would like to see done differently in the audit process (timing, communications, etc.)?

- No

4. Can you clarify how many MHA affiliates there are and how many require stand-alone audits?

- There are several affiliates that have standalone audits which are performed by MHA auditing partners. CAHC and MHA are required under this scope of work and will include the audits of the other entities as based upon GAP 80.

5. Can you confirm that this RFP does not include preparation of tax returns for the affiliated entities?

- This RFP will require tax returns for each affiliate and should be provided in a separate pricing line item for each entity.

6. What were the prior year audit fees and is the scope of work the same as the prior year?

- The prior year audit fees \$144,300.00
- Scope of work included the audit of all the MHA funding programs, Audit for CAHC, combining the audits of other affiliates which include Towers (3), Madison (3), Homes at Granite Mountain (1), Cumberland Manor and Metropolitan Village (2) and Homes at Granite Mountain Senior (1).

7. If fees are not provided, how many auditors were in the field and for how long?

- MHA hired one auditing firm. The auditing firm provided three to four representatives for field work.

8. How many projects are currently under RAD and are any in process of being converted?

- Six projects have converted to RAD
  - o Cumberland Manor and Metropolitan Village – Straight Conversion
  - o Madison III – Straight Conversion
  - o Jesse Powell Towers – Construction Conversion
  - o Fred Parris Towers – Construction Conversion
  - o Cumberland Manor – Construction Conversion
- Four projects are in the process of being converted (2 developers)
  - o Central, Stephens, and Sunset Terrace (1 AMP)
  - o Madison Heights I, Madison Heights II and Homes at Granite Mountain (3 AMPS)

9. Are there currently any pending litigation or HUD matters that create a contingent liability?
  - Please send clarification for this question.

**REQUEST FOR PROPOSALS**  
**For**  
**FINANCIAL COMPLIANCE & AUDIT SERVICES**  
**FOR**  
**Little Rock Housing Authority DBA/Metropolitan Housing Alliance**  
**AND**  
**AFFILIATED ENTITIES**



**MHA**  
**METROPOLITAN HOUSING ALLIANCE**

**GIVING EVERY STREET A NEIGHBORHOOD.**  
**MAKING EVERY HOUSE A HOME.**

Prepared by: Jada Johnson  
Metropolitan Housing Alliance  
100 South Arch Street  
Little Rock, AR 72201

**Financial Compliance & Audit Services**  
**RFP# MHA 2021-02R**  
**Due Date and Time: October 7, 2021 by 2:00 P.M. (CST)**

**Date Re-issued: September 26, 2021**

The Housing Authority of the City of Little Rock, Arkansas d/b/a Metropolitan Housing Alliance ("MHA") hereby solicits a request for proposal from independent accountants to conduct Financial Compliance and Auditing Services to MHA and its related entities as specified in this Request for Proposal ("RFP").

This RFP contains submission requirements, scope of services, period of services, terms and conditions and other pertinent information for submitting a proper and responsive statement of qualifications.

Prospective Respondents desiring any explanation or interpretation of the solicitation must request it at **least** seven (7) calendar days before the RFP response due date. The request must be in writing and addressed to Jada Johnson, at [jjohnson@mhapha.org](mailto:jjohnson@mhapha.org). Any information given to a prospective Respondent about this solicitation will be addressed in the form a written amendment.

The RFP response must be addressed to Mr. Kenyon Lowe, Sr., Board Chair, Metropolitan Housing Alliance, 100 South Arch Street, Little Rock, AR 72201.

Late submissions will not be accepted. Submissions will be held in confidence and not released in any manner until after the contract award. Submissions will be evaluated on the criteria stated in the RFP. Negotiations may be conducted with Respondents who have a reasonable chance of being selected for the award. After evaluation of the submission revisions, if any, the contract will be awarded to the responsible firm(s) whose qualifications and other factors considered are the most advantageous to MHA and its affiliated entities.

MHA and its affiliated entities reserve the right to accept and/or reject any and all submissions.

**The MHA will receive Proposals for Financial Compliance & Audit Services until 2:00 P.M. Central Standard Time on September 26, 2021 at the email of Jada Johnson at [jjohnson@mhapha.org](mailto:jjohnson@mhapha.org) CC: [ebenedicto@mhapha.org](mailto:ebenedicto@mhapha.org) .**

**The Request for Proposal can be obtained starting September 26, 2021 by:**

1. **Online at <http://www.mhapha.org> click on the tab Business with MHA, then bid opportunities. Responders will need to check back periodically to confirm updates and addendum.**

**Contact Person:**

- ❖ Technical Support: Jada Johnson, [jjohnson@mhapha.org](mailto:jjohnson@mhapha.org)

Notice: Contact with members of the MHA Board of Commissioners, or officers and employees other than the contact persons shown above, prior to the execution of a contract with the selected respondent(s) could result in disqualification of your submission. Outside of the notice to provide clarification, MHA will not meet in person with anyone representing a potential provider of these services to discuss this RFP.

This does not exclude meetings required to conduct business not related to the RFP, or possible personal presentations after written proposals have been received and evaluated.

REQUEST FOR PROPOSALS  
RFP# 2021-02R  
FINANCIAL COMPLIANCE AUDIT SERVICES

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## **INTRODUCTION**

The Housing Authority of the City of Little Rock (LRHA) d/b/a Metropolitan Housing Alliance was organized on October 14, 1940. The primary goal of the Authority is to provide a decent home in a suitable living environment for families who cannot afford standard private housing. The Authority's program is administered at the local level, in accordance with state law, federal guidance and regulations.

MHA is a unit of government and its functions are essential governmental functions. The property of MHA is used for essential public and governmental purposes and is exempt from all taxes, including sales tax on all its purchases of supplies, goods and services.

MHA enters into and executes contracts and other instruments that are necessary and convenient to the exercise of its powers. MHA maintains contractual arrangements with HUD to manage and operate its low rent public housing program and administers the Housing Choice Voucher Program (commonly known as Section 8 Housing Assistance Program). MHA programs are federally funded along with development grants and rental income. Its primary activity is the ownership and management of 248 conventional public housing units. It also administers rental assistance for almost 3,161 Section 8 program voucher holders. It operates and manages its housing developments to provide decent, safe, sanitary and affordable housing to low income families, the elderly, and the disabled, and implements various programs designed and funded by HUD.

MHA has created a not-for-profit affiliate Central Arkansas Housing Corporation (CAHC). In some instances, CAHC or other related entities serve as a partners in partnerships that have been awarded low-income housing tax credits and now due to the HUD Rental Assistance Demonstration Program, CAHC receives all of the developer fees from the former public housing conversion program. MHA's affiliated entities own and operate additional units of affordable housing throughout the Little Rock.

### **When used herein, "MHA" shall include its affiliated entities.**

In an effort to provide efficient and effective services, MHA and its affiliates are requesting competitive proposals from qualified independent accountants, with demonstrated professional competence and experience to conduct Financial Compliance and Auditing Services. All proposals submitted in response to this solicitation must conform to all of the requirements and specifications outlined within this document in its entirety.

## **1.0 MHA'S RESERVATION OF RIGHTS:**

- 1.1 MHA reserves the right to reject any or all proposals, to waive any informalities in the RFP process, or to terminate the RFP process at any time, if deemed by MHA to be in its best interests.
- 1.2 MHA reserves the right not to award a contract pursuant to this RFP.
- 1.3 MHA reserves the right to terminate a contract awarded pursuant to this RFP, at any time for its convenience upon 30 days written notice to the successful proposer(s).
- 1.4 MHA reserves the right to determine the days, hours and locations that the successful proposer(s) shall provide the services called for in this RFP.
- 1.5 MHA reserves the right to retain all proposals submitted and not permit withdrawal for a period of 60 days subsequent to the deadline for receiving proposals without the written consent from the Contracting Officer.
- 1.6 MHA reserves the right to negotiate the fees proposed by the proposer entity.
- 1.7 MHA reserves the right to reject and not consider any proposal that does not meet the requirements of this RFP, including but not necessarily limited to incomplete proposals and/or proposals offering alternate or non-requested services.
- 1.8 MHA shall have no obligation to compensate any proposer for any costs incurred in responding to this RFP.
- 1.9 MHA shall reserve the right to at any time during the RFP or contract process to prohibit any further participation by a proposer or reject any proposal submitted that does not conform to any of the requirements detailed herein. Each prospective proposee further agrees that he/she will inform MHA's Contracting Officer in writing within 5 days of the discovery of any item listed herein or of any item that is issued thereafter by MHA that he/she feels needs to be addressed. Failure to abide by this time frame shall relieve MHA, but not the prospective proposer, of any responsibility pertaining to such issue.

## **2.0 SCOPE OF PROPOSAL/TECHNICAL SPECIFICATIONS:** MHA and its Affiliates are seeking proposals from qualified, licensed and bonded entities with demonstrated professional competence and experience to conduct Financial Compliance and to provide the following detailed Audit Services:

### **2.1 General Requirements**

- 2.1.1 Any audit that is performed by award of this RFP shall be performed in accordance with generally accepted auditing standards, and will additionally require compliance testing and a study of internal accounting controls. The successful proposer will be required to certify that each and every audit is performed in

accordance with all applicable federal and state laws and regulations, and in accordance with Generally Accepted Accounting Principles (GAAP).

2.1.2 MHA and its component units require annual audits.

- The period of the first audit: January 1, 2020 to December 31, 2020 - Due by February 28, 2022
- The period of the second audit: January 1, 2021 to December 31, 2021 - Due by July 15, 2022
- The period of the third audit: January 1, 2022 to December 31, 2022 - Due by July 15, 2023

*Subsequent audits will be assigned at the option of the Housing Authority, for up to two (2) one-year extensions for a possible total maximum of five years.*

2.1.3 The auditor will be required to perform work in order to have completed audit reports timely. The draft report must be submitted by COB on July 15, of each contract year. Annual audits are due to HUD no later than September 30th.

Final Due

|                                       |                                  |
|---------------------------------------|----------------------------------|
| Central Arkansas Housing Corporation: | February 15, each audit year-end |
| Affiliates of CAHC:                   | February 15, each audit year-end |
| Metropolitan Housing Alliance:        | August 1, each audit year-end    |

2.1.4 Once completed, the successful proposer will be required to submit to MHA a total of 10 hard copies of the Single Audit Report and electronically submit the audited statement via REAC.

**2.2 The Auditor's Responsibilities:** The selected offerer(s) must perform a financial and compliance audit of the MHA and all of its affiliates, regardless of Federal and other funding sources, under the Single Audit Act of 1982, the Single Audit Act Amendments of 1996, and as defined within OMB Circular A-133, and any applicable requirement of individual programs or grantees.

2.2.1 General Responsibility, A-133.500(a): The audit shall be made by an independent auditor. An "independent auditor" means (1) a state or local government auditor who meets the independence standards specified in the Generally Accepted Government Auditing Standards (GAGAS), or (2) a public accountant who meets such independent standards.

**The audit shall be made in accordance with GAGAS covering financial and compliance audits. These standards mean the Standards for Audit of Government Organizations, Programs, Activities and Functions developed by the Comptroller General of the United States.**

The audit shall cover the entire operations of the MHA and its related activities, or at the option of MHA, it may cover subordinate units that received, expended, or administered Federal financial assistance during the fiscal year.

2.2.2 Financial Statements, A-133.500(b): The auditor shall determine whether MHA, its non-profit corporation and its other programs, present fairly its financial position and results of its financial operations in accordance with generally accepted accounting principles (GAAP). The auditor shall also determine whether the schedule of expenditure of Federal awards is presented fairly in all material respects in relation to the MHA's financial statements taken as a whole.

2.2.3 Internal Control, A-133.500(e): In addition to the requirements of GAGAS, the auditor shall perform procedures to obtain an understanding of the MHA's internal control systems. Internal accounting and other control systems have been established to provide reasonable assurance that it is managing Federal financial assistance programs in compliance with applicable laws and regulations.

2.2.4 Compliance, A-133.500(d): In addition to the requirements of GAGAS, the auditor shall determine whether MHA has complied with federal, state, and local laws, regulations, and provisions of contracts or grant agreements that may have a direct and material impact on its financial statements and each of its major programs which are being maintained.

2.2.5 Audit Follow-up, A-1 33.315(b): The auditor shall follow -up on prior audit findings;  
perform procedures to assess the reasonableness of the summary of schedule of prior audit findings prepared by MHA.

2.2.6 Data Collection Form, A-133.320 (b)(3): The auditor shall complete and sign specified sections of the data collection form.

2.2.7 Audit Reporting, A-133.505: The auditor's report shall include:

- An opinion on financial statements and schedule of expenditure of Federal awards;
- A report on Internal Control;
- A report on compliance;
- A schedule of findings and questioned costs.

2.2.8 Audit Working Papers, A-133.515:

Retention of Working Papers: The auditor shall retain working papers for a minimum of 3 years after the date of issuance of the auditor's report to MHA, unless the auditor is notified in writing by the U.S. Department of Housing and Urban Development to extend the retention period.

Access to Working Papers: Audit working papers shall be made available upon request to the cognizant or oversight agency for audit or its designee. Access to working papers includes the right of Federal agencies to obtain copies of working papers, as is reasonable and necessary.

2.2.9 Determine MHA's major programs, A-133.520.

2.2.10 Adherence to standards set forth by generally accepted auditing standards (GAAS) and the generally accepted government auditing standards (GAGAS).

2.2.11 Prepare the Audit Engagement Letter in accordance with AICPA standards. It confirms the auditor's acceptance of the appointment and documents the agreed upon scope and terms of the engagement and shall become a part of the ensuing contract between MHA and the selected auditor. The basic elements of the Audit Engagement Letter shall be:

- Names of the parties to the contract.
- Audit schedule.
- Reporting package and its format.
- Auditor/MHA relationship regarding changes in the kind or amount of work required, and access to and ownership of audit products, including:
  - At any time, MHA may, by written notice, make changes in or additions to work or services within the general scope of the agreement. If such changes are made, an equitable adjustment will be made in the cost of the audit using the rates specified in the agreement.
  - If the auditor believes that a change in or addition to work is beyond the general scope of the agreement, it must notify MHA in writing within 10 days of being notified to begin such work. The final administrative authority in settling such disputes shall rest with MHA.

Audit Work Papers: The work papers prepared by the auditor during the audit are its own property. These documents shall be retained for a period of at least 3 years after issuance of the Report. Copies of these work papers, if requested by MHA, HUD or any other governmental agency having jurisdiction to request such (i.e. Office of Inspector General), are to be made available to the requesting party within 10 days of receipt of such request. All reports rendered to MHA by the auditor are the exclusive property of MHA and subject to its use and control, according to applicable laws and regulations.

2.2.11.1 The objective of the audit is the expression of an opinion on the financial statements.

2.2.11.2 Management is responsible for the PHA's financial statements.

2.2.11.3 Management is responsible for establishing and maintaining effective internal control systems.

2.2.11.4 Management is responsible for identifying and ensuring that MHA complies with applicable laws and regulations.

2.2.11.5 Management is responsible for making all financial records and related information available to the auditor.

2.2.11.6 Management is responsible for adjusting the financial statements to correct material misstatements and for affirming to the auditor in the representation letter that the effects of any uncorrected misstatements aggregated by the auditor are immaterial, both individually and in the aggregate.

2.2.11.7 At the conclusion of the audit, the Management will provide the auditor with a letter that confirms certain representations made during the audit (Management Representation Letter).

2.2.11.8 The auditor is responsible for conducting the audit in accordance with generally accepted auditing standards (GAAS) and/or generally accepted governmental auditing standards (GAGAS).

2.2.11.9 The audit includes obtaining an understanding of the MHA's internal controls sufficient to plan the audit and to determine the nature, timing and extent of audit procedures to be performed. An audit is not designed to provide assurance on internal control or to identify reportable conditions. However, the auditor is responsible for ensuring that the audit committee is aware of any reportable conditions that come to its attention.

2.2.11.10 Arrangements regarding the conduct of the engagement (i.e., timing; client assistance; availability of documents and use of specialists or internal auditors; etc.).

2.2.11.11 Arrangements involving a predecessor auditor, fees, expense reimbursement and payment schedule.

2.2.11.12 Any limitation of or other arrangements regarding the liability of the auditor or MHA.

2.2.11.13 Any other conditions under which third parties may be granted access to the auditor work papers.

2.2.11.14 Provision of services relating to regulatory requirements or other non-audit services.

2.2.12 Other services to be provided include:

2.2.12.1 The auditor must follow the PIH compliance supplement relating to the Public Housing Assessment System (PHAS).

2.2.12.2 The auditor must perform compliance testing for the Operating Fund Calculation of Operating Subsidy.

2.2.12.3 The auditor will be required to electronically transmit a copy of the audit report, footnotes and various attachments to MHA in a rich text format file (.rtf). The auditor will also be required to electronically attest to the accuracy of the audit that has been entered into the Real Estate Assessment Center (REAC) system by MHA within 7 months of MHA's fiscal year end.

2.2.12.4 The Auditor shall provide accounting and financial reporting services as needed from time to time.

All proposed work shall include any required assistance and verification that the Contractor must provide to assist and ensure the appropriate on-time submission of the audited Financial Data Schedule to HUD.

**2.3 MHA's Responsibilities:**

2.3.1 As defined within OMB Circular A-133:

2.3.1.1 Provide Federal program-related information: Federal awards received and expended including the CFDA title and number; award number and year; name of the Federal agency; and the name of the pass-through entity; per A-133.300(a).

2.3.1.2 Maintain internal control over Federal program that provides reasonable assurance that MHA is managing Federal awards in compliance with laws, regulations and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs; per A-133.300(b).

2.3.1.3 Comply with laws, regulations, and the provisions of contracts or grant agreements related to each of its Federal programs; per A-133.300(c).

2.3.1.4 Prepare the appropriate financial statements, including the schedule of expenditure of Federal awards in accordance with A-133.310; per A- 133.300(d).

2.3.1.5 Ensure that the required audits were properly performed and submitted timely; per A-133.300(e).

2.3.1.6 Follow up and take corrective action on audit findings, including preparation of a summary schedule of prior audit findings and a corrective action plan in accordance with OMB Circular A-133.315(b) & (c), [A-133.300(f)].

2.3.1.7 Submit the reporting package to OMB-designated Federal Clearinghouse and to its Cognizant Agency, including the Data Collection Form, (A-133.320).

2.3.2 Per 24 CFR Part 85.20:

2.3.2.1 Financial Reporting: Disclose accurate, current and complete financial results of HUD assisted Programs.

2.3.2.2 Accounting Records: Identify the source and application of funds provided for HUD assisted activities.

2.3.2.3 Internal Controls: Maintain effective controls and accountability for all assets, including accounting controls and management activities.

2.3.2.4 Budget Controls: Prepare separate budget for each HUD-assisted program, based on HUD prescribed categories, and assure that expenditures do not exceed the approved budget.

2.3.2.5 Allowable Cost: Ensure that funds are expended in accordance with program requirements, based on OMB Circular A-87 or as amended.

2.3.2.6 Source Documentation: Main source documents and files that support the financial transactions recorded in the books, providing an adequate audit trail.

2.3.3 Per Statement on Auditing Standards No. 85:

2.3.3.1 Prepare Management Representation Letter. This is MHA's written representations on financial statements under examination by the auditor. In accordance with generally accepted auditing standards (GAAS), the auditor requests this document from MHA prior to the conclusion of the audit.

2.3.4 Per 24 CFR 902.33:

2.3.3.1 Electronically submit the audited financial data to HUD's Real Estate Assessment Center (REAC) within 9 months after its fiscal year-end date.

### **3.0 PROPOSAL FORMAT:**

3.1 Tabbed Proposal Submittal:

MHA intends to retain the successful proposer pursuant to a "Best Value" basis, not a "Low Bid" basis ("Best Value" in that MHA will, as detailed within the following Section 4.0, consider factors other than just cost in making the award decision). Therefore, MHA can properly evaluate the offers received, all proposals submitted in response to this RFP must

be formatted in accordance with the sequence noted following. Each category must be separated by numbered index dividers (which number extends so that each tab can be located without opening the proposal) and labeled with the corresponding tab reference also noted below. None of the proposed services may conflict with any requirement MHA has published herein or has issued by addendum.

3.1.1 Tab 1, Form of Proposal:

This form is attached hereto as Attachment A to this RFP document. This 1-page Form must be fully completed, executed where provided thereon and submitted under this tab as a part of the proposal submittal.

3.1.2 Tab 2, Form HUD-5369-C (8/93), Certifications and Representations of Offerors, Non-Construction Contract and Conflict of Interest Questionnaire: These forms are attached hereto as Attachment B to this RFP document and must be fully completed, executed where provided thereon and submitted under this tab as a part of the proposal submittal.

3.1.3 Tab 3, Profile of Firm Form:

The Profile of Firm Form is attached hereto as Attachment C to this RFP document. This 2-page Form must be fully completed, executed and submitted under this tab as a part of the proposal submittal.

3.1.4 Tab 4, Proposed Services:

As more fully detailed within Section 2.0, Scope of Proposal/Technical Specifications, of this document, the proposer shall, at a minimum, clearly detail within the information submitted under this tab:

3.1.4.1 The work plan, including key policies and procedures, that the successful proposer will implement to provide the proposed services and the specific results that the proposer expects to affect;

3.1.4.2 If appropriate, how staff is retained, screened, trained and monitored;

3.1.4.3 The proposed quality control program;

3.1.4.4 An explanation and copies of forms that will be used and reports that will be submitted.

3.1.4.5 Each proposer shall also submit hereunder documentation pertaining to the following:

3.1.4.5.1 An affirmation that the proposing individual/firm is properly licensed for public practice as a certified public accountant in the State of Arkansas.

3.1.4.5.2 An affirmation that the proposing individual/firm meets the independence requirements of the Government Auditing Standards issued by the U.S. General Accounting Office.

3.1.4.5.3 An affirmation that the respondent does not have a record with any professional oversight board with violations of substandard audit work and is in compliance with applicable requirements for peer review and professional continuing education.

3.1.4.5.4 An affirmation that the proposing individual/firm has not been barred from doing business with the Federal government.

3.1.4.5.5 An affirmation that the proposing individual/firm does not have a conflict of interest with any of the Housing Authority's employees or Board of Commissioners.

3.1.4.5.6 Name of the Public Housing Authorities the firm has audited and within the past five years.

3.1.4.5.7 What has been the total amount of time spent on field work on each PHA audit that the firm has done.

3.1.4.5.8 What is the PIH/REAC rejection rate of the proposer's audits.

3.1.4.5.9 Has the firm had a Quality Assurance audit done by the PIH/REAC QASS division? If so, submit a copy.

### 3.1.5 Tab 5, Managerial Capacity/Financial Viability:

The proposer entity must submit under this tab a concise description of its managerial and financial capacity to deliver the proposed services, including brief professional resumes all persons identified within the proposed contract.

The following information shall also be included hereunder:

3.1.5.1 How experienced and credentialed the staff are that will be involved in the audit.

3.1.5.2 If the "in-charge" people (i.e. Owner/Partner; Manager / Supervisor; Senior Audit Staff; etc.) are CPA's.

### 3.1.6 Tab 6, Client Information:

The proposer shall submit a listing of at least 3 former or current clients for whom the proposer has performed similar or like services to those being proposed herein. The list shall, at a minimum, include:

- 3.1.6.1 The client's name;
- 3.1.6.2 The client's contact name;
- 3.1.6.3 The client's telephone number;
- 3.1.6.4 A brief description and scope of the service(s) and the dates the services were provided.

3.1.7 Tab 7, Subcontractor/Joint Venture Information (Optional Item):

The proposer shall identify hereunder whether or not he/she intends to use any subcontractors for this job, if awarded, and/or if the proposal is a joint venture with another firm.

Please remember that all information required from the proposer under the proceeding tabs must also be included for any major subcontractors (10% or more) or from any joint venture.

3.1.8 Tab 8, Section 3 Business Preference Documentation:

For *any* proposer claiming a Section 3 Business Preference, he/she shall under this tab include the fully completed and executed Section 3 Business Preference Certification Form. HUD released a notice to all Public Housing Leaders December 1, 2020. The notice made clear, the old rule at 24 CFR Part 135 has been replaced by Part 75 as of November 30, 2020. MHA will update specific requirements accordingly.

3.1.9 Tab 9, Other Information (Optional Item):

The proposer may include hereunder any other general information that the proposer believes is appropriate to assist MHA in its evaluation. If no pertinent information is to be placed under this tab, please place hereunder a statement that "NO INFORMATION IS BEING PLACED HEREUNDER."

3.1.10 If no pertinent information is to be placed under any of the tabs (especially the "Optional" tabs), please place thereunder a statement such as "NO INFORMATION IS BEING PLACED UNDER THIS TAB" or "THIS TAB LEFT INTENTIONALLY BLANK."

## **3.2 PROPOSED FEES:**

3.2.1 UNIT COSTS: Each proposer must list the proposed hourly costs and the dedicated hours for each listed position. Each proposer shall also list a lump sum amount for "expenses." The ensuing total sum will be the firm fixed fee for the proposed work for each fiscal year (FY). You must list a proposed fee for each item, a "No Bid" will not be allowed for any item. If the same person from your firm will perform work for multiple positions, then we would expect that probably you will be proposing the same hourly fee for each, though such is not required.

Please note that the proposed fees submitted by each proposer are inclusive of all necessary costs to provide the proposed services, including, but not limited to: employee costs and benefits; clerical support; overhead; profit; supplies; materials; licensing; insurance; etc. Please note that each of the following positions is inclusive of all necessary clerical work.

- 3.2.1.1.1 Item #1, Lot #1, Partner/Owner: Proposed hourly fee and dedicated hours that the Partner and/or Owner will work on the audit pertaining to FY2020.
- 3.2.1.1.2 Item #2, Lot #1, Manager/Supervisor: Proposed hourly fee and dedicated hours that the Manager and/or Supervisor will work on the audit pertaining to FY2020.
- 3.2.1.1.3 Item #3, Lot #1, Senior Audit Staff: Proposed hourly fee and dedicated hours that the Senior Audit Staff will work on the audit pertaining to FY2020.
- 3.2.1.1.4 Item #4, Lot #1, Junior Audit Staff: Proposed hourly fee and dedicated hours that the Junior Audit Staff will work on the audit pertaining to FY2020.
- 3.2.1.1.5 Item #5, Lot #1, Expenses: Total proposed fee for all expenses to allow the staff identified within the preceding 3.2.1.1 through 3.2.1.4 to complete the work pertaining to FY2020. Such expenses include, but are not limited to: travel; lodging; per diem; copying; printing; clerical; etc.
- 3.2.1.1.6 Item #6, Lot #2, Partner/Owner: Proposed hourly fee and dedicated hours that the Partner and/or Owner will work on the audit pertaining to FY2021.
- 3.2.1.1.7 Item #7, Lot #2, Manager/Supervisor: Proposed hourly fee and dedicated hours that the Manager and/or Supervisor will work on the audit pertaining to FY2021.
- 3.2.1.1.8 Item #8, Lot #2, Senior Audit Staff: Proposed hourly fee and dedicated hours that the Senior Audit Staff will work on the audit pertaining to FY2021.
- 3.2.1.1.9 Item #9, Lot #2, Junior Audit Staff: Proposed hourly fee and dedicated hours that the Junior Audit Staff will work on the audit pertaining to FY2021.
- 3.2.1.1.10 Item #10, Lot #2, Expenses: Total proposed fee for all expenses to allow the staff identified within the preceding 3.2.1.6 through 3.2.1.9 to

complete the work pertaining to FY2021. Such expenses include, but are not limited to: travel; lodging; per diem; copying; printing; clerical; etc.

- 3.2.1.1.11 Item #11, Lot #3, Partner/Owner: Proposed hourly fee and dedicated hours that the Partner and/or Owner will work on the audit pertaining to FY2022.
- 3.2.1.1.12 Item #12, Lot #3, Manager/Supervisor: Proposed hourly fee and dedicated hours that the Manager and/or Supervisor will work on the audit pertaining to FY2022.
- 3.2.1.1.13 Item #13, Lot #3, Senior Audit Staff: Proposed hourly fee and dedicated hours that the Senior Audit Staff will work on the audit pertaining to FY2022.
- 3.2.1.1.14 Item #14, Lot #3, Junior Audit Staff: Proposed hourly fee and dedicated hours that the Junior Audit Staff will work on the audit pertaining to FY2022.
- 3.2.1.1.15 Item #15, Lot #3, Expenses: Total proposed fee for all expenses to allow the staff identified within the preceding 3.2.1.11 through 3.2.1.14 to complete the work pertaining to FY2022. Such expenses include, but are not limited to: travel; lodging; per diem; copying; printing; clerical; etc.
- 3.2.1.1.16 Additional Work That May Be Required: Please note that if MHA decides that it will retain the Contractor to perform any additional related work, the labor cost of such work shall be negotiated at the applicable hourly rates detailed herein. A contractor that does not have staff based within the Little Rock area may require certain additional expenses that shall be negotiated at the following rates:
- 3.2.1.1.17 Roundtrip Airfare (Each): Will be priced at a rate allowed by the advance notice MHA gives to the Contractor (i.e. 14-day; 21-day; etc.) MHA will approve such rate prior to purchase for each such issue.
- 3.2.1.1.18 Lodging (Day): Lodging costs will be paid by MHA at the current applicable rate listed within IRS Publication 1542, which can be found at [IRS.gov](https://www.irs.gov).
- 3.2.1.1.19 Per Diem (Day): Per diem costs will be paid by MHA at the current applicable rate listed within IRS Publication 1542, which can be found at [IRS.gov](https://www.irs.gov).

3.2.1.1.20 Vehicle Rental (Day): Vehicle rental costs (if approved by MHA) will be paid by MHA at a reasonable rate pre-approved by MHA.

### **3.3 Proposal Submission:**

3.3.1 Submission shall be submitted and time-stamped received in MHA's Procurement Department no later than the submittal deadline stated herein (or within any ensuing addendum). An electronic copy shall be the way of submission with a confirmed receipt option emailed to Jada Johnson at [jjohnson@mhapha.org](mailto:jjohnson@mhapha.org) and to CC: Erica Benedicto at [ebenedicto@mhapha.org](mailto:ebenedicto@mhapha.org) . the email "Subject" line must read "MHA 2021-02R Financial Compliance & Audit Services".

All RFP responses must be addressed to Mr. Kenyon Lowe Sr., Board Chair, Metropolitan Housing Alliance, 100 South Arch Street, Little Rock, AR 72201.

The proposal must clearly denote the above noted RFP number and must have the proposer's name and return address. Offerors must complete all forms included in this RFP. Failure to include all forms may result in disqualification of the Offeror's proposal. All proposals should be concise and clear, and should convey all of the information requested by MHA. Proposals should be prepared simply and economically. All proposals shall be complete and effective to satisfy the requirements of the RFP. Emphasis should be on completeness and clarity of the content.

There is no intent to limit the contents of the proposals. Offerors may include information deemed pertinent in addition to that outlined. Failure to provide all required information may result in the proposal being non-responsive.

*If your proposal includes any information or materials other than the information requested in the Request for Proposals, you are to include this information as a separate appendix to your proposal. Any proposals received after the scheduled deadline, will be immediately disqualified. The Housing Authority assumes no responsibility for delivery of proposals which are mailed.*

### **3.4 Submission Conditions:**

**DO NOT MAKE ANY ADDITIONAL MARKS, NOTATIONS OR REQUIREMENTS ON THE DOCUMENTS TO BE SUBMITTED!**

Proposers are not allowed to change any requirements or forms contained herein, either by making or entering onto these documents or the documents submitted any revisions or additions; and if any such additional marks, notations or requirements are entered on any of the documents that are submitted to MHA by the proposer, such may invalidate that proposal. If, after accepting such a proposal, MHA decides that any such entry has not changed the intent of the proposal that MHA intended to receive, MHA may accept the proposal and the proposal shall be considered by MHA as if those additional marks, notations or requirements were not entered on such. By submitting a proposal, the proposer is thereby agreeing to abide by all terms and conditions published herein and by addendum pertaining to this RFP.

### **3.5 Submission Responsibilities:**

It shall be the responsibility of each proposer to be aware of and to abide by all dates, times, conditions, requirements and specifications set forth within all applicable documents issued by MHA, including the RFP document, the documents listed within the following Section 3.5, and any addenda and required attachments submitted by the proposer. By virtue of completing, signing and submitting the completed documents, the proposer is stating his/her agreement to comply with the all conditions and requirements set forth within those documents. Written notice from the proposer not authorized in writing by MHA to exclude any of MHA's requirements contained within the documents may cause that proposer to not be considered for award.

### **3.6 Proposer's Responsibilities:**

Contact with MHA: It is the responsibility of the proposer to address all communication and correspondence pertaining to this RFP process to the person noted by the type of means mentioned only. Proposers must not make inquiry or communicate with any other MHA staff member or official (including members of the Board of Commissioners) pertaining to this RFP. Failure to abide by this requirement may be cause for MHA to consider the proposal invalid. Questions must be submitted by email to [jjohnson@mhapha.org](mailto:jjohnson@mhapha.org), the subject line must read "MHA 2021-02 Financial Compliance and Audit Services".

### **3.7 Non-Mandatory Pre-Proposal Conference:**

A pre-proposal conference will not be held. Questions concerning the contents of the proposal and procedural aspects of the RFP will be answered by addendum. All Responders are encouraged to email Jada Johnson to notify the firms intent to submit a proposal. Any questions or request for information must be submitted in writing and will be provided to Responders delivering notice of intent.

Questions may be emailed to [jjohnson@mhapha.org](mailto:jjohnson@mhapha.org) *It is the Responders responsibility to retrieve any subsequent amendments.*

### **3.8 Recap of Attachments:**

3.8.1 It is the responsibility of each proposer to verify that he/she has the following attachments pertaining to this RFP:

3.8.1.1 Attachment A: Form of Proposal;

3.8.1.2 Attachment B: Form HUD-5369-C, *Certifications and Representations of Offerors, Non-Construction Contract; and Conflict of Interest Questionnaire*

3.8.1.3 Attachment C: Profile of Firm Form;

3.8.1.4 Attachment D: Certification for Business' Qualifying as Minority, Small and/or Woman Owned;

3.8.1.5 Attachment E: Form HUD-5369-B, *Instructions to Offerors, Non-Construction*;

3.8.1.6 Attachment F: MHA Sample Contract Form (this contract is being given as a sample only-MHA reserves the right to revise any clause herein and/or to include within the ensuing contract any additional clauses that is in its best interests);

3.8.1.7 Attachment G: Form HUD-5370-C, General Contract Conditions, Non-Construction;

3.8.1.8 Attachment H: Request for Written Response to Questions.

3.8.1.8 Attachment I: Conflict of Interest Statement and/or Disclosure.

#### 4.0 PROPOSAL EVALUATION:

The evaluation of professional qualifications of the proposals will be based on the following criteria:

1. **Mandatory Criteria:** Proposals will not be considered for further evaluation unless they meet all of the mandatory criteria.
2. **Technical Criteria:** Those proposers who have met each of the criteria in Section 1 above will be evaluated on the following criteria:
  - A. Responsiveness of the proposal in clearly stating an understanding of the work to be performed. (0 - 25)
    - a. Comprehensiveness of the approach that will be taken to ensure that all requirements are achieved. (0 - 15)
    - b. Realistic time estimates of each major segment of the work plans and the estimated number of hours for each staff level including consultants assigned. (0 - 10)
  - B. Technical experience of the firm. (0 - 35)
    - a. Previous audits of public housing programs, grants, nonprofits, limited partnerships and other governmental organizations. (0 - 25)
    - b. Management Information Systems. (0 - 10)
  - C. Knowledge and commitment to generally accepted accounting principles as promulgated by the AICPA, GASB and GFOA. (0 - 10)
  - D. Qualifications of staff, including consultants, to be assigned to the audit. Education, including continuing education courses taken during the past three years, position in the firm, and years and types of experience will be considered. This will be determined from the resumes submitted. (0 - 25)
    - a. Qualifications of supervisory personnel, consultants, and of the audit team doing field work. (0 - 15)
    - b. General direction and supervision to be exercised over the audit team by the firm's management personnel. (0 - 10)
  - E. Size and structure of the firm. (0 - 5)

**TOTAL MAXIMUM TECHNICAL POINTS            100**

#### **4.1 PROPOSAL EVALUATION:**

##### 1. Cost Criteria

Cost of Service (0 – 15)

#### **TECHNICAL AND COST - MAXIMUM POINTS 115**

##### 2. Oral Interview (If Necessary)

Interview points Awarded (0 - 35)

#### **TOTAL MAXIMUM POINTS 150**

#### **4.2 Evaluation Method:**

4.2.1 Initial Evaluation: Each proposal received will first be evaluated for responsiveness (i.e. meets the minimum of the requirements). MHA Board shall evaluate each of the proposals submitted in response to this RFP.

4.2.2 Restrictions: All persons having familial (including in-laws) and/or employment relationships (past or current) with principals and/or employees of a proposer entity will be excluded from participation. Similarly, all persons having ownership interest in and/or contract with a proposer entity will be excluded from participation.

#### **5.0 CONTRACT AWARD:**

5.0.1 MHA Board shall maintain the right to select the scope of service identified in this RFP. It is MHA's intent to secure the Professional Services whereby it may assign certain accounting and financial reporting task as required.

##### **5.1** If a contract is awarded pursuant to this RFP, the following detailed procedures will be followed:

5.1.1 Upon final completion of the proposal evaluation process, the Board will negotiate a final price.

5.1.2 An audit entrance and exit conference will be held before and after the audit. The contact person for setting up the meeting, where the meeting is to be held and the persons whom to meet will be the Interim Executive Director. The Director of Finance and Systems will be the contact persons for any other meetings to be held.

##### **5.2** Contract Conditions: The following provisions are considered mandatory conditions of any contract award made MHA pursuant to this RFP:

5.2.1 Contract Form: MHA will not execute a contract on the successful proposer's form--contracts will only be executed on MHA's form (please see Sample Contract, Attachment F), and by submitting a proposal the successful proposer agrees to do so (please note that MHA reserves the right to amend this form as MHA deems necessary). However, MHA will consider any contract clauses that the proposer wishes to include therein, but the failure of MHA to include such clauses does not give the successful proposer the right to refuse to execute MHA's contract form. It is the responsibility of each prospective proposer to notify MHA, in writing, prior to submitting a proposal, of any contract clause that he/she is not willing to include in the final executed contract and abide by. MHA will consider and respond to such written correspondence, and if the prospective proposer is not willing to abide by MHA's response (decision), then that prospective proposer shall be deemed ineligible to submit a proposal.

5.2.2 Assignment of Personnel: MHA shall retain the right to demand and receive a change in personnel assigned to the work if MHA believes that such change is in the best interest of MHA and the completion of the contracted work.

5.2.3 Unauthorized Sub-Contracting Prohibited: The successful proposer shall not assign any right, nor delegate any duty for the work proposed pursuant to this RFP (including, but not limited to, selling or transferring the contract) without the prior written consent of MHA's Board Chair. Any purported assignment of interest or delegation of duty, without the prior written consent of MHA's Board Chair shall be void and may result in the cancellation of the contract with MHA, or may result in the full or partial forfeiture of funds paid to the successful proposer as a result of the proposed contract; either as determined by MHA's Board Chair.

**5.3** Contract Period: MHA anticipates that it will initially award a contract for a period of three fiscal years, with, at the option of MHA, two additional fiscal-year periods.

**5.4** Licensing and Insurance Requirements: Prior to award (but not prior to submission of the proposal) the *successful proposer* will be required to provide:

5.4.1 An original certificate evidencing the proposer's current industrial (worker's compensation) insurance carrier and coverage amount;

5.4.2 An original certificate evidencing General Liability coverage, naming MHA as an additional insured, together with the appropriate endorsement to said policy reflecting the addition of the Little Rock Housing Authority D/B/A Metropolitan Housing Alliance as an additional insured under said policy (minimum of \$1,000,000 each occurrence, general aggregate minimum limit of \$2,000,000);

5.4.3 An original certificate showing the proposer's professional liability and/or "errors and omissions" coverage (minimum of \$300,000 each occurrence, general aggregate minimum limit of \$300,000);

5.4.4 An original certificate showing the proposer's automobile insurance coverage in a combined single limit of \$500,000.00.

5.4.5 If applicable, a copy of the proposer's license issued by the State licensing authority allowing the proposer to provide the services detailed herein.

5.4.6 The requested insurance and licensing information shall also be entered where provided for on the Profile of Firm Form.

**5.5** Right to Negotiate Final Fees: MHA shall retain the right to negotiate the amount of fees that are paid to the successful proposer, meaning the fees proposed by the top-rated proposer may, at MHA's options, be the basis for the beginning of negotiations. Such negotiations shall begin after MHA's evaluation panel has chosen a top-rated proposer. If such negotiations are not, in the opinion of MHA's Board successfully concluded within 10 business days, MHA shall retain the right to end such negotiations and begin negotiations with the next rated proposer. MHA shall also retain the right to negotiate with and make an award to more than one proposer, as long as such negotiation(s) and/or award(s) are addressed in the above manner (i.e. top-rated first, then next-rated following until a successful negotiation is reached).

**5.6** Billing/Payment Methods:

5.6.1 Requirements Contract/Task Order Basis: Whereas MHA does not at this time know the full extent of the work that MHA will need the successful proposer to perform, the quantities listed within the cost proposal area shall be considered to be calculation factors only that will allow MHA to evaluate each proposer's cost proposal on an equitable basis.

5.6.1.1 Therefore, the proposed contract shall be considered to be a requirements contract (RC) with work ordered on a task order basis, which means that MHA will order work on an as-needed basis, and the successful proposer will provide the work pursuant to the unit costs proposed and/or negotiated.

5.6.1.2 MHA reserves the right to order any quantity of work pursuant to the proposed contract, which means that there shall be no minimum or maximum amount of work that will be ordered, either on an individual order basis or in total. However, any such work ordered will be in conformance with a MHA's approved budget, a specific not-to exceed (NTE) amount and shall not exceed the amount listed on the current contract.

**5.7** Contract Service Standards: All work performed pursuant to this RFP must conform and comply with all applicable local, state and federal laws.

## **6.0 ASSISTANCE AVAILABLE TO PROPOSERS**

6.1 The firm, BKD performed the most recent audits for the agency for the period ended December 31, 2019. The audit reports is available in draft format.

6.2 The Director of Finance will be available to assist the individual/firm by providing information and explanations during the audit. The accounting staff of the Finance & Accounting Division will be available to assist in preparing schedules, reproducing documents and pulling documents. Data processing equipment and generalized user software are available for auditing purposes.

6.3 The Interim Executive Director will issue representation letters, if required.

6.4 Work areas, reproducing equipment and a majority of the records to be audited are located at the central office building of the Metropolitan Housing Alliance, located at 100 South Arch Street, Little Rock, AR 72201.

**6.5** The U.S. Department of Housing and Urban Development (HUD) is the cognizant federal agency for the Metropolitan Housing Alliance. The Office of Inspector General will generally have auditing responsibilities within HUD.

## **7.0 REPORTS REVIEW**

**7.1** Requirements concerning procedures of reporting, frequency, special reporting, etc., are as follows:

7.1.1 During the audit, all audit findings should be disclosed and made available to the Interim Executive Director and Director of Finance in draft form.

7.1.2 An exposure draft submission will be prepared and forwarded to the Housing Authority no later than 30 days prior to the due date for review by the Housing Authority. The Interim Executive Director and Director of Finance will be responsible for reviewing and responding to the draft audit report.

7.1.3 All fraud abuse, or illegal acts or indications of such acts, including questioned costs found as the result of these acts that the auditor becomes aware of, will be covered in a separate written report and submitted in accordance with Section 8, Required Reports, as applicable.

**REQUEST FOR PROPOSAL (RFP)**  
**FINANCIAL COMPLIANCE AND AUDIT SERVICES**  
**LITTLE ROCK HOUSING AUTHORITY D/B/A METROPOLITAN HOUSING ALLIANCE**

**Advertise Date:** September 26, 2021 and October 3, 2021  
**Title:** Financial Compliance and Audit Services  
**Issuing Agency** Little Rock Housing Authority D/B/A Metropolitan Housing Alliance  
100 S. Arch Street  
Little Rock, Arkansas 72201

Period of Contract: From Date of Award through Three Years  
(Renewable for two one-year terms thereafter)

Sealed proposals will be received until **October 12, 2021 until 2:00 P.M.** For furnishing the services described herein.

**Proposals will be accepted by email only. A free copy of the proposal is available for pick-up at:**

Metropolitan Housing Alliance, Administrative Office, 100 S. Arch Street, Little Rock, Arkansas 72201.

In compliance with this Request for and to all the conditions imposed therein and hereby incorporated by reference, the undersigned offers and agrees to furnish the goods/services in accordance with the attached signed proposal or as mutually agreed upon by subsequent negotiation. The undersigned further certifies that he/she is authorized to sign this document on behalf of the submitting firm.

|                       |                      |
|-----------------------|----------------------|
| _____                 | Date: _____          |
| Name of Firm          |                      |
| _____                 | By: _____            |
| Address               | (Signature in Ink)   |
| _____                 | Name: _____          |
| City and State        | (Print or Type Name) |
| _____ Zip Code: _____ | Title _____          |
| FEI/FIN NO. _____     | Phone : (____) _____ |
| E-mail: _____         | Fax : (____) _____   |

**NOTE: Changes to this RFP may be issued in the form of an addendum at any time prior to the due date and time for submitting proposals. Firms or individuals who obtain bid packages electronically are required to notify Jada Johnson at [jjohnson@mhapha.org](mailto:jjohnson@mhapha.org). MHA's purchasing regulations require each Offeror to submit a signed copy of the addendum per the instruction of delivery of the proposal due date and time or included with the firm's response to the solicitation.**

# FORMS

**REQUEST FOR PROPOSALS (RFP) NO. 2021-02R, FINANCIAL COMPLIANCE & AUDIT SERVICES**

**FORM OF  
 PROPOSAL**

(This Form must be fully completed and placed under Tab No. 1 of the proposal submittal.)

Instructions: Unless otherwise specifically required, the items listed below must be completed and included in the proposal submittal. Please complete this form by marking an “X,” where provided, to verify that the referenced completed form or information has been included within the proposal submitted by the proposer. Also, complete the Section 3 Statement and the Proposer’s Statement as noted below:

| X=ITEM INCLUDED | SUBMITTAL ITEMS <i>(One emailed copy of the originals.)</i>   |
|-----------------|---|
| _____           | Tab 1 Form of Proposal - Include Fees   |
| _____           | Tab 2 HUD Attachments - B, E, G, and I  |
| _____           | Tab 3 Profile of Firm Form  |
| _____           | Tab 4 Proposed Services   |
| _____           | Tab 5 Managerial Capacity/Financial Viability   |
| _____           | Tab 6 Client Information  |
| _____           | Tab 7 Equal Employment Opportunity Statement;<br>Tab 8 Subcontractor/Joint Venture Information (Optional) |
| _____           | Tab 9 Section 3 Business Preference Documentation   |
| _____           | Tab 10 Other Information and remaining attachments  |

**SECTION 3 STATEMENT**

Are you claiming a Section 3 business preference? YES\_\_ or NO\_\_\_. (See HUD [Section 3 FAQs](#))  
 If “YES,” provide documentation justifying such submitted under Tab No. 9.

**PROPOSER’S STATEMENT**

The undersigned proposer hereby states that by completing and submitting this Form and all other documents within this proposal submission, the firm is verifying that all information provided herein is, to the best of his/her knowledge, true and accurate, and that if MHA discovers, any information entered herein to be false, MHA shall be entitled to cancel any and all act of negotiations, awards and/or contracts with the undersigned party. Further, by completing the proposal submission process, and by entering the costs for services to the agency, the undersigned proposer is thereby agreeing to abide by all terms and conditions pertaining to this RFP as issued by MHA. Pursuant to the RFP Documents and addenda, this Form of Proposal, attachments, along with all completed documents submitted, the undersigned proposes to supply MHA with the services described for the fee(s) entered herein.

\_\_\_\_\_  
 Signature

\_\_\_\_\_  
 Date

\_\_\_\_\_  
 Printed Name

\_\_\_\_\_  
 Company

# Attachment B

**U.S. Department of Housing  
and Urban Development**  
Office of Public and Indian Housing

**Representations, Certifications,  
and Other Statements of Bidders**  
**Public and Indian Housing Programs**

# Representations, Certifications, and Other Statements of Bidders

## Public and Indian Housing Programs

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### 1. Certificate of Independent Price Determination

(a) The bidder certifies that--

(1) The prices in this bid have been arrived at independently, without, for the purpose of restricting competition, any consultation, communication, or agreement with any other bidder or competitor relating to (i) those prices, (ii) the intention to submit a bid, or (iii) the methods or factors used to calculate the prices offered;

(2) The prices in this bid have not been and will not be knowingly disclosed by the bidder, directly or indirectly, to any other bidder or competitor before bid opening (in the case of a sealed bid solicitation) or contract award (in the case of a competitive proposal solicitation) unless otherwise required by law; and

(3) No attempt has been made or will be made by the bidder to induce any other concern to submit or not to submit a bid for the purpose of restricting competition.

(b) Each signature on the bid is considered to be a certification by the signatory that the signatory--

(1) Is the person in the bidder's organization responsible for determining the prices being offered in this bid or proposal, and that the signatory has not participated and will not participate in any action contrary to subparagraphs (a)(1) through (a)(3) above; or

(2) (i) Has been authorized, in writing, to act as agent for the following principals in certifying that those principals have not participated, and will not participate in any action contrary to subparagraphs (a)(1) through (a)(3) above.

\_\_\_\_\_ [insert full name of person(s) in the bidder's organization responsible for determining the prices offered in this bid or proposal, and the title of his or her position in the bidder's organization];

(ii) As an authorized agent, does certify that the principals named in subdivision (b)(2)(i) above have not participated, and will not participate, in any action contrary to subparagraphs (a)(1) through (a)(3) above; and

(iii) As an agent, has not personally participated, and will not participate in any action contrary to subparagraphs (a)(1) through (a)(3) above.

(c) If the bidder deletes or modifies subparagraph (a)2 above, the bidder must furnish with its bid a signed statement setting forth in detail the circumstances of the disclosure.

[ ] [Contracting Officer check if following paragraph is applicable]

(d) Non-collusive affidavit. (applicable to contracts for construction and equipment exceeding \$50,000)

(1) Each bidder shall execute, in the form provided by the PHA/IHA, an affidavit to the effect that he/she has not colluded with any other person, firm or corporation in regard to any bid submitted in response to this solicitation. If the successful bidder did not submit the affidavit with his/her bid, he/she must submit it within three (3) working days of bid opening. Failure to submit the affidavit by that date may render the bid nonresponsive. No contract award will be made without a properly executed affidavit.

(2) A fully executed "Non-collusive Affidavit" [ ] is, [ ] is not included with the bid.

### 2. Contingent Fee Representation and Agreement

(a) Definitions. As used in this provision:

"Bona fide employee" means a person, employed by a bidder and subject to the bidder's supervision and control as to time, place, and manner of performance, who neither exerts, nor proposes to exert improper influence to solicit or obtain contracts nor holds out as being able to obtain any contract(s) through improper influence.

"Improper influence" means any influence that induces or tends to induce a PHA/IHA employee or officer to give consideration or to act regarding a PHA/IHA contract on any basis other than the merits of the matter.

(b) The bidder represents and certifies as part of its bid that, except for full-time bona fide employees working solely for the bidder, the bidder:

(1) [ ] has, [ ] has not employed or retained any person or company to solicit or obtain this contract; and

(2) [ ] has, [ ] has not paid or agreed to pay to any person or company employed or retained to solicit or obtain this contract any commission, percentage, brokerage, or other fee contingent upon or resulting from the award of this contract.

(c) If the answer to either (a)(1) or (a)(2) above is affirmative, the bidder shall make an immediate and full written disclosure to the PHA/IHA Contracting Officer.

(d) Any misrepresentation by the bidder shall give the PHA/IHA the right to (1) terminate the contract; (2) at its discretion, deduct from contract payments the amount of any commission, percentage, brokerage, or other contingent fee; or (3) take other remedy pursuant to the contract.

### 3. Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions (applicable to contracts exceeding \$100,000)

(a) The definitions and prohibitions contained in Section 1352 of title 31, United States Code, are hereby incorporated by reference in paragraph (b) of this certification.

(b) The bidder, by signing its bid, hereby certifies to the best of his or her knowledge and belief as of December 23, 1989 that:

(1) No Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress on his or her behalf in connection with the awarding of a contract resulting from this solicitation;

(2) If any funds other than Federal appropriated funds (including profit or fee received under a covered Federal transaction) have been paid, or will be paid, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress on his or her behalf in connection with this solicitation, the bidder shall complete and submit, with its bid, OMB standard form LLL, "Disclosure of Lobbying Activities;" and

(3) He or she will include the language of this certification in all subcontracts at any tier and require that all recipients of subcontract awards in excess of \$100,000 shall certify and disclose accordingly.

(c) Submission of this certification and disclosure is a prerequisite for making or entering into this contract imposed by section 1352, title 31, United States Code. Any person who makes an expenditure prohibited under this provision or who fails to file or amend the disclosure form to be filed or amended by this provision, shall be subject to a civil penalty of not less than \$10,000, and not more than \$100,000, for each such failure.

(d) Indian tribes (except those chartered by States) and Indian organizations as defined in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450B) are exempt from the requirements of this provision.

#### 4. Organizational Conflicts of Interest Certification

The bidder certifies that to the best of its knowledge and belief and except as otherwise disclosed, he or she does not have any organizational conflict of interest which is defined as a situation in which the nature of work to be performed under this proposed contract and the bidder's organizational, financial, contractual, or other interests may, without some restriction on future activities:

- (a) Result in an unfair competitive advantage to the bidder; or,
  - (b) Impair the bidder's objectivity in performing the contract work.
- [ ] In the absence of any actual or apparent conflict, I hereby certify that to the best of my knowledge and belief, no actual or apparent conflict of interest exists with regard to my possible performance of this procurement.

#### 5. Bidder's Certification of Eligibility

(a) By the submission of this bid, the bidder certifies that to the best of its knowledge and belief, neither it, nor any person or firm which has an interest in the bidder's firm, nor any of the bidder's subcontractors, is ineligible to:

(1) Be awarded contracts by any agency of the United States Government, HUD, or the State in which this contract is to be performed; or,

(2) Participate in HUD programs pursuant to 24 CFR Part 24.

(b) The certification in paragraph (a) above is a material representation of fact upon which reliance was placed when making award. If it is later determined that the bidder knowingly rendered an erroneous certification, the contract may be terminated for default, and the bidder may be debarred or suspended from participation in HUD programs and other Federal contract programs.

#### 6. Minimum Bid Acceptance Period

(a) "Acceptance period," as used in this provision, means the number of calendar days available to the PHA/IHA for awarding a contract from the date specified in this solicitation for receipt of bids.

(b) This provision supersedes any language pertaining to the acceptance period that may appear elsewhere in this solicitation.

(c) The PHA/IHA requires a minimum acceptance period of [Contracting Officer insert time period] calendar days.

(d) In the space provided immediately below, bidders may specify a longer acceptance period than the PHA's/IHA's minimum requirement. The bidder allows the following acceptance period: calendar days.

(e) A bid allowing less than the PHA's/IHA's minimum acceptance period will be rejected.

(f) The bidder agrees to execute all that it has undertaken to do, in compliance with its bid, if that bid is accepted in writing within (1) the acceptance period stated in paragraph (c) above or (2) any longer acceptance period stated in paragraph (d) above.

#### 7. Small, Minority, Women-Owned Business Concern Representation

The bidder represents and certifies as part of its bid/ offer that it --

(a) [ ] is, [ ] is not a small business concern. "Small business concern," as used in this provision, means a concern, including its affiliates, that is independently owned and operated, not dominant in the field of operation in which it is bidding, and qualified as a small business under the criteria and size standards in 13 CFR 121.

(b) [ ] is, [ ] is not a women-owned business enterprise. "Women-owned business enterprise," as used in this provision, means a business that is at least 51 percent owned by a woman or women who are U.S. citizens and who also control and operate the business.

(c) [ ] is, [ ] is not a minority business enterprise. "Minority business enterprise," as used in this provision, means a business which is at least 51 percent owned or controlled by one or more minority group members or, in the case of a publicly owned business, at least 51 percent of its voting stock is owned by one or more minority group members, and whose management and daily operations are controlled by one or more such individuals. For the purpose of this definition, minority group members are:

(Check the block applicable to you)

- |                        |                              |
|------------------------|------------------------------|
| [ ] Black Americans    | [ ] Asian Pacific Americans  |
| [ ] Hispanic Americans | [ ] Asian Indian Americans   |
| [ ] Native Americans   | [ ] Hasidic Jewish Americans |

#### 8. Indian-Owned Economic Enterprise and Indian Organization Representation (applicable only if this solicitation is for a contract to be performed on a project for an Indian Housing Authority)

The bidder represents and certifies that it:

(a) [ ] is, [ ] is not an Indian-owned economic enterprise. "Economic enterprise," as used in this provision, means any commercial, industrial, or business activity established or organized for the purpose of profit, which is at least 51 percent Indian owned. "Indian," as used in this provision, means any person who is a member of any tribe, band, group, pueblo, or community which is recognized by the Federal Government as eligible for services from the Bureau of Indian Affairs and any "Native" as defined in the Alaska Native Claims Settlement Act.

(b) [ ] is, [ ] is not an Indian organization. "Indian organization," as used in this provision, means the governing body of any Indian tribe or entity established or recognized by such governing body. Indian "tribe" means any Indian tribe, band, group, pueblo, or

community including Native villages and Native groups (including corporations organized by Kenai, Juneau, Sitka, and Kodiak) as defined in the Alaska Native Claims Settlement Act, which is recognized by the Federal Government as eligible for services from the Bureau of Indian Affairs.

**9. Certification of Eligibility Under the Davis-Bacon Act** (applicable to construction contracts exceeding \$2,000)

(a) By the submission of this bid, the bidder certifies that neither it nor any person or firm who has an interest in the bidder's firm is a person or firm ineligible to be awarded contracts by the United States Government by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1).

(b) No part of the contract resulting from this solicitation shall be subcontracted to any person or firm ineligible to be awarded contracts by the United States Government by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1).

(c) The penalty for making false statements is prescribed in the U. S. Criminal Code, 18 U.S.C. 1001.

**10. Certification of Nonsegregated Facilities** (applicable to contracts exceeding \$10,000)

(a) The bidder's attention is called to the clause entitled **Equal Employment Opportunity** of the General Conditions of the Contract for Construction.

(b) "Segregated facilities," as used in this provision, means any waiting rooms, work areas, rest rooms and wash rooms, restaurants and other eating areas, time clocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing facilities provided for employees, that are segregated by explicit directive or are in fact segregated on the basis of race, color, religion, or national origin because of habit, local custom, or otherwise.

(c) By the submission of this bid, the bidder certifies that it does not and will not maintain or provide for its employees any segregated facilities at any of its establishments, and that it does not and will not permit its employees to perform their services at any location under its control where segregated facilities are maintained. The bidder agrees that a breach of this certification is a violation of the Equal Employment Opportunity clause in the contract.

(d) The bidder further agrees that (except where it has obtained identical certifications from proposed subcontractors for specific time periods) prior to entering into subcontracts which exceed \$10,000 and are not exempt from the requirements of the Equal Employment Opportunity clause, it will:

(1) Obtain identical certifications from the proposed subcontractors;

(2) Retain the certifications in its files; and

(3) Forward the following notice to the proposed subcontractors (except if the proposed subcontractors have submitted identical certifications for specific time periods):

**Notice to Prospective Subcontractors of Requirement for Certifications of Nonsegregated Facilities**

A Certification of Nonsegregated Facilities must be submitted before the award of a subcontract exceeding \$10,000 which is not exempt from the provisions of the Equal Employment Opportunity clause of the prime contract. The certification may be submitted either for each subcontract or for all subcontracts during a period (i.e., quarterly, semiannually, or annually).

**Note:** The penalty for making false statements in bids is prescribed in 18 U.S.C. 1001.

**11. Clean Air and Water Certification** (applicable to contracts exceeding \$100,000)

The bidder certifies that:

(a) Any facility to be used in the performance of this contract [ ] is, [ ] is not listed on the Environmental Protection Agency List of Violating Facilities:

(b) The bidder will immediately notify the PHA/IHA Contracting Officer, before award, of the receipt of any communication from the Administrator, or a designee, of the Environmental Protection Agency, indicating that any facility that the bidder proposes to use for the performance of the contract is under consideration to be listed on the EPA List of Violating Facilities; and,

(c) The bidder will include a certification substantially the same as this certification, including this paragraph (c), in every nonexempt subcontract.

**12. Previous Participation Certificate** (applicable to construction and equipment contracts exceeding \$50,000)

(a) The bidder shall complete and submit with his/her bid the Form HUD-2530, "Previous Participation Certificate." If the successful bidder does not submit the certificate with his/her bid, he/she must submit it within three (3) working days of bid opening. Failure to submit the certificate by that date may render the bid nonresponsive. No contract award will be made without a properly executed certificate.

(b) A fully executed "Previous Participation Certificate" [ ] is, [ ] is not included with the bid.

**13. Bidder's Signature**

The bidder hereby certifies that the information contained in these certifications and representations is accurate, complete, and current.

\_\_\_\_\_  
(Signature and Date)

\_\_\_\_\_  
(Typed or Printed Name)

\_\_\_\_\_  
(Title)

\_\_\_\_\_  
(Company Name)

\_\_\_\_\_  
(Company Address)

# Attachment C

**REQUEST FOR PROPOSALS MHA 2021-02R**

|  |
|--|
| <b>PROFILE OF FIRM FORM<br/>(Attachment C)</b> |
|--|

- (1) Prime \_\_\_\_ Sub-contractor \_\_\_\_ (This form must be completed by and for each).
- (2) Name of Firm: \_\_\_\_\_ Telephone: \_\_\_\_\_ Fax: \_\_\_\_\_
- (3) Street Address, City, State, Zip: \_\_\_\_\_
- (4) Please attached a brief biography/resume of the company, including the following information:  
 (a) Year Firm Established; (b) Year Firm Established in [JURISDICTION]; (c) Former Name and Year Established (if applicable); (d) Name of Parent Company and Date Acquired (if applicable).
- (5) Identify Principals/Partners in Firm (submit under Tab No. Attachment D a brief professional resume for each):

| NAME | TITLE | % OF OWNERSHIP |
|------|-------|----------------|
|      |       |                |
|      |       |                |
|      |       |                |
|      |       |                |

- (6) Identify the individual(s) that will act as project manager and any other supervisory personnel that will work on project; please submit under Tab No. 5 a brief resume for each. (Do not duplicate any resumes required above):

| NAME | TITLE |
|------|-------|
|      |       |
|      |       |
|      |       |
|      |       |

- (7) Proposer Diversity Statement: You must circle all of the following that apply to the ownership of this firm and enter where provided the correct percentage (%) of ownership of each:

Caucasian American (Male) \_\_\_\_\_%     
  Public-Held Corporation \_\_\_\_\_%     
  Government Agency \_\_\_\_\_%     
  Non-Profit Organization \_\_\_\_\_%

Resident- (RBE), Minority- (MBE), or Woman-Owned (WBE) Business Enterprise (Qualifies by virtue of 51% or more ownership and active management by one or more of the following:

Resident-Owned\* \_\_\_\_\_%     
  African American \_\_\_\_\_%     
  \*\*Native American \_\_\_\_\_%     
  Hispanic American \_\_\_\_\_%     
  Asian/Pacific American \_\_\_\_\_%     
  Hasidic Jew \_\_\_\_\_%     
  Asian/Indian American \_\_\_\_\_%

Woman-Owned (MBE) \_\_\_\_\_%     
  Woman-Owned (Caucasian) \_\_\_\_\_%     
  Disabled Veteran \_\_\_\_\_%     
  Other (Specify): \_\_\_\_\_%

WMBE Certification Number: \_\_\_\_\_

Certified by (Agency): \_\_\_\_\_

(NOTE: A CERTIFICATION/NUMBER NOT REQUIRED TO PROPOSE - ENTER IF AVAILABLE)

\_\_\_\_\_  
**Signature    Date    Printed Name    Company**

REQUEST FOR PROPOSALS MHA 2021-02R

**PROFILE OF FIRM FORM  
(Attachment C)**

(This Form must be fully completed and placed under Tab No. 3.1 of the "hard copy" tabbed proposal submittal.)

- (8) Federal Tax ID No.: \_\_\_\_\_
- (9) [APPROPRIATE JURISDICTION] Business License No.: \_\_\_\_\_
- (10) State of \_\_\_\_\_ License Type and No.: \_\_\_\_\_
- (11) Worker's Compensation Insurance Carrier: \_\_\_\_\_  
Policy No.: \_\_\_\_\_ Expiration Date: \_\_\_\_\_
- (12) General Liability Insurance Carrier: \_\_\_\_\_  
Policy No. \_\_\_\_\_ Expiration Date: \_\_\_\_\_
- (13) Professional Liability Insurance Carrier: \_\_\_\_\_  
Policy No. \_\_\_\_\_ Expiration Date: \_\_\_\_\_
- (14) Debarred Statement: Has this firm, or any principal(s) ever been debarred from providing any services by the Federal Government, any state government, the State of \_\_\_\_\_, or any local government agency within or without the State of \_\_\_\_\_? Yes  No   
If "Yes," please attach a full detailed explanation, including dates, circumstances and current status.
- (15) Disclosure Statement: Does this firm or any principals thereof have any current, past personal or professional relationship with any Commissioner or Officer of MHA? Yes  No   
If "Yes," please attach a full detailed explanation, including dates, circumstances and current status.
- (16) Non-Collusive Affidavit: The undersigned party submitting this proposal hereby certifies that such proposal is genuine and not collusive and that said proposer entity has not colluded, conspired, connived or agreed, directly or indirectly, with any proposer or person, to put in a sham proposal or to refrain from proposing, and has not in any manner, directly or indirectly sought by agreement or collusion, or communication or conference, with any person, to fix the proposal price of affiant or of any other proposer, to fix overhead, profit or cost element of said proposal price, or that of any other proposer or to secure any advantage against the HA or any person interested in the proposed contract; and that all statements in said proposal are true.
- (17) Verification Statement: The undersigned proposer hereby states that by completing and submitting this form he/she is verifying that all information provided herein is, to the best of his/her knowledge, true and accurate, and agrees that if the HA discovers that any information entered herein is false, that shall entitle the HA to not consider nor make award or to cancel any award with the undersigned party.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Company

# Attachment D

# SMALL, MINORITY, WOMEN-OWNED BUSINESS CONCERN SELF CERTIFICATION FORM

The vendor represents and certifies that it.....

- a) ( ) is, ( ) is not a small business concern. "Small business concern", as used in this provision means a concern, including its affiliates, that is independently owned and operated, not dominant in the field of operation in which it is bidding, and qualified as a small business under the criteria and size standards in 13 CFR 121.
  
- b) ( ) is, ( ) is not a women-owned business enterprise. "Women-owned business enterprise", as used in this provision means a business that is at least fifty-one (51%) owned by a woman or women who are U.S. citizens and who also control and operate the business.
  
- c) ( ) is, ( ) is not a minority business enterprise. "Minority Business Enterprise", as used in this provision means a business which is at least fifty-one (51%) owned or controlled by one or more minority group members or, in the case of a publicly owned business, at least 51% of its voting stock is owned by one or more minority group members and whose management and daily operations are controlled by one or more such individuals. For the purpose of this definition, please identify the minority group member: \_\_\_\_\_.

\_\_\_\_\_  
Company Name Date

\_\_\_\_\_  
Principal Title

\_\_\_\_\_  
Date

Subscribed and sworn to before mw this \_\_\_\_\_ day of \_\_\_\_\_,  
200\_\_.

\_\_\_\_\_  
Notary Date

My Commission expires \_\_\_\_\_

# Attachment E

# Instructions to Offerors Non-Construction

U.S. Department of Housing  
and Urban Development  
Office of Public and Indian Housing



- 03291 -

## 1. Preparation of Offers

(a) Offerors are expected to examine the statement of work, the proposed contract terms and conditions, and all instructions. Failure to do so will be at the offeror's risk.

(b) Each offeror shall furnish the information required by the solicitation. The offeror shall sign the offer and print or type its name on the cover sheet and each continuation sheet on which it makes an entry. Erasures or other changes must be initialed by the person signing the offer. Offers signed by an agent shall be accompanied by evidence of that agent's authority, unless that evidence has been previously furnished to the HA.

(c) Offers for services other than those specified will not be considered.

## 2. Submission of Offers

(a) Offers and modifications thereof shall be submitted in sealed envelopes or packages (1) addressed to the office specified in the solicitation, and (2) showing the time specified for receipt, the solicitation number, and the name and address of the offeror.

(b) Telegraphic offers will not be considered unless authorized by the solicitation; however, offers may be modified by written or telegraphic notice.

(c) Facsimile offers, modifications or withdrawals will not be considered unless authorized by the solicitation.

## 3. Amendments to Solicitations

(a) If this solicitation is amended, then all terms and conditions which are not modified remain unchanged.

(b) Offerors shall acknowledge receipt of any amendments to this solicitation by

- (1) signing and returning the amendment;
- (2) identifying the amendment number and date in the space provided for this purpose on the form for submitting an offer,
- (3) letter or telegram, or
- (4) facsimile, if facsimile offers are authorized in the solicitation. The HA/HUD must receive the acknowledgment by the time specified for receipt of offers.

## 4. Explanation to Prospective Offerors

Any prospective offeror desiring an explanation or interpretation of the solicitation, statement of work, etc., must request it in writing soon enough to allow a reply to reach all prospective offerors before the submission of their offers. Oral explanations or instructions given before the award of the contract will not be binding. Any information given to a prospective offeror concerning a solicitation will be furnished promptly to all other prospective offerors as an amendment of the solicitation, if that information is necessary in submitting offers or if the lack of it would be prejudicial to any other prospective offerors.

## 5. Responsibility of Prospective Contractor

(a) The HA shall award a contract only to a responsible prospective contractor who is able to perform successfully under the terms and conditions of the proposed contract. To be determined responsible, a prospective contractor must -

- (1) Have adequate financial resources to perform the contract, or the ability to obtain them;

- (2) Have a satisfactory performance record;
- (3) Have a satisfactory record of integrity and business ethics;
- (4) Have a satisfactory record of compliance with public policy (e.g., Equal Employment Opportunity); and
- (5) Not have been suspended, debarred, or otherwise determined to be ineligible for award of contracts by the Department of Housing and Urban Development or any other agency of the U.S. Government. Current lists of ineligible contractors are available for inspection at the HA/HUD.

(b) Before an offer is considered for award, the offeror may be requested by the HA to submit a statement or other documentation regarding any of the foregoing requirements. Failure by the offeror to provide such additional information may render the offeror ineligible for award.

## 6. Late Submissions, Modifications, and Withdrawal of Offers

(a) Any offer received at the place designated in the solicitation after the exact time specified for receipt will not be considered unless it is received before award is made and it -

- (1) Was sent by registered or certified mail not later than the fifth calendar day before the date specified for receipt of offers (e.g., an offer submitted in response to a solicitation requiring receipt of offers by the 20th of the month must have been mailed by the 15th);
- (2) Was sent by mail, or if authorized by the solicitation, was sent by telegram or via facsimile, and it is determined by the HA/ HUD that the late receipt was due solely to mishandling by the HA/ HUD after receipt at the HA;
- (3) Was sent by U.S. Postal Service Express Mail Next Day Service - Post Office to Addressee, not later than 5:00 p.m. at the place of mailing two working days prior to the date specified for receipt of proposals. The term "working days" excludes weekends and U.S. Federal holidays; or
- (4) Is the only offer received.

(b) Any modification of an offer, except a modification resulting from the HA's request for "best and final" offer (if this solicitation is a request for proposals), is subject to the same conditions as in subparagraphs (a)(1), (2), and (3) of this provision.

(c) A modification resulting from the HA's request for "best and final" offer received after the time and date specified in the request will not be considered unless received before award and the late receipt is due solely to mishandling by the HA after receipt at the HA.

(d) The only acceptable evidence to establish the date of mailing of a late offer, modification, or withdrawal sent either by registered or certified mail is the U.S. or Canadian Postal Service postmark both on the envelope or wrapper and on the original receipt from the U.S. or Canadian Postal Service. Both postmarks must show a legible date or the offer, modification, or withdrawal shall be processed as if mailed late. "Postmark" means a printed, stamped, or otherwise placed impression (exclusive of a postage meter machine impression) that is readily identifiable without further action as having been supplied and affixed by employees of the U.S. or Canadian Postal Service on the date of mailing. Therefore, offerors should request the postal clerk to place a hand cancellation bull's-eye postmark on both the receipt and the envelope or wrapper.

(e) The only acceptable evidence to establish the time of receipt at the HA is the time/date stamp of HA on the offer wrapper or other documentary evidence of receipt maintained by the HA.

(f) The only acceptable evidence to establish the date of mailing of a late offer, modification, or withdrawal sent by Express Mail Next Day Service-Post Office to Addressee is the date entered by the post office receiving clerk on the "Express Mail Next Day Service-Post Office to Addressee" label and the postmark on both the envelope or wrapper and on the original receipt from the U.S. Postal Service. "Postmark" has the same meaning as defined in paragraph (c) of this provision, excluding postmarks of the Canadian Postal Service. Therefore, offerors should request the postal clerk to place a legible hand cancellation bull's eye postmark on both the receipt and the envelope or wrapper.

(g) Notwithstanding paragraph (a) of this provision, a late modification of an otherwise successful offer that makes its terms more favorable to the HA will be considered at any time it is received and may be accepted.

(h) If this solicitation is a request for proposals, proposals may be withdrawn by written notice, or if authorized by this solicitation, by telegram (including mailgram) or facsimile machine transmission received at any time before award. Proposals may be withdrawn in person by a offeror or its authorized representative if the identity of the person requesting withdrawal is established and the person signs a receipt for the offer before award. If this solicitation is an invitation for bids, bids may be withdrawn at any time prior to bid opening.

#### **7. Contract Award**

(a) The HA will award a contract resulting from this solicitation to the responsible offeror whose offer conforming to the solicitation will be most advantageous to the HA, cost or price and other factors, specified elsewhere in this solicitation, considered.

(b) The HA may

- (1) reject any or all offers if such action is in the HA's interest,
- (2) accept other than the lowest offer,
- (3) waive informalities and minor irregularities in offers received, and (4) award more than one contract for all or part of the requirements stated.

(c) If this solicitation is a request for proposals, the HA may award a contract on the basis of initial offers received, without discussions. Therefore, each initial offer should contain the offeror's best terms from a cost or price and technical standpoint.

(d) A written award or acceptance of offer mailed or otherwise furnished to the successful offeror within the time for acceptance specified in the offer shall result in a binding contract without further action by either party. If this solicitation is a request for proposals, before the offer's specified expiration time, the HA may accept an offer, whether or not there are negotiations after its receipt, unless a written notice of withdrawal is received before award. Negotiations conducted after receipt of an offer do not constitute a rejection or counteroffer by the HA.

(e) Neither financial data submitted with an offer, nor representations concerning facilities or financing, will form a part of the resulting contract.

#### **8. Service of Protest**

Any protest against the award of a contract pursuant to this solicitation shall be served on the HA by obtaining written and dated acknowledgment of receipt from the HA at the address shown on the cover of this solicitation. The determination of the HA with regard to such protest or to proceed to award notwithstanding such protest shall be final unless appealed by the protestor.

#### **9. Offer Submission**

Offers shall be submitted as follows and shall be enclosed in a sealed envelope and addressed to the office specified in the solicitation. The proposal shall show **the hour and date specified in the solicitation for receipt, the solicitation number, and the name and address of the offeror, on the face of the envelope.**

It is very important that the offer be properly identified on the face of the envelope as set forth above in order to insure that the date and time of receipt is stamped on the face of the offer envelope. Receiving procedures are: date and time stamp those envelopes identified as proposals and deliver them immediately to the appropriate contracting official, and only date stamp those envelopes which do not contain identification of the contents and deliver them to the appropriate procuring activity only through the routine mail delivery procedure.

[Describe bid or proposal preparation instructions here:]

# Attachment F

Financial Compliance & Audit Services  
RFP #MHA-2021-02 R

**Attachment F: MHA Sample Contract**

## **SECTION A**

### **CONTRACT AWARD FORM**

**CONTRACT # (Assigned After Award)**

**Job # MHA -2021-02R**

**Financial Compliance & Audit Services**

## **SAMPLE CONTRACT AWARD**

1. Contract Number: (Assigned)

2. Effective Date:

3. Solicitation No./Project Title: 2020-13 / Financial Compliance & Audit Services

4. Name and Address of Contractor:

5. Issued by:

Metropolitan Housing Alliance  
100 S. Arch St.  
Little Rock, AR 72201

---

6. Contract amount: The Metropolitan Housing Alliance shall pay the contractor for the performance of the contract, subject to additions and deductions as provided in the Form HUD 5369-B, the sum of: \_\_\_\_\_

7. Accounting Code:

8. Payment will be made by:

Little Rock Housing Authority  
Accounting and Finance Division  
100 S. Arch St  
Little Rock, AR 72201

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### **9. TABLE OF CONTENTS**

| SEC | DESCRIPTION              | (PAGES) | SEC. | DESCRIPTION               | (PAGES) |
|-----|--------------------------|---------|------|---------------------------|---------|
| A   | CONTRACT AWARD FORM      | TDB     | F    | DELIVERIES OR PERFORMANCE | 1       |
| B   | SUPPLY/SERVICE & PRICE   | TBD     | G    | CONTRACT ADMIN. DATA      | 1       |
| C   | STATEMENT OF WORK/SPECS. | TBD     | H    | ATTACHMENTS               | TDB     |
| D   | PACKING & MARKING        | 1       |      |                           |         |
| E   | INSPECTION & ACCEPTANCE  | 1       |      |                           |         |

**10. AWARD.** This instrument, together with all documents enumerated in **9. TABLE OF CONTENTS** form the **CONTRACT**.

CONTRACT # \_\_\_\_\_ (cont.)  
Page 2

**11. IN WITNESS WHEREOF**, the parties hereto have caused THIS INSTRUMENT to be executed in three (3) original counterparts as of this day and year first above written.

Metropolitan Housing Alliance  
100 S. Arch St.  
Little Rock, AR 72201

Name of Contracting Officer: \_\_\_\_\_

Signature of Contracting Officer: \_\_\_\_\_ Date: \_\_\_\_\_

ATTEST: \_\_\_\_\_ Date: \_\_\_\_\_

CONTRACTOR: \_\_\_\_\_ TAX I.D. # \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Name and Title of Authorized Signer \_\_\_\_\_

Signature of Authorized Signer: \_\_\_\_\_ Date: \_\_\_\_\_

ATTEST: \_\_\_\_\_ Date: \_\_\_\_\_

## 12. CERTIFICATIONS

I NAME certify that I am the POSITION \_\_\_\_\_  
of the corporation named as the CONTRACTOR herein: that NAME  
who signed this CONTRACT on behalf of the CONTRACTOR, was then POSITION of said  
corporation; that said CONTRACT was duly signed for and in behalf of said corporation by  
authority of its governing body, and is within the scope of its corporate powers.

Title: \_\_\_\_\_

By: \_\_\_\_\_

\_\_\_\_\_  
(Corporate seal)

**SECTION B**

**SUPPLY/SERVICE & PRICE**

## **SECTION C**

### **STATEMENT OF WORK**

1. As per the RFP # MHA 2021-02R Financial Compliance Audit services
2. As per Addendum # \_\_\_\_\_

**SECTION D**

**PACKAGING & MARKING**

**NOT APPLICABLE THIS CONTRACT**

## **SECTION E**

### **INSPECTION AND ACCEPTANCE**

1. See Form HUD 5370-C (5/92) paragraph 9, Inspection and Acceptance.
2. Final Authority for Inspection and Acceptance is the Contracting Officer for the Metropolitan Housing Alliance

## **SECTION F**

### **DELIVERIES OR PERFORMANCE**

3. Performance of all services required under this contract will be in accordance with the TECHNICAL SPECIFICATIONS/ SCOPE OF WORK.
4. If the contractor refuses or fails to deliver the services within the time specified, the housing authority may, by written notice, terminate the contractor's right to proceed with other work.

## **SECTION G**

### **CONTRACT ADMINISTRATION DATA**

1. **Term of Contract.** This contract shall become effective on the date stated on the contract award document and shall continue in effect for the period stated in the Schedule or any exercised option periods, unless sooner terminated by the Authority, or extended by an authorized contract modification.
2. **Tax Exempt Status.** The LRHA is a State and Local Sales Tax-exempt entity pursuant to:  
State of Arkansas Tax Permit #063212-84-001.
3. **Payment.** Payments will be made in accordance with LRHA policy within 30 days of receipt of Periodic Invoices for Payment.

Periodic Invoices for Payment shall, on a monthly basis, be submitted to:

LRHA Attn: Accounts Payable  
100. S. Arch Street  
Little Rock, AR. 72201

4. **Communication.** All correspondence, reports, etc., required to be delivered to the MHA shall, unless otherwise specified in writing, be delivered to:

Jada Johnson, Contracts and Procurement Coordinator  
Metropolitan Housing Alliance  
100 S. Arch St.  
Little Rock, AR 72201  
[jjohnson@mhapha.org](mailto:jjohnson@mhapha.org)  
501-340-4821 ext. 4834

## **SECTION H**

### **ATTACHMENTS**

1. INSTRUCTIONS TO BIDDERS FOR CONTRACTS (FORM HUD 5369-B)
2. REPRESENTATIONS, CERTIFICATIONS, AND OTHER STATEMENTS OF BIDDERS (FORM HUD- 5369-A)
3. GENERAL CONDITIONS FOR NON-CONSTRUCTION CONTRACTS (FORM HUD-5370 C)
4. CERTIFICATION OF PAYMENTS TO INFLUENCE FEDERAL TRANSACTIONS (FORM HUD 50071)
5. FULL DISCLOSURE STATEMENT
6. EQUAL EMPLOYMENT OPPORTUNITY CERTIFICATION, (FORM HUD-92010)
7. NON-COLLUSIVE AFFIDAVIT
8. SMALL, MINORITY, WOMEN-OWNED BUSINESS CONCERN
9. CERTIFICATION FOR A DRUG-FREE WORKPLACE, (FORM HUD-50070)
10. PROPOSAL SUBMISSION
11. INSURANCE
12. CERTIFICATIONS AND/OR LICENSES

# Attachment G

# General Conditions for Non-Construction Contracts

## Section I – (With or without Maintenance Work)

### U.S. Department of Housing and Urban Development

Office of Public and Indian Housing

Office of Labor Relations

OMB Approval No. 2577-0157 (exp. 11/30/2023)

Public Reporting Burden for this collection of information is estimated to average one hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. HUD may not conduct or sponsor, and an applicant is not required to respond to a collection of information unless it displays a currently valid OMB control number.

**Applicability. This form HUD-5370-C has 2 Sections. These Sections must be inserted into non-construction contracts as described below:**

- 1) **Non-construction contracts** (*without* maintenance) **greater than \$150,000 - use Section I;**
- 2) **Maintenance contracts** (including nonroutine maintenance as defined at 24 CFR 905.100) **greater than \$2,000 but not more than \$150,000 - use Section II;** and
- 3) **Maintenance contracts** (including nonroutine maintenance), **greater than \$150,000 – use Sections I and II.**

### Section I - Clauses for All Non-Construction Contracts greater than \$150,000

#### 1. Definitions

The following definitions are applicable to this contract:

- (a) "Authority or Housing Authority (HA)" means the Housing Authority.
- (b) "Contract" means the contract entered into between the Authority and the Contractor. It includes the contract form, the Certifications and Representations, these contract clauses, and the scope of work. It includes all formal changes to any of those documents by addendum, Change Order, or other modification.
- (c) "Contractor" means the person or other entity entering into the contract with the Authority to perform all of the work required under the contract.
- (d) "Day" means calendar days, unless otherwise stated.
- (e) "HUD" means the Secretary of Housing and Urban development, his delegates, successors, and assigns, and the officers and employees of the United States Department of Housing and Urban Development acting for and on behalf of the Secretary.

#### 2. Changes

- (a) The HA may at any time, by written order, and without notice to the sureties, if any, make changes within the general scope of this contract in the services to be performed or supplies to be delivered.
- (b) If any such change causes an increase or decrease in the hourly rate, the not-to-exceed amount of the contract, or the time required for performance of any part of the work under this contract, whether or not changed by the order, or otherwise affects the conditions of this contract, the HA shall make an equitable adjustment in the not-to-exceed amount, the hourly rate, the delivery schedule, or other affected terms, and shall modify the contract accordingly.
- (c) The Contractor must assert its right to an equitable adjustment under this clause within 30 days from the date of receipt of the written order. However, if the HA decides that the facts justify it, the HA may receive and act upon a

- proposal submitted before final payment of the contract.
- (d) Failure to agree to any adjustment shall be a dispute under clause Disputes, herein. However, nothing in this clause shall excuse the Contractor from proceeding with the contract as changed.
  - (e) No services for which an additional cost or fee will be charged by the Contractor shall be furnished without the prior written consent of the HA.

#### 3. Termination for Convenience and Default

- (a) The HA may terminate this contract in whole, or from time to time in part, for the HA's convenience or the failure of the Contractor to fulfill the contract obligations (default). The HA shall terminate by delivering to the Contractor a written Notice of Termination specifying the nature, extent, and effective date of the termination. Upon receipt of the notice, the Contractor shall: (i) immediately discontinue all services affected (unless the notice directs otherwise); and (ii) deliver to the HA all information, reports, papers, and other materials accumulated or generated in performing this contract, whether completed or in process.
- (b) If the termination is for the convenience of the HA, the HA shall be liable only for payment for services rendered before the effective date of the termination.
- (c) If the termination is due to the failure of the Contractor to fulfill its obligations under the contract (default), the HA may (i) require the Contractor to deliver to it, in the manner and to the extent directed by the HA, any work as described in subparagraph (a)(ii) above, and compensation be determined in accordance with the Changes clause, paragraph 2, above; (ii) take over the work and prosecute the same to completion by contract or otherwise, and the Contractor shall be liable for any additional cost incurred by the HA; (iii) withhold any payments to the Contractor, for the purpose of off-set or partial payment, as the case may be, of amounts owed to the HA by the Contractor.
- (d) If, after termination for failure to fulfill contract obligations (default), it is determined that the Contractor had not failed, the termination shall be deemed to have been effected for the convenience of the HA, and the Contractor shall be entitled to payment as described in paragraph (b) above.
- (e) Any disputes with regard to this clause are expressly made subject to the terms of clause titled Disputes herein.

#### 4. Examination and Retention of Contractor's Records

- (a) The HA, HUD, or Comptroller General of the United States, or any of their duly authorized representatives shall, until 3 years after final payment under this contract, have access to and the right to examine any of the Contractor's directly pertinent books, documents, papers, or other records involving transactions related to this contract for the purpose of making audit, examination, excerpts, and transcriptions.

- (b) The Contractor agrees to include in first-tier subcontracts under this contract a clause substantially the same as paragraph (a) above. "Subcontract," as used in this clause, excludes purchase orders not exceeding \$10,000.
- (c) The periods of access and examination in paragraphs (a) and (b) above for records relating to:
  - (i) appeals under the clause titled Disputes;
  - (ii) litigation or settlement of claims arising from the performance of this contract; or,
  - (iii) costs and expenses of this contract to which the HA, HUD, or Comptroller General or any of their duly authorized representatives has taken exception shall continue until disposition of such appeals, litigation, claims, or exceptions.

**5. Rights in Data (Ownership and Proprietary Interest)**

The HA shall have exclusive ownership of, all proprietary interest in, and the right to full and exclusive possession of all information, materials and documents discovered or produced by Contractor pursuant to the terms of this Contract, including but not limited to reports, memoranda or letters concerning the research and reporting tasks of this Contract.

**6. Energy Efficiency**

The contractor shall comply with all mandatory standards and policies relating to energy efficiency which are contained in the energy conservation plan issued in compliance with the Energy Policy and Conservation Act (Pub.L. 94-163) for the State in which the work under this contract is performed.

**7. Disputes**

- (a) All disputes arising under or relating to this contract, except for disputes arising under clauses contained in Section III, Labor Standards Provisions, including any claims for damages for the alleged breach there of which are not disposed of by agreement, shall be resolved under this clause.
- (b) All claims by the Contractor shall be made in writing and submitted to the HA. A claim by the HA against the Contractor shall be subject to a written decision by the HA.
- (c) The HA shall, with reasonable promptness, but in no event in no more than 60 days, render a decision concerning any claim hereunder. Unless the Contractor, within 30 days after receipt of the HA's decision, shall notify the HA in writing that it takes exception to such decision, the decision shall be final and conclusive.
- (d) Provided the Contractor has (i) given the notice within the time stated in paragraph (c) above, and (ii) excepted its claim relating to such decision from the final release, and (iii) brought suit against the HA not later than one year after receipt of final payment, or if final payment has not been made, not later than one year after the Contractor has had a reasonable time to respond to a written request by the HA that it submit a final voucher and release, whichever is earlier, then the HA's decision shall not be final or conclusive, but the dispute shall be determined on the merits by a court of competent jurisdiction.
- (e) The Contractor shall proceed diligently with performance of this contract, pending final resolution of any request for relief, claim, appeal, or action arising under the contract, and comply with any decision of the HA.

**8. Contract Termination; Debarment**

A breach of these Contract clauses may be grounds for termination of the Contract and for debarment or denial of participation in HUD programs as a Contractor and a subcontractor as provided in 24 CFR Part 24.

**9. Assignment of Contract**

The Contractor shall not assign or transfer any interest in this contract; except that claims for monies due or to become due from the HA under the contract may be assigned to a bank, trust company, or other financial institution. If the Contractor is a partnership, this contract shall inure to the benefit of the surviving or remaining member(s) of such partnership approved by the HA.

**10. Certificate and Release**

Prior to final payment under this contract, or prior to settlement upon termination of this contract, and as a condition precedent thereto, the Contractor shall execute and deliver to the HA a certificate and release, in a form acceptable to the HA, of all claims against the HA by the Contractor under and by virtue of this contract, other than such claims, if any, as may be specifically excepted by the Contractor in stated amounts set forth therein.

**11. Organizational Conflicts of Interest**

- (a) The Contractor warrants that to the best of its knowledge and belief and except as otherwise disclosed, it does not have any organizational conflict of interest which is defined as a situation in which the nature of work under this contract and a contractor's organizational, financial, contractual or other interests are such that:
  - (i) Award of the contract may result in an unfair competitive advantage; or
  - (ii) The Contractor's objectivity in performing the contract work may be impaired.
- (b) The Contractor agrees that if after award it discovers an organizational conflict of interest with respect to this contract or any task/delivery order under the contract, he or she shall make an immediate and full disclosure in writing to the Contracting Officer which shall include a description of the action which the Contractor has taken or intends to take to eliminate or neutralize the conflict. The HA may, however, terminate the contract or task/delivery order for the convenience of the HA if it would be in the best interest of the HA.
- (c) In the event the Contractor was aware of an organizational conflict of interest before the award of this contract and intentionally did not disclose the conflict to the Contracting Officer, the HA may terminate the contract for default.
- (d) The terms of this clause shall be included in all subcontracts and consulting agreements wherein the work to be performed is similar to the service provided by the prime Contractor. The Contractor shall include in such subcontracts and consulting agreements any necessary provisions to eliminate or neutralize conflicts of interest.

**12. Inspection and Acceptance**

- (a) The HA has the right to review, require correction, if necessary, and accept the work products produced by the Contractor. Such review(s) shall be carried out within 30 days so as to not impede the work of the Contractor. Any

product of work shall be deemed accepted as submitted if the HA does not issue written comments and/or required corrections within 30 days from the date of receipt of such product from the Contractor.

- (b) The Contractor shall make any required corrections promptly at no additional charge and return a revised copy of the product to the HA within 7 days of notification or a later date if extended by the HA.
- (c) Failure by the Contractor to proceed with reasonable promptness to make necessary corrections shall be a default. If the Contractor's submission of corrected work remains unacceptable, the HA may terminate this contract (or the task order involved) or reduce the contract price or cost to reflect the reduced value of services received.

### 13. Interest of Members of Congress

No member of or delegate to the Congress of the United States of America or Resident Commissioner shall be admitted to any share or part of this contract or to any benefit to arise there from, but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

### 14. Interest of Members, Officers, or Employees and Former Members, Officers, or Employees

No member, officer, or employee of the HA, no member of the governing body of the locality in which the project is situated, no member of the governing body in which the HA was activated, and no other public official of such locality or localities who exercises any functions or responsibilities with respect to the project, shall, during his or her tenure, or for one year thereafter, have any interest, direct or indirect, in this contract or the proceeds thereof.

### 15. Limitation on Payments to Influence Certain Federal Transactions

(a) Definitions. As used in this clause:

"Agency", as defined in 5 U.S.C. 552(f), includes Federal executive departments and agencies as well as independent regulatory commissions and Government corporations, as defined in 31 U.S.C. 9101(1).

"Covered Federal Action" means any of the following Federal actions:

- (i) The awarding of any Federal contract;
- (ii) The making of any Federal grant;
- (iii) The making of any Federal loan;
- (iv) The entering into of any cooperative agreement; and,
- (v) The extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

Covered Federal action does not include receiving from an agency a commitment providing for the United States to insure or guarantee a loan.

"Indian tribe" and "tribal organization" have the meaning provided in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450B). Alaskan Natives are included under the definitions of Indian tribes in that Act.

"Influencing or attempting to influence" means making, with the intent to influence, any communication to or appearance before an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with any covered Federal action.

"Local government" means a unit of government in a State and, if chartered, established, or otherwise recognized by a State for the performance of a governmental duty, including a local public authority, a special district, an intrastate district, a council of governments, a sponsor group representative organization, and any other instrumentality of a local government.

"Officer or employee of an agency" includes the following individuals who are employed by an agency:

- (i) An individual who is appointed to a position in the Government under title 5, U.S.C., including a position under a temporary appointment;
- (ii) A member of the uniformed services as defined in section 202, title 18, U.S.C.;
- (iii) A special Government employee as defined in section 202, title 18, U.S.C.; and,
- (iv) An individual who is a member of a Federal advisory committee, as defined by the Federal Advisory Committee Act, title 5, appendix 2.

"Person" means an individual, corporation, company, association, authority, firm, partnership, society, State, and local government, regardless of whether such entity is operated for profit or not for profit. This term excludes an Indian tribe, tribal organization, or other Indian organization with respect to expenditures specifically permitted by other Federal law.

"Recipient" includes all contractors, subcontractors at any tier, and subgrantees at any tier of the recipient of funds received in connection with a Federal contract, grant, loan, or cooperative agreement. The term excludes an Indian tribe, tribal organization, or any other Indian organization with respect to expenditures specifically permitted by other Federal law.

"Regularly employed means, with respect to an officer or employee of a person requesting or receiving a Federal contract, grant, loan, or cooperative agreement, an officer or employee who is employed by such person for at least 130 working days within one year immediately preceding the date of the submission that initiates agency consideration of such person for receipt of such contract, grant, loan, or cooperative agreement. An officer or employee who is employed by such person for less than 130 working days within one year immediately preceding the date of submission that initiates agency consideration of such person shall be considered to be regularly employed as soon as he or she is employed by such person for 130 working days.

"State" means a State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, a territory or possession of the United States, an agency or instrumentality of a State, and a multi-State, regional, or interstate entity having governmental duties and powers.

(b) Prohibition.

- (i) Section 1352 of title 31, U.S.C. provides in part that no appropriated funds may be expended by the recipient of a Federal contract, grant, loan, or cooperative agreement to pay any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with any of the following covered Federal actions: the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
- (ii) The prohibition does not apply as follows:

(1) Agency and legislative liaison by Own Employees.

(a) The prohibition on the use of appropriated funds, in paragraph (i) of this section, does not apply in the case of a payment of reasonable compensation made to an officer or employee of a person requesting or receiving a Federal contract, grant, loan, or cooperative agreement, if the payment is for agency and legislative activities not directly related to a covered Federal action.

(b) For purposes of paragraph (b)(i)(1)(a) of this clause, providing any information specifically requested by an agency or Congress is permitted at any time.

(c) The following agency and legislative liaison activities are permitted at any time only where they are not related to a specific solicitation for any covered Federal action:

(1) Discussing with an agency (including individual demonstrations) the qualities and characteristics of the person's products or services, conditions or terms of sale, and service capabilities; and,

(2) Technical discussions and other activities regarding the application or adaptation of the person's products or services for an agency's use.

(d) The following agency and legislative liaison activities are permitted where they are prior to formal solicitation of any covered Federal action:

(1) Providing any information not specifically requested but necessary for an agency to make an informed decision about initiation of a covered Federal action;

(2) Technical discussions regarding the preparation of an unsolicited proposal prior to its official submission; and

(3) Capability presentations by persons seeking awards from an agency pursuant to the provisions of the Small Business Act, as amended by Public Law 95-507 and other subsequent amendments.

(e) Only those activities expressly authorized by subdivision (b)(ii)(1)(a) of this clause are permitted under this clause.

(2) Professional and technical services.

(a) The prohibition on the use of appropriated funds, in subparagraph (b)(i) of this clause, does not apply in the case of-

(i) A payment of reasonable compensation made to an officer or employee of a person requesting or receiving a covered Federal action or an extension, continuation, renewal, amendment, or modification of a covered Federal action, if payment is for professional or technical services rendered directly in the preparation, submission, or negotiation of any bid, proposal, or application for that Federal action or for meeting requirements imposed by or pursuant to law as a condition for receiving that Federal action.

(ii) Any reasonable payment to a person, other than an officer or employee of a

person requesting or receiving a covered Federal action or an extension, continuation, renewal, amendment, or modification of a covered Federal action if the payment is for professional or technical services rendered directly in the preparation, submission, or negotiation of any bid, proposal, or application for that Federal action or for meeting requirements imposed by or pursuant to law as a condition for receiving that Federal action. Persons other than officers or employees of a person requesting or receiving a covered Federal action include consultants and trade associations.

(b) For purposes of subdivision (b)(ii)(2)(a) of clause, "professional and technical services" shall be limited to advice and analysis directly applying any professional or technical discipline.

(c) Requirements imposed by or pursuant to law as a condition for receiving a covered Federal award include those required by law or regulation, or reasonably expected to be required by law or regulation, and any other requirements in the actual award documents.

(d) Only those services expressly authorized by subdivisions (b)(ii)(2)(a)(i) and (ii) of this section are permitted under this clause.

(iii) Selling activities by independent sales representatives.

(c) The prohibition on the use of appropriated funds, in subparagraph (b)(i) of this clause, does not apply to the following selling activities before an agency by independent sales representatives, provided such activities are prior to formal solicitation by an agency and are specifically limited to the merits of the matter:

(i) Discussing with an agency (including individual demonstration) the qualities and characteristics of the person's products or services, conditions or terms of sale, and service capabilities; and

(ii) Technical discussions and other activities regarding the application or adaptation of the person's products or services for an agency's use.

(d) Agreement. In accepting any contract, grant, cooperative agreement, or loan resulting from this solicitation, the person submitting the offer agrees not to make any payment prohibited by this clause.

(e) Penalties. Any person who makes an expenditure prohibited under paragraph (b) of this clause shall be subject to civil penalties as provided for by 31 U.S.C. 1352. An imposition of a civil penalty does not prevent the Government from seeking any other remedy that may be applicable.

(f) Cost Allowability. Nothing in this clause is to be interpreted to make allowable or reasonable any costs which would be unallowable or unreasonable in accordance with Part 31 of the Federal Acquisition Regulation (FAR), or OMB Circulars dealing with cost allowability for recipients of assistance agreements. Conversely, costs made specifically unallowable by the requirements in this clause will not be made allowable under any of the provisions of FAR Part 31 or the relevant OMB Circulars.

## 16. Equal Employment Opportunity

During the performance of this contract, the

Contractor/Seller agrees as follows:

(a) The [contractor/seller] will not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, gender identity, disability, or national origin. The

[contractor/seller] will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, sexual orientation, gender identity, disability, or national origin. Such action shall include, but not be limited to the following: Employment, upgrading, demotion, or transfer, recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The [contractor/seller] agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this nondiscrimination clause.

(b) The [contractor/seller] will, in all solicitations or advertisements for employees placed by or on behalf of the [contractor/seller], state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, sexual orientation, gender identity, disability, or national origin.

(c) The [contractor/seller] will not discharge or in any other manner discriminate against any employee or applicant for employment because such employee or applicant has inquired about, discussed, or disclosed the compensation of the employee or applicant or another employee or applicant. This provision shall not apply to instances in which an employee who has access to the compensation information of other employees or applicants as a part of such employee's essential job functions discloses the compensation of such other employees or applicants to individuals who do not otherwise have access to such information, unless such disclosure is in response to a formal complaint or charge, in furtherance of an investigation, proceeding, hearing, or action, including an investigation conducted by the employer, or is consistent with the [contractor/seller]'s legal duty to furnish information.

(d) The [contractor/seller] will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice to be provided by the agency contracting officer, advising the labor union or workers' representative of the [contractor/seller]'s commitments under section 202 of Executive Order 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(e) The [contractor/seller] will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.

(f) The [contractor/seller] will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the contracting agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(g) In the event of the [contractor/seller]'s non-compliance with the nondiscrimination clauses of this contract or with any of such rules, regulations, or orders, this contract may be canceled, terminated or suspended in whole or in part and the [contractor/seller] may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(g) In the event of the [contractor/seller]'s non-compliance with the nondiscrimination clauses of this contract or with any of such rules, regulations, or orders, this contract may be canceled, terminated or suspended in whole or in part and the [contractor/seller] may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(h) The [contractor/seller] will include the provisions of paragraphs (a) through (h) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each sub[contractor/seller] or vendor. The [contractor/seller] will take such action with respect to any subcontract or purchase order as may be directed by the Secretary of Labor as a means of enforcing such provisions including sanctions for noncompliance: Provided, however, that in the event the [contractor/seller] becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction, the [contractor/seller] may request the United States to enter into such litigation to protect the interests of the United States.

## 17. Equal Opportunity for Workers with Disabilities

1. The [contractor/seller] will not discriminate against any employee or applicant for employment because of physical or mental disability in regard to any position for which the employee or applicant for employment is qualified. The [contractor/seller] agrees to take affirmative action to employ and advance in employment individuals with disabilities, and to treat qualified individuals without discrimination on the basis of their physical or mental disability in all employment practices, including the following:

- i. Recruitment, advertising, and job application procedures;
- ii. Hiring, upgrading, promotion, award of tenure, demotion, transfer, layoff, termination, right of return from layoff and rehiring;
- iii. Rates of pay or any other form of compensation and changes in compensation;
- iv. Job assignments, job classifications, organizational structures, position descriptions, lines of progression, and seniority lists;
- v. Leaves of absence, sick leave, or any other leave;
- vi. Fringe benefits available by virtue of employment, whether or not administered by the [contractor/seller];
- vii. Selection and financial support for training, including apprenticeship, professional meetings, conferences, and other related activities, and selection for leaves of absence to pursue training;
- viii. Activities sponsored by the [contractor/seller] including social or recreational programs; and
- ix. Any other term, condition, or privilege of employment.

2. The [contractor/seller] agrees to comply with the rules, regulations, and relevant orders of the Secretary of Labor issued pursuant to the act.

3. In the event of the [contractor/seller] noncompliance with the requirements of this clause, actions for noncompliance may be taken in accordance with the rules, regulations, and relevant orders of the Secretary of Labor issued pursuant to the act.

4. The [contractor/seller] agrees to post in conspicuous places, available to employees and applicants for employment, notices in a form to be prescribed by the Director, Office of Federal Contract Compliance Programs, provided by or through the contracting officer. Such notices shall state the rights of applicants and employees as well as the [contractor/seller]'s obligation under the law to take affirmative action to employ and advance in employment qualified employees and applicants with disabilities.

The [contractor/seller] must ensure that applicants or employees with disabilities are provided the notice in a form that is accessible and understandable to the individual applicant or employee (e.g., providing Braille or large print versions of the notice, or posting a copy of the notice at a lower height for easy viewing by a person using a wheelchair). With respect to employees who do not work at a physical location of the [contractor/seller], a [contractor/seller] will satisfy its posting obligations by posting such notices in an electronic format, provided that the [contractor/seller] provides computers, or access to computers, that can access the electronic posting to such employees, or the [contractor/seller] has actual knowledge that such employees otherwise are able to access the electronically posted notices. Electronic notices for employees must be posted in a conspicuous location and format on the company's intranet or sent by electronic mail to employees. An electronic posting must be used by the [contractor/seller] to notify job applicants of their rights if the [contractor/seller] utilizes an electronic application process. Such electronic applicant notice must be conspicuously stored with, or as part of, the electronic application.

5. The [contractor/seller] will notify each labor organization or representative of workers with which it has a collective bargaining agreement or other contract understanding, that the [contractor/seller] is bound by the terms of section 503 of the Rehabilitation Act of 1973, as amended, and is committed to take affirmative action to employ and advance in employment, and shall not discriminate against, individuals with physical or mental disabilities.

6. The [contractor/seller] will include the provisions of this clause in every subcontract or purchase order in excess of \$ 10,000, unless exempted by the rules, regulations, or orders of the Secretary issued pursuant to section 503 of the act, as amended, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the Director, Office of Federal Contract Compliance Programs may direct to enforce such provisions, including action for noncompliance.

7. The [contractor/seller] must, in all solicitations or advertisements for employees placed by or on behalf of the [contractor/seller], state that all qualified applicants will receive consideration for employment and will not be discriminated against on the basis of disability.

## 18. Dissemination or Disclosure of Information

No information or material shall be disseminated or disclosed to the general public, the news media, or any person or organization without prior express written approval by the HA.

## 19. Contractor's Status

It is understood that the Contractor is an independent contractor and is not to be considered an employee of the HA, or assume any right, privilege or duties of an employee, and shall save harmless the HA and its employees from claims suits, actions and costs of every description resulting from the Contractor's activities on behalf of the HA in connection with this Agreement.

## 20. Other Contractors

HA may undertake or award other contracts for additional work at or near the site(s) of the work under this contract. The contractor shall fully cooperate with the other contractors and with HA and HUD employees and shall carefully adapt scheduling and performing the work under this contract to accommodate the additional work, heeding any direction that may be provided by the Contracting Officer. The contractor shall not commit or permit any act that will interfere with the performance of work by any other contractor or HA employee.

## 21. Liens

The Contractor is prohibited from placing a lien on HA's property. This prohibition shall apply to all subcontractors.

## 22. Training and Employment Opportunities for Residents in the Project Area (Section 3, HUD Act of 1968; 24 CFR 135)

- (a) The work to be performed under this contract is subject to the requirements of section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (section 3). The purpose of section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.
- (b) The parties to this contract agree to comply with HUD's regulations in 24 CFR Part 135, which implement section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the Part 135 regulations.
- (c) The contractor agrees to send to each labor organization or representative of workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the contractor's commitments under this section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.
- (d) The contractor agrees to include this section 3 clause in every subcontract subject to compliance with regulations in 24 CFR Part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR Part 135. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR Part 135.
- (e) Noncompliance with HUD's regulations in 24 CFR Part 135 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts
- (f) Noncompliance with HUD's regulations in 24 CFR Part 135 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.

## 22. Procurement of Recovered Materials

- (a) In accordance with Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act, the Contractor shall procure items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR Part 247 that contain the highest percentage of

recovered materials practicable consistent with maintaining a satisfactory level of competition. The Contractor shall procure items designated in the EPA guidelines that contain the highest percentage of recovered materials practicable unless the Contractor determines that such items: (1) are not reasonably available in a reasonable period of time; (2) fail to meet reasonable performance standards, which shall be determined on the basis of the guidelines of the National Institute of Standards and Technology, if applicable to the item; or (3) are only available at an unreasonable price.

- (b) Paragraph (a) of this clause shall apply to items purchased under this contract where: (1) the Contractor purchases in excess of \$10,000 of the item under this contract; or (2) during the preceding Federal fiscal year, the Contractor: (i) purchased any amount of the items for use under a contract that was funded with Federal appropriations and was with a Federal agency or a State agency or agency of a political subdivision of a State; and (ii) purchased a total of in excess of \$10,000 of the item both under and outside that contract

# Attachment H

**Attachment H: Acknowledgement of Addenda**

**ACKNOWLEDGEMENT OF ADDENDA**

Offeror has received the following Addenda, receipt of which is hereby acknowledged:

Addendum Number: \_\_\_\_\_ Date Received: \_\_\_\_\_

\_\_\_\_\_  
(Offerors Name)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Printed or Typed Name)

# Attachment I

**Attachment I: Conflict of Interest and Non-Collusive Affidavit**

**FULL DISCLOSURE STATEMENT**

COMPANY NAME: \_\_\_\_\_

1. Each officer or principal is to submit this Disclosure Statement, notarized (if a financial or personal interest exists, vendors are required to make a Full Disclosure and should not submit this statement).
2. If a financial or personal interest exists between the principals, officers, directors and employees of the vendor or any of their immediate family members and employees, officers and commissioners of the Metropolitan Housing Alliance and their immediate family members' full disclosure is required.

**The undersigned certifies that, I, nor any members of my immediate family does not now and has not for the proceeding two years, had any interest, whatsoever, whether direct or indirect in the MHA or any of its members or officials including but not limited to the following:**

- 1) Financial or business interests – meaning any interest which yields or has the potential of yielding directly a monetary or other material gain or benefit with any employees, officers and commissioners of MHA and members of their immediate families.
- 2) Personal interest – meaning any interest arising from blood or marriage or from close business association, notwithstanding whether any financial interest is involved with any employees, officers and commissioners of MHA and members of their immediate families.
- 3) Employment or services rendered as a member, official or officer of MHA.

**Sole Proprietorships**

**Partnerships**

**Corporations**

\_\_\_\_\_  
Owner                      Date

\_\_\_\_\_  
Partner                      Date

\_\_\_\_\_  
President                      Date

\_\_\_\_\_  
Partner                      Date

\_\_\_\_\_  
Vice President                      Date

\_\_\_\_\_  
Partner                      Date

\_\_\_\_\_  
Secretary                      Date

\_\_\_\_\_  
Notary                      Date

My Commission Expires: \_\_\_\_\_

Vendors having a financial or personal interest as described above shall make immediate, full and complete disclosure in writing to the Executive Director and/or Board Liaison of the MHA. All full disclosures must be presented on Vendor's letterhead, notarized and signed by the individual making the disclosure.

**WARNING**

**All information is to be true and accurate. False, misleading statements or failure to provide information will disqualify vendor or contractor from bid. MHA reserves the right, based on the information provided, to determine if a conflict of interest is real or apparent and whether or not a vendor or contractor is qualified to be participating in the bidding process.**

**NON-COLLUSIVE AFFIDAVIT**

JOB NO.

STATE OF \_\_\_\_\_

COUNTY OF \_\_\_\_\_

\_\_\_\_\_, BEING FIRST DULY SWORN, DEPOSES, AND SAYS:

That he is \_\_\_\_\_ of

\_\_\_\_\_

\_\_\_\_\_, the Bidder that has submitted the attached bid: that such proposal or bid is genuine and not collusive or sham; that said bidder has not colluded, conspired, connived, or agreed, directly or indirectly, with any bidder or person, to put in a sham bid or to refrain from bidding, and has not in any manner, directly or indirectly, sought by agreement or collusion, or communication or conference, with any person, to fix the bid price or affiant or of any other bidder, or to fix any overhead, profit or cost element of said bid price, or that of any other bidder, or to secure any advantage against the Metropolitan Housing Alliance or any person interested in the proposed contract; and that all statements in said proposal or bid are true.

\_\_\_\_\_  
Signature of Bidder

\_\_\_\_\_  
Partner's Signature

\_\_\_\_\_  
Partner's Signature

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

My Commission Expires \_\_\_\_\_, 20\_\_\_\_\_.

\_\_\_\_\_  
Notary

# Draft 2019 Audit

# **Housing Authority of the City of Little Rock**

Independent Auditor's Reports and Financial Statements

December 31, 2019

Draft

# Housing Authority of the City of Little Rock

December 31, 2019

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# **Housing Authority of the City of Little Rock**

## **Management's Discussion and Analysis (Unaudited)**

### **December 31, 2019**

The Housing Authority of the City of Little Rock (the Authority) management's discussion and analysis (MD&A) is designed to (a) assist the reader in focusing on significant financial issues; (b) provide an overview of the Authority's financial activity; (c) identify changes in the Authority's financial position (its ability to address the next and subsequent year challenges); and (d) identify individual fund issues or concerns.

Since the MD&A is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the Authority's financial statements.

#### **Financial Highlights**

- Net position decreased by approximately \$9.2 million during 2019 to \$43.2 million at the end of 2019.
- Total operating and nonoperating revenue (including capital grants and capital contributions) decreased by approximately \$3.2 million (or approximately 11.0%) during 2019 to \$25.6 million.
- Total expenses of all Authority programs increased by approximately \$12.0 million (or 52.8%) during 2019 to \$34.8 million.

The Rental Assistance Demonstration program (RAD) is a HUD program which authorizes the conversion of a property's federal funding to Section 8 project-based funding. RAD allows public housing agencies to leverage public and private debt and equity in order to reinvest in the public housing stock. The variations above are primarily due to the continued remodels due to the RAD conversion for Cumberland Tower Little Rock, LLC (Cumberland Tower); FP Tower Little Rock, LLC (Parris Tower); JP Tower Little Rock, LLC (Powell Tower). Additionally, during 2019 Central Arkansas Housing Corporation (CAHC), the Authority's blended component unit, becoming the general partner in University Heights Associates, LP. (University Heights) and Madison Heights II, LP (Madison Heights II).

#### **Authority-Wide Financial Statements**

The Authority-wide financial statements are designed to be corporate-like in that all business-type activities are consolidated into a single column to include the Projects, Programs, Central Office Cost Center (COCC), CAHC financial activity for the entire Authority.

These statements include a Statement of Net Position, which is similar to a Balance Sheet. The Statement of Net Position reports all financial and capital resources for the Authority. The statement is presented in the format where assets, minus liabilities, equal net position. Assets and liabilities are presented in order of liquidity and are classified as "Current" and "Noncurrent."

# **Housing Authority of the City of Little Rock**

## **Management's Discussion and Analysis (Unaudited)**

### **December 31, 2019**

The focus of the Statement of Net Position (the Unrestricted Net Position) is designed to represent the net available liquid (noncapital) assets, net of liabilities, for the entire Authority. Net position is reported in three broad categories:

**Net Investment in Capital Assets:** This component of net position consists of all capital assets, net of accumulated depreciation, reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

**Restricted Expendable Net Position:** This component of net position consists of legally restricted assets, when constraints are placed on the asset by creditors (such as debt covenants), grantors, contributors, laws, regulations, etc.

**Unrestricted Net Position:** Consists of net position that does not meet the definition of "Investment in Capital Assets" or "Restricted Net Position."

The Authority-wide financial statements for 2019 include the standard Statement of Revenues and Expenses and Changes in Net Position (similar to an Income Statement). This statement includes operating revenues, such as rental income; operating expenses, such as administrative, utilities, maintenance, protective services and depreciation; and nonoperating revenue and expenses, such as investment income and gains or losses on asset disposition or retirements.

The focus of the Statement of Revenues and Expenses and Changes in Net Position is the "Change in Net Position," which is similar to net income or loss.

Finally, a Statement of Cash Flows is included, which discloses net cash provided by or used for operating activities, investing activities, and from capital and related financing activities.

#### **The Authority's Activities**

The Authority is engaged in several different business-type activities. Following is a description of those activities:

#### **Business-Type Activities**

**Conventional Public Housing** – Under the Conventional Public Housing Program, the Authority rents units that it owns to low-income households. The Conventional Public Housing Program is operated under an Annual Contributions Contract (ACC) with the U.S. Department of Housing and Urban Development (HUD), and HUD provides Operating Subsidy and Capital Grant funding to enable the Authority to provide the housing at a rent that is based upon 30% of household income (as defined in the HUD regulations).

The Conventional Public Housing Program also includes the Capital Fund Program, which is the primary funding source for physical and management improvements to the Authority's properties. In 2019, the Public Housing Program accounted for its activities using project-based management where each individual project accounts for and reports its own assets, liabilities, and revenue and expense activities.

**Housing Authority of the City of Little Rock**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**December 31, 2019**

Development Grants – Grant programs are funded by HUD, which funds the development and construction of new low-income housing units and single-family dwelling structures. Grant funds are also provided to remove aged dilapidated public housing units, relocate qualified residents and reconstruct new housing units as noted above. These funds are accounted for in the individual projects or programs to which funds are drawn and used.

Housing Choice Voucher Program – Under the Housing Choice Voucher Program (HCV), the Authority administers contracts with independent landlords who own the property. The Authority subsidizes the family's rent through a Housing Assistance Payment (HAP) made to the landlord. The program is administered under an ACC with HUD. HUD provides Annual Contributions Funding to enable the Authority to structure a lease that sets the participants' rent at 30% of household income. The HCV is required to maintain separate net asset accounts to segregate restricted HAP equity from unrestricted administration equity.

Other Nonmajor Activities – In addition to the major activities listed above, the Authority also maintains the following nonmajor activities:

Section 8 Moderate Rehabilitation (SRO) and HOME Investment Partnership Program are grant programs funded by HUD that assist homeless individuals with disabilities to obtain housing. HAPs are the grants' major expenditure categories.

Business Activities – Represents non-HUD resources developed from a variety of activities.

Capital Fund Programs – These grant programs are funded by HUD to assist the Authority in maintaining the physical and technical services management needs of the complexes.

Central Arkansas Housing Corporation (CAHC) – A nonprofit organization, with common members of the oversight board with that of the Authority, was created by the Authority to facilitate the development, financing, and construction of multi-family, and included in the primary government as a blended component unit, as well as single-family, residential housing in the city of Little Rock. CAHC will pursue public housing development and promotion in conjunction with programs pursued by the Authority and approved by HUD.

Component Unit – The limited partnership Granite Mountain Senior Homes, L.P. was created to acquire, own, invest in, hold, construct, reconstruct, operate and/or manage real property.

**Housing Authority of the City of Little Rock**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**December 31, 2019**

**Table 1 – Statements of Net Position**

|                                    | <b>2019</b>   | <b>2018</b>   |
|------------------------------------|---------------|---------------|
| <b>Assets</b>                      |               |               |
| Current and other assets           | \$ 22,769,120 | \$ 25,583,638 |
| Capital assets                     | 69,220,144    | 36,826,476    |
| Total assets                       | \$ 91,989,264 | \$ 62,410,114 |
| <b>Liabilities</b>                 |               |               |
| Current liabilities                | \$ 44,241,258 | \$ 5,863,393  |
| Noncurrent liabilities             | 3,764,298     | 4,079,210     |
| Total liabilities                  | 48,005,556    | 9,942,603     |
| <b>Net Position</b>                |               |               |
| Net investment in capital assets   | 23,180,646    | 32,890,263    |
| Restricted                         | 7,426,007     | 4,191,963     |
| Unrestricted                       | 13,377,055    | 15,385,285    |
| Total net position                 | 43,983,708    | 52,467,511    |
| Total liabilities and net position | \$ 91,989,264 | \$ 62,410,114 |

The preceding *Table 1* reflects the condensed Statement of Net Position. The Authority is engaged only in business-type activities.

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

**Major Factors Affecting the Statement of Net Position**

In 2019, current and other assets (excluding interfund due to/from) decreased by approximately \$2.8 million and current liabilities increased by approximately \$39.1 million.

As mentioned previously, overall Net Position increased by \$9.2 million in 2019 compared to an increase of \$6 million in 2018. Loss before capital grants and capital contributions was approximately \$9.2 million in 2019 compared to a loss of \$711 thousand in 2018. The major factor affecting net position in 2019 is the assumption of the general partnership interest in University Heights and Madison Heights II.

**Housing Authority of the City of Little Rock**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**December 31, 2019**

**Table 2 – Statements of Revenues and Expenses and Changes in Net Position**

|   | 2019                 | 2018                 |
|---|----------------------|----------------------|
| <b>Operating Revenue</b>                                |                      |                      |
| Net tenant rental revenue                               | \$ 5,054,706         | \$ 2,157,878         |
| Tenant revenue – other                                  | 58,239               | 40,334               |
| HUD operating grants                                    | 19,225,689           | 16,863,708           |
| Other revenue   | 1,147,061            | 618,178              |
| Total operating revenues                                | 25,485,695           | 19,680,098           |
| <b>Operating Expenses</b>                               |                      |                      |
| Administrative expenses                                 | 4,729,057            | 3,795,782            |
| Management fee  | 113,321              | 52,762               |
| Tenant services   | 4,715                | 35,781               |
| Utilities   | 1,202,693            | 1,029,724            |
| Operating and maintenance                               | 2,244,553            | 1,503,885            |
| Protective services                                     | 537                  | 307,696              |
| Housing assistance payments                             | 16,720,816           | 13,711,362           |
| Depreciation  | 1,592,283            | 2,032,979            |
| Taxes and insurance                                     | 446,979              | 294,018              |
| Total operating expenses                                | 27,054,954           | 22,763,989           |
| <b>Operating Loss</b>                                   | <b>(1,569,259)</b>   | <b>(3,083,891)</b>   |
| <b>Nonoperating Revenue (Expense)</b>                   |                      |                      |
| Investment income                                       | 23,566               | 156,483              |
| Interest expense  | (148,869)            | -                    |
| Gain (loss) on fixed assets                             | (6,847,869)          | 2,216,309            |
| Net nonoperating revenue (expense)                      | (6,973,172)          | 2,372,792            |
| <b>Loss Before HUD Capital Grants and Contributions</b> | <b>(8,542,431)</b>   | <b>(711,099)</b>     |
| <b>Capital Contributions</b>                            | -                    | 4,052,702            |
| <b>HUD Capital Grants</b>                               | 58,628               | 2,627,866            |
| Change in net position                                  | (8,483,803)          | 5,969,469            |
| <b>Net Position</b>                                     |                      |                      |
| Net position – beginning of year                        | 52,467,511           | 46,498,042           |
| Net position – end of year                              | <b>\$ 43,983,708</b> | <b>\$ 52,467,511</b> |

The preceding *Table 2* presents the revenues and expenses for the current fiscal year.

**Housing Authority of the City of Little Rock**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**December 31, 2019**

**Major Factors Affecting the Statement of Revenues and Expenses and Changes in Net Position**

In total, HUD operating and capital grant funds decreased in 2019 compared to 2018 by approximately \$207 thousand. The operating grants increased \$2.4 million and the capital fund program grants decreased by approximately \$2.6 million in 2019 compared to 2018. The Authority continued the use of capital funds for modernization programs in 2019.

Expenses were \$25.5 million (exclusive of depreciation) in 2019 and \$20.7 million in 2018. Some highlights of the 2019 expense activity compared to 2018 include an increase in HAPs of approximately \$3.0 million and an increase in maintenance expenses of \$741 thousand.

**Capital Assets and Debt Administration**

**Capital Assets**

As of year-end, the Authority had approximately \$69.2 million invested in a variety of capital assets as reflected in the following schedule, which represents a net increase (addition, deductions and depreciation) of approximately \$32.4 million from 2018 to 2019 primarily due to the capital improvements for the RAD conversion for Cumberland Tower, Parris Tower, Powell Tower and the assignment of the partnership interest for University Heights and Madison Heights II.

**Capital Assets at Year-End (Net of Depreciation)**

The following table represents the detailed components of capital assets and related accumulated depreciation at December 31, 2019 and 2018:

|                               | 2019          | 2018          |
|-------------------------------|---------------|---------------|
| Land                          | \$ 5,321,606  | \$ 2,774,680  |
| Buildings                     | 82,835,465    | 29,109,783    |
| Furniture and equipment       | 3,899,396     | 1,714,185     |
| Construction in progress      | 150,055       | 13,377,738    |
|                               | 92,206,522    | 46,976,386    |
| Less accumulated depreciation | 22,986,378    | 10,149,910    |
| Total capital assets          | \$ 69,220,144 | \$ 36,826,476 |

**Debt Outstanding**

As of December 31, 2019, the Authority had approximately \$40.7 million of debt outstanding compared to \$2.3 million as of December 31, 2018. This increase is due to the ongoing construction for the RAD conversion for Cumberland Tower, Parris Tower, and Powell Tower and the assignment of partnership interest for University Heights and Madison Heights II.

**Housing Authority of the City of Little Rock**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**December 31, 2019**

**Economic Factors**

Significant economic factors affecting the Authority are as follows:

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

**Financial Contact**

The individual to be contacted regarding this report is the Executive Director of the Housing Authority of the City of Little Rock at 501.340.4821. Specific requests may be submitted to the Executive Director of the Housing Authority of the City of Little Rock, 100 S. Arch St., Little Rock, Arkansas 72201. Additionally, contact the Authority regarding the separately audited financial statements of the Authority's component units, Central Arkansas Housing Corporation and Granite Mountain Senior Homes, L.P.

**Housing Authority of the City of Little Rock**  
**Statement of Net Position**  
**December 31, 2019**

| <b>Assets</b>                                   | <b>Primary<br/>Government</b> | <b>GMSH</b>         |
|---|-------------------------------|---------------------|
| <b>Current Assets</b>                           |                               |                     |
| Cash and cash equivalents – unrestricted        | \$ 4,795,298                  | \$ 19,036           |
| Cash and cash equivalents – restricted          | 6,730,545                     | 262,740             |
|   | <u>11,525,843</u>             | <u>281,776</u>      |
| Investments                                     | 619,120                       | -                   |
| Accounts receivable – HUD                       | 70,573                        | -                   |
| Accounts receivable – other PHA projects        | 96,274                        | -                   |
| Accounts receivable – tenants, net of allowance | 543,710                       | 14,919              |
| Accounts receivable – miscellaneous             | 31,472                        | -                   |
| Accrued interest receivable                     | 23,199                        | -                   |
| Prepaid expenses                                | 190,762                       | 1,707               |
| Inventories                                     | 7,188                         | -                   |
| Assets held for sale                            | 204,239                       | -                   |
|   | <u>13,312,380</u>             | <u>298,402</u>      |
| Total current assets                            |                               |                     |
| <b>Capital Assets</b>                           |                               |                     |
| Land  | 5,321,606                     | 62,597              |
| Buildings and improvements                      | 82,835,465                    | 6,660,601           |
| Furniture, equipment and machinery              | 3,899,396                     | 177,949             |
| Construction in progress                        | 150,055                       | -                   |
|   | <u>92,206,522</u>             | <u>6,901,147</u>    |
| Less accumulated depreciation                   | 22,986,378                    | 2,056,112           |
|   | <u>69,220,144</u>             | <u>4,845,035</u>    |
| Net capital assets                              |                               |                     |
| <b>Noncurrent Assets</b>                        |                               |                     |
| Notes receivable                                | 9,264,328                     | -                   |
| Other   | 192,412                       | 30,402              |
|   | <u>9,456,740</u>              | <u>30,402</u>       |
| Total noncurrent assets                         |                               |                     |
| Total assets                                    | <u>\$ 91,989,264</u>          | <u>\$ 5,173,839</u> |

**Housing Authority of the City of Little Rock**  
**Statement of Net Position (Continued)**  
**December 31, 2019**

**Liabilities and Net Position**

|   | Primary<br>Government | GMSH         |
|---|-----------------------|--------------|
| <b>Current Liabilities</b>              |                       |              |
| Accounts payable                        | \$ 3,263,088          | \$ 4,836     |
| Accounts payable – other governments    | 9,570                 | -            |
| Accrued wages and payroll taxes payable | 43,900                | -            |
| Accrued compensated absences            | 79,153                | -            |
| Unearned revenue                        | 101,992               | 4,051        |
| Tenant security deposits                | 128,295               | 6,086        |
| Current portion of long-term debt       | 40,130,945            | -            |
| Other current liabilities               | 484,315               | 13,964       |
|   | 44,241,258            | 28,937       |
| Total current liabilities               |                       |              |
| <b>Noncurrent liabilities</b>           |                       |              |
| Family self-sufficiency program escrows | 144,412               | -            |
| Long-term debt                          | 591,583               | -            |
| Due to affiliate                        | 3,028,303             | 2,812,452    |
|   | 3,764,298             | 2,812,452    |
| Total noncurrent liabilities            |                       |              |
| Total liabilities                       | 48,005,556            | 2,841,389    |
| <b>Net Position</b>                     |                       |              |
| Net investment in capital assets        | 23,180,646            | 2,032,583    |
| Restricted – expendable                 | 7,426,007             | 256,654      |
| Unrestricted                            | 13,377,055            | 43,213       |
|   | 43,983,708            | 2,332,450    |
| Total net position                      |                       |              |
| Total liabilities and net position      | \$ 91,989,264         | \$ 5,173,839 |

**Housing Authority of the City of Little Rock**  
**Statement of Revenues and Expenses and Changes in Net Position**  
**Year Ended December 31, 2019**

|   | Primary<br>Government | GMSH                |
|---|-----------------------|---------------------|
| <b>Operating Revenues</b>                               |                       |                     |
| Net tenant rental revenue                               | \$ 5,054,706          | \$ 214,762          |
| Tenant revenue – other                                  | 58,239                | -                   |
| HUD operating grants                                    | 19,225,689            | -                   |
| Other revenue   | 1,147,061             | 3,133               |
|   | <u>25,485,695</u>     | <u>217,895</u>      |
| <b>Operating Expenses</b>                               |                       |                     |
| Administrative expenses                                 | 4,729,057             | 67,809              |
| Management fee  | 113,321               | -                   |
| Tenant services   | 4,715                 | -                   |
| Utilities   | 1,202,693             | 26,020              |
| Operating and maintenance                               | 2,244,553             | 83,381              |
| Protective services                                     | 537                   | -                   |
| Housing assistance payments                             | 16,720,816            | -                   |
| Depreciation  | 1,592,283             | 251,628             |
| Amortization  | -                     | 3,742               |
| Taxes and insurance                                     | 446,979               | 30,821              |
|   | <u>27,054,954</u>     | <u>463,401</u>      |
| <b>Operating Loss</b>                                   | (1,569,259)           | (245,506)           |
| <b>Nonoperating Revenues (Expenses)</b>                 |                       |                     |
| Investment income (expense)                             | 23,566                | -                   |
| Interest expense  | (148,869)             | (573)               |
| Loss on assignment of interest in housing projects      | (6,847,869)           | 200                 |
|   | <u>(6,973,172)</u>    | <u>(373)</u>        |
| <b>Loss Before HUD Capital Grants and Contributions</b> | (8,542,431)           | (245,879)           |
| <b>HUD Capital Grants</b>                               | 58,628                | -                   |
| <b>Change in Net Position</b>                           | <u>(8,483,803)</u>    | <u>(245,879)</u>    |
| <b>Net Position, Beginning of Year</b>                  | <u>52,467,511</u>     | <u>2,578,329</u>    |
| <b>Net Position, End of Year</b>                        | <u>\$ 43,983,708</u>  | <u>\$ 2,332,450</u> |

**Housing Authority of the City of Little Rock**  
**Statement of Cash Flows**  
**Year Ended December 31, 2019**

|  | <b>Primary<br/>Government</b> |
|--|-------------------------------|
| <b>Operating Activities</b>                                      |                               |
| Dwelling rent receipts   | \$ 4,543,502                  |
| Operating subsidy and grant receipts                             | 19,551,665                    |
| Other income receipts  | 1,234,631                     |
| Payments to vendors  | (5,888,533)                   |
| Payments to employees  | (1,996,589)                   |
| Housing assistance payments                                      | (16,720,816)                  |
|  | 723,860                       |
| Net cash provided by operating activities                        |                               |
| <b>Investing Activities</b>                                      |                               |
| Deposits to escrows  | 1,436,123                     |
| Purchase of fixed assets   | (28,906,737)                  |
| Sale of investments  | 17,189                        |
|  | (27,453,425)                  |
| Net cash used in investing activities                            |                               |
| <b>Capital and Related Financing Activities</b>                  |                               |
| Capital contributions and grants                                 | 58,628                        |
| Payment received on notes receivable                             | 4,046,827                     |
| Interest payments on capital debt                                | (148,869)                     |
| Proceeds for the issuance of debt                                | 29,004,764                    |
|  | 32,961,350                    |
| Net cash provided by capital<br>and related financing activities |                               |
| <b>Increase in Cash and Cash Equivalents</b>                     | 6,231,785                     |
| <b>Cash and Cash Equivalents, Beginning of Year</b>              | 4,568,541                     |
| <b>Cash and Cash Equivalents, End of Year</b>                    | \$ 10,800,326                 |
| <b>Reconciliation to Statement of Net Position</b>               |                               |
| Cash and cash equivalents – unrestricted                         | \$ 4,795,298                  |
| Cash and cash equivalents – restricted                           | 6,730,545                     |
|  | \$ 11,525,843                 |

**Housing Authority of the City of Little Rock**  
**Statement of Cash Flows (Continued)**  
**Year Ended December 31, 2019**

|   | <b>Primary<br/>Government</b> |
|---|-------------------------------|
| <b>Reconciliation of Operating Loss to Net Cash Provided by (Used in)</b> |                               |
| <b>Operating Activities</b>   |                               |
| Operating loss  | \$ (1,569,259)                |
| Depreciation and amortization   | 1,592,283                     |
| Changes in  |                               |
| Tenant accounts receivable  | (511,204)                     |
| Accounts receivable   | 29,331                        |
| Prepaid expenses  | 206,268                       |
| Inventories   | 1,762                         |
| HUD accounts receivable   | 277,275                       |
| Accounts payable  | 646,049                       |
| Unearned revenue  | 48,701                        |
| Other liabilities and accrued expenses                                    | 2,654                         |
|   | <u>\$ 723,860</u>             |
| <b>Noncash Investing, Capital and Financing Activity</b>                  |                               |
| Development fee payable capitalized into construction in progress         | \$ 1,373,856                  |
| Construction payables capitalized into construction in progress           | 2,338,667                     |
| Mortgage payable assumed  | 9,417,974                     |

# Housing Authority of the City of Little Rock

## Notes to Financial Statements

December 31, 2019

### Note 1: Nature of Operations and Summary of Significant Accounting Policies

#### ***Nature of Operations***

The Housing Authority of the City of Little Rock (the Authority or LRHA), D/B/A Metropolitan Housing Alliance (MHA) was established for the purpose of engaging in the development, acquisition and administration of low-income housing programs and other programs with similar objectives. The MHA Board of Commissioners consists of five members appointed by the Mayor of Little Rock and approved by the City Board of Directors. Each member serves a five-year term. The United States Department of Housing and Urban Development (HUD) has direct responsibility for administering the low-income housing program under the *United States Housing Act of 1937*, as amended. HUD is authorized to enter into contracts with local housing authorities to make grants to assist the local housing authorities in financing the acquisition, construction and/or leasing of housing units and to make annual contributions (subsidies) to the local housing authorities for the purpose of maintaining the low-rent character of the local housing program.

#### ***Basis of Accounting and Presentation***

In accordance with uniform financial reporting standards for HUD housing programs, the financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting standards.

The Authority reports under the governmental proprietary fund type (enterprise fund), which uses the accrual basis of accounting. The enterprise fund emphasizes the flow of economic resources as a measurement focus. In this fund, revenues are recorded when earned and expenses are recorded at the time incurred.

The enterprise fund is used to account for those operations that are financed and operated in a manner similar to private business, or where the board of directors has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

The intent of the governing body is that the costs (expenses including depreciation) of providing services to the general public on a continuing basis be financed or recovered primarily through funding from HUD and charges to residents for rent and other fees.

All of the Authority's programs are accounted for as one business-type activity reported in a single enterprise fund.

# Housing Authority of the City of Little Rock

## Notes to Financial Statements

### December 31, 2019

#### ***Reporting Entity***

The Authority is a special-purpose government engaged in a business-type activity. As required by governmental accounting principles generally accepted in the United States of America, the basic financial statements of the reporting entity include those of the primary government, the Authority and the component units.

- Component units are separate legal entities for which elected officials of a primary government are financially accountable for the entity, or the nature and significance of the relationship between the entity and a primary government are such that to exclude the entity from the financial reporting entity would render the basic financial statements misleading or incomplete.

#### **Blended Component Unit**

Central Arkansas Housing Corporation (CAHC), an entity legally separate from the Authority, is governed by a three-member board. CAHC is a nonprofit organization created for the advancement of public housing needs. The Authority is the sole corporate member and has the ability to approve and remove CAHC board members. Two of the five Authority commissioners serve as board members of CAHC.

#### **Discretely Presented Component Unit**

The limited partnership Granite Mountain Senior Homes, L.P. was created to acquire, own, invest in, hold, construct, reconstruct, operate and/or manage real property. The Authority is a general partner of the partnership. The limited partner (HCP-ILP Limited Partnership) has limited rights regarding the operation of the partnership, and the Authority possesses essentially all authority over day-to-day operations.

The Authority's component units follow the accounting guidance for nonprofit and for-profit organizations as issued by the Financial Accounting Standards Board. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the entity's financial information in the Authority's financial reporting entity for these differences. The Authority is not included in any other reporting entity.

#### ***Use of Estimates***

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

**Housing Authority of the City of Little Rock**  
**Notes to Financial Statements**  
**December 31, 2019**

***Cash and Cash Equivalents/Investments***

Cash and cash equivalents include all cash balances and highly liquid investments with a maturity of three months or less. The Authority places its temporary cash investments in certificates of deposit with high credit quality financial institutions. Such investments which are in excess of FDIC insurance limits are required to be fully collateralized.

***Capital Assets***

Capital assets are stated at cost. Depreciation is calculated using the straight-line method over the estimated useful lives of three to 40 years.

Expenses for repairs and maintenance are charged directly to expense as they are incurred. Expenses determined to represent additions or betterments are capitalized.

***Capital Asset Impairment***

The Authority evaluates capital assets for impairment whenever events or circumstances indicate a significant, unexpected decline in the service utility of a capital asset has occurred. If a capital asset is tested for impairment and the magnitude of the decline in service utility is significant and unexpected, the capital asset historical cost and related accumulated depreciation are decreased proportionately such that the net decrease equals the impairment loss.

No asset impairment was recognized during the year ended December 31, 2019.

***Inventories***

All inventories are valued using the average cost method. Inventories of supplies are recorded as expenses when consumed rather than when purchased.

***Compensated Absences***

Accrued compensated absences consist of earned accumulated unpaid vacation and sick leave and associated employer-related costs.

***Unearned Revenue***

Unearned revenue represents grant funds received in advance of the period to which the payments relate.

**Housing Authority of the City of Little Rock**  
**Notes to Financial Statements**  
**December 31, 2019**

***Net Position***

Net position of the Authority is classified in three components. Net investment in capital assets consists of capital assets net of accumulated depreciation and reduced by the outstanding balances of borrowings used to finance the purchase or construction of those assets. Restricted expendable net position is made up of noncapital assets that must be used for a particular purpose as specified by creditors, grantors or donors external to the Authority, including amounts deposited with trustees as required by bond indentures, reduced by the outstanding balances of any related borrowings or other liabilities. Unrestricted net position is the remaining net position that does not meet the definition of net investment in capital assets or restricted.

***Income Taxes***

No provision for income taxes is recorded as the Authority is a governmental entity; its component units qualify as nonprofit, tax-exempt entities under the Internal Revenue Code.

***Budgets and Budgetary Accounting***

Enterprise fund service delivery levels are determined by the extent of consumer demand. Because enterprise fund revenues and expenses fluctuate with changing service delivery levels, accounting principles do not require the financial statements to include budgetary comparisons and, accordingly, these comparisons have not been included.

Budgets are prepared for regulatory purposes in accordance with the Authority's contract with HUD. The Authority prepares annual budgets for each program. Prior to the beginning of each budget year, the Authority's annual budget is approved by its governing body. Budgetary amendments require approval by the governing body. Budgets for capital fund programs are approved in the Authority's five-year and annual plans.

***Investments***

Federal statutes authorize investment of excess federal funds in instruments issued by or guaranteed by the federal government. The Authority has adopted this policy for all invested funds, whether or not they are federal funds. Investments are carried at fair value based on the most recent market quotations.

***Operating Revenues and Expenses***

Operating revenues and expenses consist of revenues earned and expenses incurred as a result of the principal operations of the Authority. Operating revenue results from exchange transactions associated with providing housing and related services, and federal operating subsidies and housing assistance payments that are directly related to the Authority's mission. Nonoperating revenue includes capital and noncapital federal grants, interest revenue and other revenues not meeting the definition of operating. Operating expenses consist of all expenses incurred to provide housing services.

# Housing Authority of the City of Little Rock

## Notes to Financial Statements

### December 31, 2019

#### ***Restricted Assets***

Certain assets may be classified as restricted assets on the statement of net position because their use is restricted by contracts or agreements with outside third parties and lending institutions. This component of net position consists of restricted assets reduced by liabilities related to those assets.

#### ***Collection Losses***

Collection losses on accounts and notes receivable are expensed using the allowance method. Allowance for doubtful accounts is adjusted periodically based on management's assessment of current economic conditions and a review of specific accounts and notes receivable.

#### ***Programs Administered by the Authority***

A summary of each program administered by the Authority included in the financial statements is provided to assist the reader in interpreting the basic financial statements. These programs constitute all programs subsidized by HUD and operated by the Authority.

##### Conventional Public Housing Program

Under the Conventional Public Housing Program, the Authority rents units that it owns to low-income households. The Conventional Public Housing Program is operated under an Annual Contributions Contract (ACC) with HUD, and HUD provides Operating Subsidy and Capital Grant funding to enable the Authority to provide the housing at a rent that is based upon 30% of household income. The Conventional Public Housing Program also includes the Capital Fund Program, which is the primary funding source for physical and management improvements to the Authority's properties. In 2019, the Conventional Public Housing Program accounted for its activities using project-based management where each individual project accounts for and reports its own assets, liabilities, and revenue and expense activities.

##### Housing Choice Voucher Program

Under the Housing Choice Voucher (HCV) program, the Authority administers contracts with independent landlords who own the property. The Authority subsidizes the family's rent through a Housing Assistance Payment (HAP) made to the landlord. The program is administered under an ACC with HUD. HUD provides Annual Contributions Funding to enable the Authority to structure a lease that sets the participants' rent at 30% of household income. The HCV is required to maintain separate net asset accounts to segregate restricted HAP Equity from unrestricted Administration Equity.

##### Family Self-sufficiency (FSS)

This program enables families assisted through the HCV and Conventional Public Housing programs to increase their earned income and reduce their dependency on social services and rental subsidies. Under the FSS program, families living in assisted housing are provided opportunities for education, job training counseling and other forms of social service assistance in order to develop the skills necessary to achieve self-sufficiency.

# Housing Authority of the City of Little Rock

## Notes to Financial Statements

December 31, 2019

In addition, escrow accounts are established for participants by the Authority. As a participant's skills increase, earnings will likely increase, resulting in an increase in the participant's rent. In such cases, the increase rent is placed by the Authority into the escrow account. After graduating from the program, families may withdraw the funds from their escrow account for any purpose.

### Capital Fund Program

This grant program is funded by HUD to assist the Authority in maintaining the physical and technical services management needs of the complexes.

### Moderate Rehabilitation Program

This program is funded by HUD to assist homeless individuals with disabilities to obtain housing. HAPs are the grant's major expenditure category.

### Neighborhood Stabilization Program

Congress created the Neighborhood Stabilization Program to help cities, counties and states deal with community problems that are the result of the mortgage foreclosure crisis in the nation. HUD provides money to about 250 local governments (cities and counties) and all 50 states. Generally, the money must be used to buy, repair and resell foreclosed and abandoned homes. As long as the funds are used for this redevelopment, the units of government that receive HUD funds decide how to use the funds and what specific redevelopment activities to undertake.

### Business Activities

Business activities represent non-HUD resources developed from a variety of activities.

## **Note 2: Deposits and Investments**

### ***Primary Government***

#### Custodial Credit Risk for Deposits and Investments

The Authority is permitted to invest funds in deposit accounts at federally insured financial institutions; in obligation of the U.S. Treasury or U.S. government agencies; local or state government investment pools; and repurchase agreements with financial institutions (as long as the entire balance is collateralized by specifically identified securities of the U.S. government or its agencies). Obligations furnished as security must be held by the Authority or with an unaffiliated bank or trust company for the account of the Authority.

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

**Housing Authority of the City of Little Rock**  
**Notes to Financial Statements**  
**December 31, 2019**

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. At December 31, 2019, the Authority's deposits did not exceed the federally insured limits. At December 31, 2019, CAHC's cash accounts exceeded federally insured limits by approximately \$652,000.

**Note 3: Accounts Receivable**

Accounts receivable – HUD consist primarily of reimbursements due from HUD, including Operating Subsidy, Capital Fund, Housing Choice Voucher funds and other funds from HUD. Accounts receivable – other PHA projects consist primarily of reimbursements due from other public housing authorities under the portability provisions of the Housing Choice Voucher (HCV) program. Accounts receivable – miscellaneous consist of amounts due from miscellaneous sources other than governmental units or tenants. At December 31, 2019, no allowance was deemed necessary for accounts receivable – HUD, accounts receivable – other PHA projects or accounts receivable – miscellaneous.

Accounts receivable – tenants consist primarily of all tenant charges due, owed and outstanding such as dwelling rent, maintenance charges, late fees, excess utility charges and other charges owed to the Authority, including tenants who committed fraud or misrepresentation and owe additional rent for prior periods or retroactive rent.

It is the policy of the Authority to maintain an allowance for uncollectible accounts receivable – tenants.

On an annual basis, the allowance for doubtful accounts is adjusted based on the following factors:

1. An analysis of outstanding, aged accounts receivable
2. Historical collection and bad debt experience
3. Fraud receivables are calculated based on collection history within the calendar year
4. Evaluations of specific accounts based on discussions with departments that originated the transaction resulting in the receivable

The allowance for uncollectible accounts receivable – tenants at December 31, 2019, was approximately \$99,000.

**Housing Authority of the City of Little Rock**  
**Notes to Financial Statements**  
**December 31, 2019**

**Note 4: Loans Receivable**

***Primary Government***

In connection with the development of mixed-finance low-income housing, the Authority has advanced funds to the following entities with accompanying balances outstanding at December 31, 2019:

|   |              |
|---|--------------|
| Metropolitan Village Associates, L.P. – Interest on the principal amount outstanding accrues at the rate of 4.3% through maturity. Principal is payable from net available cash flow from operations or from net proceeds or condemnation Proceeds. The note matures on September 11, 2026, and is secured by a third priority leasehold.   | \$ 539,000   |
| Metropolitan Village Associates, L.P. – Interest on the principal amount outstanding accrues at the rate of 7.25% through construction period, capped at \$30,000, and thereafter bears interest at an annual rate of 3.5% until maturity. Principal is payable from net available cash flow from operations or from net proceeds or condemnation proceeds. The note matures on September 11, 2053, and is secured by a third priority leasehold mortgage on the project. | 1,104,734    |
| Cumberland Manor Associates, L.P. – Interest on the principal amount outstanding accrues at the rate of 4.3% through maturity. Principal is payable from net available cash flow from operations or from net proceeds or condemnation proceeds. The note matures on September 11, 2026, and is secured by a third priority leasehold.   | 539,000      |
| Cumberland Manor Associates, L.P. – Interest on the principal amount outstanding accrues at the rate of 7.25% through construction period, capped at \$30,000, and thereafter bears interest at an annual rate of 3.5% until maturity. Principal is payable from net available cash flow from operations or from net proceeds or condemnation proceeds. The note matures on September 11, 2053, and is secured by a third priority leasehold mortgage on the project.     | 1,064,840    |
| Granite Mountain Senior Homes, L.P. – Secured by a leasehold mortgage on project; payable at maturity on June 24, 2051; note does not bear interest.  | 2,251,731    |
| Granite Mountain Senior Homes, L.P. – Secured by a leasehold mortgage and security agreement; payable at maturity on June 24, 2051; note does not bear interest.  | 565,023      |
|   | \$ 6,064,328 |

**Housing Authority of the City of Little Rock**  
**Notes to Financial Statements**  
**December 31, 2019**

CAHC is a party to related operating agreements with the Authority, as assigned by Neighborhood Builders, Inc. (NBI), under a legal settlement. Under one of the agreements, defined as the "Subgrant Agreement," CAHC, or its predecessor, has been the participant (sub-grantee) in a HUD grant(s) to the Authority to fund, in part, residential housing development projects by lending the funds to the project developer(s) for development and construction purposes.

In connection with the development of mixed-finance low-income housing, CAHC has advanced funds to the following entities with accompanying balances outstanding at December 31, 2019:

|   |                            |
|---|----------------------------|
| Metropolitan Village Associates, L.P. – Interest on the principal amount outstanding accrues at the rate of 3.5% per annum. Principal and interest are payable from net available adjusted surplus cash flow. The note matures on September 11, 2053, and is secured by a fourth leasehold mortgage on the project. | 1,600,000                  |
| Cumberland Manor Associates, L.P. – Interest on the principal amount outstanding accrues at the rate of 3.5% per annum. Principal and interest are payable from net available adjusted surplus cash flow. The note matures on September 11, 2053, and is secured by a fourth leasehold mortgage on the project.     | <u>1,600,000</u>           |
|   | <u><u>\$ 3,200,000</u></u> |

Some of the above-referenced notes have interest rates set by contractual obligations. The interest accrued on these notes is to be paid out of excess cash flows from the respective operations of the related projects or sale of property, whichever comes first. Since a limited amount of interest has been received since the initial escrow funding on each note, an accrual has not been made on the accounting records to reflect the total accrued interest through December 31, 2019. Instead, interest income is recognized when received by contractual formula in the period that it is received.

**Housing Authority of the City of Little Rock**  
**Notes to Financial Statements**  
**December 31, 2019**

**Note 5: Capital Assets**

**Primary Government**

A summary of the Authority's capital asset and accumulated depreciation activity for the year ended December 31, 2019, is shown below:

|                               | December 31,<br>2018 | Additions            | Transfers    | Disposals           | December 31,<br>2019 |
|-------------------------------|----------------------|----------------------|--------------|---------------------|----------------------|
| Land                          | \$ 2,774,680         | \$ 2,228,701         | \$ 324,725   | \$ (6,500)          | \$ 5,321,606         |
| Buildings                     | 29,109,783           | 14,531,122           | 39,252,080   | (57,520)            | 82,835,465           |
| Furniture and equipment       | 1,714,185            | 1,140,939            | 1,044,272    | -                   | 3,899,396            |
| Construction in progress      | 13,377,738           | 27,875,514           | (40,621,077) | (482,120)           | 150,055              |
|                               | 46,976,386           | 45,776,276           | -            | (546,140)           | 92,206,522           |
| Less accumulated depreciation | 10,149,910           | 12,837,664           | -            | (1,196)             | 22,986,378           |
| Total capital assets          | <u>\$ 36,826,476</u> | <u>\$ 32,938,612</u> | <u>\$ -</u>  | <u>\$ (544,944)</u> | <u>\$ 69,220,144</u> |

Capital improvements made on the Authority's low-rent housing stock are financed by grant funds provided by HUD under the Capital Fund Program (CFP) and the rental assistance demonstration (RAD) program. Funds provided through this program are used to rehabilitate and extend the useful life of the housing stock. CFP grants are awarded annually based on a five-year comprehensive modernization or development of low-rent units. Additions includes the assignment of the general partnership interest in University Heights Associates, LP and Madison Heights Phase II, L.P., to CAHC during 2019. As a result of this assignment, CAHC recognized a loss of approximately \$7 million which is recorded in the statement of revenues and expenses and changes in net position.

Construction in Progress

Construction in progress consists of RAD pre-development costs funded by CFP grants.

**Component Unit**

A summary of the capital asset and accumulated depreciation activity for the year ended December 31, 2019, is shown below:

|                               | 2018                | Additions           | Disposals   | 2019                |
|-------------------------------|---------------------|---------------------|-------------|---------------------|
| Land                          | \$ 62,597           | \$ -                | \$ -        | \$ 62,597           |
| Buildings                     | 6,660,601           | -                   | -           | 6,660,601           |
| Furniture and equipment       | 177,949             | -                   | -           | 177,949             |
|                               | 6,901,147           | -                   | -           | 6,901,147           |
| Less accumulated depreciation | 1,804,484           | 251,628             | -           | 2,056,112           |
| Total capital assets          | <u>\$ 5,096,663</u> | <u>\$ (251,628)</u> | <u>\$ -</u> | <u>\$ 4,845,035</u> |

**Housing Authority of the City of Little Rock**  
**Notes to Financial Statements**  
**December 31, 2019**

**Note 6: Long-Term Debt**

**Primary Government**

The following is a summary of long-term debt transactions for the Authority for the year ended December 31, 2019:

|                                 | December 31,<br>2018 | Additions           | Deductions         | December 31,<br>2019 | Current<br>Portion   |
|---------------------------------|----------------------|---------------------|--------------------|----------------------|----------------------|
| Note payable                    | \$ 50,000            | \$ -                | \$ -               | \$ 50,000            | \$ -                 |
| Construction loans              | 1,674,069            | 33,825,931          | -                  | 35,500,000           | 35,500,000           |
| Mortgage                        | 599,191              | 5,600,000           | (24,816)           | 6,174,375            | 5,619,191            |
| Total debt                      | 2,323,260            | 39,425,931          | (24,816)           | 41,724,375           | 41,119,191           |
| Unamortized Debt Issuance Costs | (23,470)             | (988,246)           | 9,869              | (1,001,847)          | (988,246)            |
|                                 | <u>\$ 2,299,790</u>  | <u>\$38,437,685</u> | <u>\$ (14,947)</u> | <u>\$ 40,722,528</u> | <u>\$ 40,130,945</u> |

Note payable to VOA National Housing Corporation which is an unsecured, non-recourse note bearing no interest and shall be payable only upon the sale or refinancing of CAHC's Elm Street apartment \$ 50,000

Construction loan payable to a Bank providing for borrowings up to \$10,750,000. The construction loan requires monthly interest-only payments commencing November 1, 2018, at an adjustable rate of LIBOR plus 2.5% (4.21% as of December 31, 2019). Any remaining unpaid portion of the construction loan is due at maturity, November 1, 2020. The entity is also granted a six-month extension on the loan. The loan is secured by a first mortgage on the property. Principal payments on the construction loan will be funded with proceeds from the remaining equity installments and permanent loan which are scheduled to be received in 2020. Unamortized debt issuance costs of \$240,266 are being amortized over the life of the loan. Principal payments on the construction loan will be funded with proceeds from the remaining equity installments and permanent loan which are scheduled to be received in 2020. Unamortized debt issuance costs of \$240,266 are being amortized over the life of the loan 10,750,000

Construction loan payable to a Bank provides for borrowings up to \$14,750,000. The construction loan requires monthly interest-only payments commencing November 1, 2018, at an adjustable rate of LIBOR plus 2.5% (4.21% as of December 31, 2019). Any remaining unpaid portion of the construction loan is due at maturity November 1, 2020. The entity is also granted the option for a six-month extension on the loan. The loan is secured by a first mortgage on the property. Principal payments on the construction loan will be funded with proceeds from the remaining equity installments and permanent loan, which are scheduled to be received in 2020. Unamortized debt issuance costs of \$283,648 is being amortized over the life of the loan 14,750,000

Construction loan payable to a Bank provides for borrowings up to \$10,000,000. The construction loan requires monthly interest-only payments commencing November 1, 2018, at an adjustable rate of LIBOR plus 2.5% (4.21% as of December 31, 2019). Any remaining unpaid portion of the construction loan is due at maturity, November 1, 2020. The entity is also granted a six-month extension on the loan. The loan is secured by a first mortgage on the property. Principal payments on the construction loan will be funded with proceeds from the remaining equity installments and permanent loan, which are scheduled to be received in 2020. Unamortized debt issuance costs of \$235,479 is being amortized over the life of the loan 10,000,000

# Housing Authority of the City of Little Rock

## Notes to Financial Statements

### December 31, 2019

CAHC has a mortgage payable to Walker & Dunlop Commercial Property Funding, LLC with original principal of \$3,000,000. The mortgage payable is secured by the property and an assignment of rents and is payable in monthly installments of interest only through July 2020, after which all accrued interest and principal is due. Interest is paid at a rate per annum equal to the interest rate for applicable interest period for a LIBOR loan, the Prime Rate plus the Prime Rate Spread for the applicable interest period for a Prime Rate Loan, and the Alternative Rate plus the Alternative Rate Spread for the applicable interest period for an Alternative Rate Loan. Interest for 2019 was determined to be 9%. As of December 31, 2019, outstanding principal was \$3,000,000 and no interest was accrued. Debt issuance costs are being amortized over the term of the loan. For the year ended December 31, 2019, accumulated amortization on the mortgage was \$127,021

\$ 3,000,000

CAHC has a mortgage payable to Walker & Dunlop Commercial Property Funding, LLC with original principal of \$2,600,000. The mortgage payable is secured by the property and an assignment of rents and is payable in monthly installments of interest only through July 2020, after which all accrued interest and principal is due. Interest is paid at a rate per annum equal to the interest rate for applicable interest period for a LIBOR loan, the Prime Rate plus the Prime Rate Spread for the applicable interest period for a Prime Rate Loan, and the Alternative Rate plus the Alternative Rate Spread for the applicable interest period for an Alternative Rate Loan. Interest for 2019 was determined to be 9%. As of December 31, 2019, outstanding principal was \$2,600,000 and no interest was accrued. For the year ended December 31, 2019, interest expense was \$117,000. Debt issuance costs of \$203,667 are being amortized over the term of the loan. For the year ended December 31, 2019, amortized expense for debt issuance costs was \$103,298. As of December 31, 2019, accumulated amortization on the mortgage was \$101,834

2,600,000

CAHC has a mortgage payable to a Bank in the original amount of \$1,479,990. On May 28, 2013, the interest rate on the loan was lowered from 7.625% to 5.5% for the next five years then 6.50% for years six through maturity. Principal and interest payments are due in equal monthly installments of \$4,530 through maturity, January 12, 2023. Debt issuance costs are being amortized to interest expense over the term of the loan. For 2019, the effective interest rate was 9.06%. For the year ended December 31, 2019, amortization expense for debt issuance costs was \$9,869. The mortgage is secured by the property. As of December 31, 2019, unamortized debt issuance costs were \$13,601

\$ 574,375

41,724,375

Less unamortized debt issuance costs (1,001,847)

\$ 40,722,528

**Housing Authority of the City of Little Rock**  
**Notes to Financial Statements**  
**December 31, 2019**

The debt service requirements on long-term debt are as follows:

|                                   | <u>Total</u>         | <u>Principal</u>     | <u>Interest</u>   |
|-----------------------------------|----------------------|----------------------|-------------------|
| 2020                              | \$ 41,148,542        | \$ 41,119,191        | \$ 29,351         |
| 2021                              | 48,795               | 20,435               | 28,360            |
| 2022                              | 49,066               | 21,761               | 27,305            |
| 2023                              | 49,353               | 23,172               | 26,181            |
| 2024                              | 49,173               | 24,164               | 25,009            |
| Thereafter                        | <u>528,157</u>       | <u>515,652</u>       | <u>12,505</u>     |
|                                   | <u>41,873,086</u>    | <u>41,724,375</u>    | <u>148,711</u>    |
| Less unamortized bond issue costs | <u>(1,001,847)</u>   | <u>(1,001,847)</u>   | <u>-</u>          |
|                                   | <u>\$ 40,871,239</u> | <u>\$ 40,722,528</u> | <u>\$ 148,711</u> |

**Note 7: Retirement Plan**

The Authority provides pension benefits for all of its full-time employees through the Housing Authority of the City of Little Rock Retirement Plan (the Plan). The Plan is a single-employer defined contribution plan and is administered by the Authority. The Plan is authorized and may be amended by the Authority's board of commissioners. In a defined contribution plan, benefits depend solely on amounts contributed to the plan, plus investment earnings. Employees are eligible to participate after a six-month exclusionary period. The employee contributes 3% and the Authority contributes 5% of the employee's base salary each month. The Authority's contributions for each employee are fully vested after five years of participation. Contributions to the Plan were approximately \$41,000 in 2019.

**Housing Authority of the City of Little Rock**  
**Notes to Financial Statements**  
**December 31, 2019**

**Note 8: Restricted Cash**

Restricted cash for the Authority at December 31, 2019, was:

| <u>Type of Restricted Cash</u>       | <u>Primary<br/>Government</u> | <u>Component<br/>Unit (GMSH)</u> |
|--------------------------------------|-------------------------------|----------------------------------|
| Tenant security deposits             | \$ 128,295                    | \$ 6,386                         |
| Annual contribution contract reserve | -                             | 93,572                           |
| Operating reserve                    | 80,000                        | 60,572                           |
| Public housing reserve               | 207,326                       | -                                |
| Replacement reserve                  | 267,627                       | 102,210                          |
| Construction reserve                 | 5,501,567                     | -                                |
| Other reserves                       | 545,730                       | -                                |
|                                      | <hr/>                         | <hr/>                            |
| Total restricted cash                | <u>\$ 6,730,545</u>           | <u>\$ 262,740</u>                |

**Note 9: Economic Dependency**

The Authority receives substantially all of its revenues from HUD. If the amount of revenues received from HUD falls below critical levels, the Authority's operating reserves could be adversely affected.

**Note 10: Risk Management**

The Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets, and errors and omissions and natural disasters for which the Authority insures itself against loss by purchase of commercial insurance. The Authority also insures itself against workers' compensation claims through participation in a public entity risk pool. There have been no significant reductions in coverage from the prior year, and settlements have not exceeded coverage in the past three years.

The Authority participates in the public entity risk pool managed by the Arkansas Municipal League Workers' Compensation Trust (AML) for its workers' compensation risk of loss coverage. The Authority, along with other participating entities, is responsible for paying annual premiums to the pool as determined by the AML. The pool administers the pooled resources to provide risk of loss protection for each participating municipality by purchasing commercial excess insurance.

**Housing Authority of the City of Little Rock**  
**Notes to Financial Statements**  
**December 31, 2019**

**Note 11: Capital Fund Program Commitments**

HUD has obligated assistance to the Authority for the purpose of assisting the Authority in carrying out capital and management activities for its existing public housing developments in order to ensure that such developments continue to be available to serve low-income families. Funds are received on a reimbursement basis. The CFP grants generally must be obligated by the Authority within 24 months from the award date. Additionally, funds must be disbursed within 48 months from the date on which the CFP assistance becomes available for the Authority to obligate. However, with HUD approval, the period of availability may be extended.

The Authority had the following active CFP awards at December 31, 2019:

| Capital Fund Program<br>Grant Number | Grant<br>Year | Obligation<br>End Date | Disbursement<br>End Date | Project<br>Authorization | Expended          | Remaining<br>Commitment |
|--------------------------------------|---------------|------------------------|--------------------------|--------------------------|-------------------|-------------------------|
| CFP AR37P004501-16                   | 2016          | 4/12/2018              | 4/12/2020                | \$ 1,118,275             | \$ 139,069        | \$ 979,206              |
| CFP AR37P004501-17                   | 2017          | 8/15/2019              | 8/15/2021                | 1,148,393                | 13,754            | 1,134,639               |
| CFP AR37P004501-18                   | 2018          | 5/28/2020              | 5/28/2022                | 1,732,692                | 50,604            | 1,682,088               |
| CFP AR37P004501-19                   | 2019          | 4/15/2022              | 4/15/2024                | 752,742                  | -                 | 752,742                 |
|                                      |               |                        |                          | <u>\$ 4,752,102</u>      | <u>\$ 203,427</u> | <u>\$ 4,548,675</u>     |

**Note 12: Contingencies and Significant Estimates**

***Valuation of Notes Receivable***

The multi-family rental housing market is affected by a number of factors such as mortgage interest rates, supply and demand, changes in neighborhood demographics and growth of the metropolitan Little Rock area. Because development loans to owner entities of the mixed-income, mixed-finance multi-family rental communities are subordinated and payable from net cash flows, local market conditions could impact the value of those receivables as reflected on the Authority's books. The Authority's strategy is to monitor the performance of the properties and local market conditions. No valuation allowance was recorded at December 31, 2019.

***Litigation***

The Authority is subject to other claims and lawsuits arising primarily from the ordinary conduct of its activities. It is the opinion of management that the disposition or ultimate resolution of such claims and lawsuits will not have a material adverse effect on the financial statements of the Authority. Events could occur that would change this estimate materially in the near term.

**Housing Authority of the City of Little Rock**  
**Notes to Financial Statements**  
**December 31, 2019**

**Government Grants**

The Authority is currently participating in numerous grants, primarily from the U.S. Department of Housing and Urban Development. The expenditures of grant proceeds must be for allowable and eligible purposes. Single audits and audits by the granting agency may result in requests for reimbursement of unused grant proceeds or disallowed expenditures. Upon notification of final approval by the granting agency, the grants are considered closed.

**Note 13: Condensed Combining Information**

The following table includes condensed combining statement of net position information for the Authority and its blended component unit as of December 31, 2019:

| <b>Assets</b>                             | <b>LRHA</b>          | <b>CAHC</b>          | <b>Eliminations</b>    | <b>Total</b>         |
|---|----------------------|----------------------|------------------------|----------------------|
| Current assets not restricted             | \$ 4,240,212         | \$ 2,405,644         | \$ (64,021)            | \$ 6,581,835         |
| Restricted current assets                 | 166,000              | 6,564,545            | -                      | 6,730,545            |
| Total current assets                      | 4,406,212            | 8,970,189            | (64,021)               | 13,312,380           |
| Capital assets, net                       | 5,546,763            | 70,587,149           | (6,913,768)            | 69,220,144           |
| Other noncurrent assets                   | 30,424,236           | 3,392,412            | (24,359,908)           | 9,456,740            |
| <b>Total assets</b>                       | <b>\$ 40,377,211</b> | <b>\$ 82,949,750</b> | <b>\$ (31,337,697)</b> | <b>\$ 91,989,264</b> |
| <b>Liabilities and Net Position</b>       |                      |                      |                        |                      |
| <b>Liabilities</b>                        |                      |                      |                        |                      |
| Current liabilities                       | \$ 578,348           | \$ 43,920,493        | \$ (257,583)           | \$ 44,241,258        |
| Noncurrent liabilities                    | 144,412              | 29,348,700           | (25,728,814)           | 3,764,298            |
| <b>Total liabilities</b>                  | <b>722,760</b>       | <b>73,269,193</b>    | <b>(25,986,397)</b>    | <b>48,005,556</b>    |
| <b>Net Position</b>                       |                      |                      |                        |                      |
| Net investment in capital assets          | 5,546,763            | (1,181,163)          | 18,815,046             | 23,180,646           |
| Restricted – expendable                   | 32,981               | 7,393,026            | -                      | 7,426,007            |
| Unrestricted                              | 34,074,707           | 3,468,694            | (24,166,346)           | 13,377,055           |
| <b>Total net position</b>                 | <b>39,654,451</b>    | <b>9,680,557</b>     | <b>(5,351,300)</b>     | <b>43,983,708</b>    |
| <b>Total liabilities and net position</b> | <b>\$ 40,377,211</b> | <b>\$ 82,949,750</b> | <b>\$ (31,337,697)</b> | <b>\$ 91,989,264</b> |

**Housing Authority of the City of Little Rock**  
**Notes to Financial Statements**  
**December 31, 2019**

The following table includes condensed combining statements of revenues, expenses and changes in net position information for the Authority and its blended component unit for the year ended December 31, 2019:

|  | <u>LRHA</u>          | <u>CAHC</u>         | <u>Eliminations</u>   | <u>Total</u>         |
|--|----------------------|---------------------|-----------------------|----------------------|
| Operating revenues   | \$ 20,658,752        | \$ 4,841,893        | \$ (14,950)           | \$ 25,485,695        |
| Operating expenses   | <u>20,605,013</u>    | <u>6,464,891</u>    | <u>(14,950)</u>       | <u>27,054,954</u>    |
| <b>Operating Loss</b>  | 53,739               | (1,622,998)         | -                     | (1,569,259)          |
| Nonoperating revenues  | <u>(479,765)</u>     | <u>(7,790,115)</u>  | <u>1,296,708</u>      | <u>(6,973,172)</u>   |
| <b>Income (Loss) Before HUD Capital Grants and Contributions</b> | (426,026)            | (9,413,113)         | 1,296,708             | (8,542,431)          |
| Capital contributions  | -                    | -                   | -                     | -                    |
| HUD capital grants   | <u>58,628</u>        | <u>-</u>            | <u>-</u>              | <u>58,628</u>        |
| <b>Change in Net Position</b>                                    | (367,398)            | (9,413,113)         | 1,296,708             | (8,483,803)          |
| <b>Net Position, Beginning of Year</b>                           | <u>40,021,849</u>    | <u>19,093,670</u>   | <u>(6,648,008)</u>    | <u>52,467,511</u>    |
| <b>Net Position, End of Year</b>                                 | <u>\$ 39,654,451</u> | <u>\$ 9,680,557</u> | <u>\$ (5,351,300)</u> | <u>\$ 43,983,708</u> |

The following table includes condensed combining statements of cash flows information for the Authority and its blended component unit for the year ended December 31, 2019:

|   | <u>LRHA</u>         | <u>CAHC</u>         | <u>Eliminations</u> | <u>Total</u>         |
|---|---------------------|---------------------|---------------------|----------------------|
| <b>Net Cash Provided by (Used in)</b>                   |                     |                     |                     |                      |
| Operating activities                                    | \$ 168,191          | \$ 555,669          | \$ -                | \$ 723,860           |
| Capital and related financing activities                | (83,693)            | 33,045,043          | -                   | 32,961,350           |
| Investing activities                                    | <u>(23,745)</u>     | <u>(27,429,680)</u> | <u>-</u>            | <u>(27,453,425)</u>  |
| <b>Increase (Decrease) in Cash and Cash Equivalents</b> | 60,753              | 6,171,032           | -                   | 6,231,785            |
| <b>Cash and Cash Equivalents, Beginning of Year</b>     | <u>2,446,326</u>    | <u>2,122,215</u>    | <u>-</u>            | <u>4,568,541</u>     |
| <b>Cash and Cash Equivalents, End of Year</b>           | <u>\$ 2,507,079</u> | <u>\$ 8,293,247</u> | <u>\$ -</u>         | <u>\$ 10,800,326</u> |

**Housing Authority of the City of Little Rock**  
**Notes to Financial Statements**  
**December 31, 2019**

**Note 14: Rental Assistance Demonstration**

The Rental Assistance Demonstration (RAD) is a federal housing program that was enacted as part of the Consolidated and Further Continuing Appropriations Act, 2012, and is administered by HUD. Broadly, the purpose of the RAD is to provide a set of tools to address the unmet capital needs to deeply affordable, federally assisted rental housing properties in order to maintain both the viability of the properties and their long-term affordability.

The Authority completed a RAD conversion for Cumberland Tower, Parris Tower, and Powell Tower; and HUD, the Authority, and the property owner, MBA Urban Development, executed the closing document in October 2018. The general partner in the partnership is CAHC, the Authority's blended component. After the conversion, the tenants were transferred from the Public Housing program to the Housing Choice Vouchers program.

**Note 15: Related Party Transactions**

***RAD Development fees***

Per the RAD development fee agreement, the Authority shall pay a development fee totaling \$7,933,000. The development fee shall be paid 50% to CAHC, the Authority's blended component unit, and 50% to an affiliate, the limited partner in Cumberland Tower, Parris Tower and Powell Tower. As of December 31, 2019, development fees payable to the affiliate were \$3,028,303 and are shown as due to affiliate in the statement of net position.

***Management Fees***

CAHC entered into a property management agreement with an affiliate of Cumberland Tower, FP Tower and JP Tower. The agreement requires that a management fee be payable of 6% of monthly gross receipts. In addition, the affiliate is to be compensated on a monthly basis \$1 per apartment unit for accounting services, \$1 per apartment unit for IT services, and \$1 per apartment unit for compliance services. If and to the extent necessary, at any time to prevent default by the company under the loans, the affiliate can agree to subordinate its payment of management fees to repayment of debt service. Management fees incurred under this agreement were \$4,998 for the year ended December 31, 2019. Accrued management fees were \$42,270 as of December 31, 2019.

***Construction Contract***

CAHC entered into construction contract agreements with the affiliate dated October 1, 2018, in the amount of \$30,132,521, including change orders, for construction services in connection with Cumberland Tower, JP Tower and FP Tower. CAHC has construction payable, including retainage, due to its affiliate in the amount of \$2,388,667 and is included in accounts payable in the statement of net position.

**Housing Authority of the City of Little Rock**  
**Notes to Financial Statements**  
**December 31, 2019**

***Architect Agreement***

CAHC entered into an architect agreement with the affiliate dated October 1, 2018, in the amount of \$1,234,751 for architectural design and supervision in connection with Cumberland Tower, JP Tower and FP Tower. As of December 31, 2019, services in the amount of \$1,234,751 have been completed and paid in full.

***Accounts Payable***

CAHC is obligated to reimburse an affiliate for expenses paid on CAHC's behalf. The reimbursable expenses include insurance, payroll and other miscellaneous expenses and totaled approximately \$649,000 for the year ended December 31, 2019. Accounts payable to the affiliate were \$133,071 and is included in accounts payable in the statement of net position.

***Related Party Notes***

The Authority's discretely presented component unit has two notes payable to the Authority.

Little Rock Housing Authority Loan

On June 24, 2011, the component unit entered into a loan agreement with the Authority in the amount of \$2,251,731. The loan does not bear interest. The loan is secured by a deed of trust and security agreement. As of December 31, 2019, the principal balance was \$2,247,731.

Second Little Rock Housing Authority Loan

On June 24, 2011, the component unit entered into another loan with the Authority in the amount of \$565,023. The term of the loan is 40 years with the principal due upon maturity on June 24, 2051. The loan does not bear interest. The loan is secured by a deed of trust and security agreement. As of December 31, 2018, the principal balance was \$565,023.

**Note 16: Subsequent Events**

As a result of the spread of the SARS-CoV-2 virus and the incidence of COVID-19, economic uncertainties have arisen which may negatively affect the financial position, results of operations and cash flows of the Authority. The duration of these uncertainties and the ultimate financial effects cannot be reasonably estimated at this time.

**Supplementary Information**

Draft

**Housing Authority of the City of Little Rock**  
**Financial Data Schedules – Statement of Net Position Accounts**  
**PHA Financial Data**  
**December 31, 2019**

| Line Item No. | Account Description  | Project Totals | Program Total | Central Office Cost Center | Central Arkansas Housing Corporation, Inc. | Business Activities | Subtotal       | Elimination     | Primary Governmental Total | Granite Mountain Senior Homes |
|---------------|--|----------------|---------------|----------------------------|--|---------------------|----------------|-----------------|----------------------------|-------------------------------|
| 111           | Cash – Unrestricted  | \$ 1,399,683   | \$ 1,164,597  | \$ 191,926                 | \$ 1,728,702                               | \$ 307,390          | \$ 4,795,298   | \$ -            | \$ 4,795,298               | \$ 19,036                     |
| 112           | Cash - Restricted - Modernization and Development          | -              | -             | -                          | 6,404,319                                  | -                   | 6,404,319      | -               | 6,404,319                  | 102,210                       |
| 113           | Cash – Other Restricted                                    | -              | 147,580       | -                          | 50,351                                     | -                   | 197,931        | -               | 197,931                    | 154,444                       |
| 114           | Cash – Tenant Security Deposits                            | 7,119          | 11,301        | -                          | 109,875                                    | -                   | 128,295        | -               | 128,295                    | 6,086                         |
| 160           | Total Cash   | 1,406,802      | 1,323,478     | 191,926                    | 8,293,247                                  | 307,390             | 11,525,843     | -               | 11,525,843                 | 281,776                       |
| 121           | Accounts Receivable – PIA Projects                         | -              | 96,274        | -                          | 492,219                                    | -                   | 588,493        | -               | 588,493                    | -                             |
| 122           | Accounts Receivable – HUD Other Projects                   | -              | 69,289        | 1,284                      | -  | -                   | 70,573         | -               | 70,573                     | -                             |
| 125           | Accounts Receivable – Miscellaneous                        | 46,308         | 2,371         | 46,814                     | -  | -                   | 95,493         | (64,021)        | 31,472                     | 488                           |
| 126           | Accounts Receivable – Tenants                              | 8,794          | 2,499         | -                          | 23,575                                     | -                   | 34,868         | -               | 34,868                     | 14,431                        |
| 126.1         | Allowance for Doubtful Accounts – Tenants                  | (5,189)        | (801)         | -                          | -  | -                   | (5,990)        | -               | (5,990)                    | -                             |
| 128           | Fraud Recovery   | -              | 115,545       | -                          | -  | -                   | 115,545        | -               | 115,545                    | -                             |
| 128.1         | Allowance for Doubtful Accounts – Fraud                    | -              | (92,932)      | -                          | -  | -                   | (92,932)       | -               | (92,932)                   | -                             |
| 129           | Accrued Interest Receivable                                | 23,199         | -             | -                          | -  | -                   | 23,199         | -               | 23,199                     | -                             |
| 130           | Total Receivables, Net of Allowances for Doubtful Accounts | 73,112         | 192,215       | 48,098                     | 513,794                                    | -                   | 829,249        | (64,021)        | 765,228                    | 14,919                        |
| 131           | Investments – Unrestricted                                 | -              | -             | -                          | -  | 619,120             | 619,120        | -               | 619,120                    | -                             |
| 142           | Prepaid Expenses and Other Assets                          | 321            | 8,922         | 20,371                     | 161,148                                    | -                   | 190,762        | -               | 190,762                    | 1,707                         |
| 143           | Inventories  | 6,081          | -             | 1,107                      | -  | -                   | 7,188          | -               | 7,188                      | -                             |
| 145           | Assets Held for Sale                                       | 204,239        | -             | -                          | -  | -                   | 204,239        | -               | 204,239                    | -                             |
| 150           | Total Current Assets                                       | 1,690,555      | 1,524,645     | 264,502                    | 8,970,189                                  | 926,510             | 13,376,401     | (64,021)        | 13,312,380                 | 298,402                       |
| 161           | Land   | 105,834        | 221,724       | 251,629                    | 3,684,064                                  | 1,058,355           | 5,321,606      | -               | 5,321,606                  | 753,697                       |
| 162           | Buildings  | 3,189,520      | 3,714,617     | 616,894                    | 82,237,202                                 | -                   | 89,749,233     | (6,913,768)     | 82,835,465                 | 5,969,501                     |
| 164           | Furniture, Equipment & Machinery – Administration          | 316,191        | 155,346       | 833,979                    | 2,593,880                                  | -                   | 3,899,396      | -               | 3,899,396                  | 177,949                       |
| 166           | Accumulated Depreciation                                   | (2,015,872)    | (1,678,381)   | (1,364,128)                | (17,927,997)                               | -                   | (22,986,378)   | -               | (22,986,378)               | (2,056,112)                   |
| 167           | Construction in Progress                                   | 144,142        | 5,913         | -                          | -  | -                   | 150,055        | -               | 150,055                    | -                             |
| 160           | Total Capital Assets, Net of Accumulated Depreciation      | 1,730,815      | 2,419,219     | 338,374                    | 70,587,149                                 | 1,058,355           | 76,133,912     | (6,913,768)     | 69,220,144                 | 4,845,035                     |
| 171           | Notes, Loans and Mortgages Receivable – Noncurrent         | 6,863,581      | -             | -                          | 3,200,000                                  | 23,560,655          | 33,624,236     | (24,359,908)    | 9,264,328                  | -                             |
| 174           | Other Assets   | -              | -             | -                          | 192,412                                    | -                   | 192,412        | -               | 192,412                    | 30,402                        |
| 180           | Total Noncurrent Assets                                    | 8,594,396      | 2,419,219     | 338,374                    | 73,979,561                                 | 23,619,010          | 109,950,560    | (31,273,676)    | 78,676,884                 | 4,875,437                     |
| 190           | Total Assets   | \$ 10,284,951  | \$ 3,943,864  | \$ 602,876                 | \$ 82,949,750                              | \$ 25,545,520       | \$ 123,326,961 | \$ (31,337,697) | \$ 91,989,264              | \$ 5,173,839                  |

**Housing Authority of the City of Little Rock**  
**Financial Data Schedules – Statement of Net Position Accounts (Continued)**  
**PHA Financial Data**  
**December 31, 2019**

| Line Item No. | Account Description                            | Project Totals | Program Total | Central Office Cost Center | Central Arkansas Housing Corporation, Inc. | Business Activities | Subtotal       | Elimination     | Primary Governmental Total | Granite Mountain Senior Homes |
|---------------|--|----------------|---------------|----------------------------|--|---------------------|----------------|-----------------|----------------------------|-------------------------------|
| 312           | Accounts Payable <= 90 Days                    | \$ 29,562      | \$ 239,633    | \$ 26,379                  | \$ 3,051,535                               | \$ -                | \$ 3,327,109   | \$ (64,021)     | \$ 3,263,088               | \$ 4,836                      |
| 321           | Accrued Wage/Payroll Taxes Payable             | 3,187          | 20,513        | 20,200                     | -  | -                   | 43,900         | -               | 43,900                     | -                             |
| 322           | Accrued Compensated Absences – Current Portion | 6,810          | 34,801        | 37,542                     | -  | -                   | 79,153         | -               | 79,153                     | -                             |
| 324           | Accrued Contingency Liability                  | -              | -             | -                          | -  | -                   | -              | -               | -                          | -                             |
| 331           | Accounts Payable – HUD PHA Programs            | -              | -             | -                          | -  | -                   | -              | -               | -                          | -                             |
| 332           | Accounts Payable – PHA Projects                | -              | -             | -                          | -  | -                   | -              | -               | -                          | -                             |
| 333           | Accounts Payable – Other Government            | 9,570          | -             | -                          | -  | -                   | 9,570          | -               | 9,570                      | -                             |
| 341           | Tenant Security Deposits                       | 7,119          | 11,301        | -                          | 109,875                                    | -                   | 128,295        | -               | 128,295                    | 6,086                         |
| 342           | Unearned Revenue                               | -              | 13,697        | -                          | 73,345                                     | 14,950              | 101,992        | -               | 101,992                    | 4,051                         |
| 343           | Current Portion of Long-Term Debt              | -              | -             | -                          | 40,130,945                                 | -                   | 40,130,945     | -               | 40,130,945                 | -                             |
| 345           | Other Current Liabilities                      | 71,366         | 31,718        | -                          | 574,793                                    | -                   | 677,877        | (193,562)       | 484,315                    | 13,964                        |
| 346           | Accrued Liabilities – Other                    | -              | -             | -                          | -  | -                   | -              | -               | -                          | -                             |
| 347           | Inter Program – Due To                         | -              | -             | -                          | -  | -                   | -              | -               | -                          | -                             |
| 310           | Total Current Liabilities                      | 127,614        | 351,663       | 84,121                     | 43,920,493                                 | 14,950              | 44,498,841     | (257,583)       | 44,241,258                 | 28,937                        |
| 353           | Noncurrent Liabilities – Other                 | -              | 144,412       | -                          | 3,028,303                                  | -                   | 3,172,715      | -               | 3,172,715                  | -                             |
| 355           | Loan Liability – Noncurrent                    | -              | -             | -                          | 26,320,397                                 | -                   | 26,320,397     | (25,728,814)    | 591,583                    | 2,812,452                     |
| 350           | Total Noncurrent Liabilities                   | -              | 144,412       | -                          | 29,348,700                                 | -                   | 29,493,112     | (25,728,814)    | 3,764,298                  | 2,812,452                     |
| 300           | Total Liabilities                              | 127,614        | 496,075       | 84,121                     | 73,269,193                                 | 14,950              | 73,991,953     | (25,986,397)    | 48,005,556                 | 2,841,389                     |
| 508.4         | Net Investment in Capital Assets               | 1,750,815      | 2,419,219     | 338,374                    | (1,181,163)                                | 1,058,355           | 4,365,600      | 18,815,046      | 23,180,646                 | 2,032,583                     |
| 511.4         | Restricted Net Position                        | -              | 32,979        | -                          | 988,707                                    | -                   | 1,021,686      | -               | 1,021,686                  | 256,654                       |
| 512.4         | Unrestricted Net Position                      | 8,426,522      | 995,591       | 180,381                    | 9,873,013                                  | 24,472,215          | 43,947,722     | (24,166,346)    | 19,781,376                 | 43,213                        |
| 513           | Total Equity – Net Assets/Position             | 10,157,337     | 3,447,789     | 518,755                    | 9,680,557                                  | 25,530,570          | 49,335,008     | (5,351,300)     | 43,983,708                 | 2,332,450                     |
| 600           | Total Liabilities and Equity/Net Assets        | \$ 10,284,951  | \$ 3,943,864  | \$ 602,876                 | \$ 82,949,750                              | \$ 25,545,520       | \$ 123,326,961 | \$ (31,337,697) | \$ 91,989,264              | \$ 5,173,839                  |

**Housing Authority of the City of Little Rock**  
**Financial Data Schedules – Statement of Revenue and Expenses and**  
**Changes in Net Position Accounts**  
**PHA Financial Data**  
**Year Ended December 31, 2019**

| Line Item No. | Account Description                                     | Project Totals | Program Total | Central Office Cost Center | Central Arkansas Housing Corporation, Inc. | Business Activities | Subtotal     | Elimination | Primary Governmental Total | Granite Mountain Senior Homes |
|---------------|---|----------------|---------------|----------------------------|--|---------------------|--------------|-------------|----------------------------|-------------------------------|
| Revenues      |   |                |               |                            |  |                     |              |             |                            |                               |
| 70300         | Net Tenant Rental Revenue                               | \$ 119,879     | \$ 133,571    | \$ -                       | \$ 4,801,256                               | \$ -                | \$ 5,054,706 | \$ -        | \$ 5,054,706               | \$ 214,762                    |
| 70400         | Tenant Revenue – Other                                  | 41,037         | 2,252         | -                          | -  | 14,950              | 58,239       | -           | 58,239                     | 1,333                         |
| 70500         | Total Tenant Revenue                                    | 160,916        | 135,823       | -                          | 4,801,256                                  | 14,950              | 5,112,945    | -           | 5,112,945                  | 218,095                       |
| 70600         | HUD/PIHA Operating Grants                               | 976,392        | 18,187,746    | 61,551                     | -  | -                   | 19,225,689   | -           | 19,225,689                 | -                             |
| 70610         | Capital Grants  | 58,628         | -             | -                          | -  | -                   | 58,628       | -           | 58,628                     | -                             |
| 70710         | Management Fee  | -              | -             | 433,638                    | -  | -                   | 433,638      | (433,638)   | -                          | -                             |
| 70730         | Bookkeeping Fee   | -              | -             | 110,142                    | -  | -                   | 110,142      | (110,142)   | -                          | -                             |
| 70700         | Total Fee Revenue                                       | -              | -             | 543,780                    | -  | -                   | 543,780      | (543,780)   | -                          | -                             |
| 71100         | Investment Income – Unrestricted                        | 1,436          | 8             | 689                        | 14,555                                     | 6,378               | 23,066       | -           | 23,066                     | -                             |
| 71200         | Mortgage Interest Income                                | -              | -             | -                          | -  | -                   | -            | -           | -                          | -                             |
| 71400         | Fraud Recovery  | -              | 115,566       | -                          | -  | -                   | 115,566      | -           | 115,566                    | -                             |
| 71500         | Other Revenue   | -              | 564,811       | 440,998                    | 40,636                                     | -                   | 1,046,445    | (14,950)    | 1,031,495                  | -                             |
| 72000         | Investment Income – Restricted                          | -              | 500           | -                          | -  | -                   | 500          | -           | 500                        | -                             |
| 70000         | Total Revenue   | 1,197,372      | 19,004,454    | 1,047,018                  | 4,856,447                                  | 21,328              | 26,126,619   | (558,730)   | 25,567,889                 | 218,095                       |
| Expenses      |   |                |               |                            |  |                     |              |             |                            |                               |
| 91100         | Administrative Salaries                                 | 69,054         | 704,659       | 490,235                    | 291,619                                    | -                   | 1,555,567    | -           | 1,555,567                  | 28,224                        |
| 91200         | Auditing Fees   | 16,326         | 32,123        | 11,691                     | -  | 159                 | 60,299       | -           | 60,299                     | -                             |
| 91300         | Management Fee  | 82,710         | 350,930       | -                          | 113,320                                    | -                   | 546,960      | (433,639)   | 113,321                    | 13,037                        |
| 91310         | Bookkeeping   | 7,148          | 102,993       | -                          | -  | -                   | 110,141      | (110,141)   | -                          | -                             |
| 91400         | Advertising and Marketing                               | -              | 637           | 4,234                      | 25,300                                     | -                   | 30,171       | -           | 30,171                     | 1,294                         |
| 91500         | Employee Benefit Contributions – Administrative         | 11,858         | 201,196       | 112,586                    | 1,144,575                                  | -                   | 1,470,215    | -           | 1,470,215                  | 8,415                         |
| 91600         | Office Expenses   | 15,324         | 63,519        | 48,886                     | -  | -                   | 127,729      | -           | 127,729                    | 2,564                         |
| 91700         | Legal Expense   | 7,145          | 139           | 44,833                     | 244,283                                    | -                   | 296,400      | -           | 296,400                    | -                             |
| 91800         | Travel  | 3,266          | 13,806        | 16,924                     | -  | -                   | 33,996       | -           | 33,996                     | 63                            |
| 91900         | Other   | 22,957         | 161,424       | 128,051                    | 356,891                                    | -                   | 669,333      | (14,950)    | 654,383                    | 13,594                        |
| 91000         | Total Operating – Administrative                        | 235,788        | 1,631,426     | 857,450                    | 2,175,988                                  | 159                 | 4,900,811    | (558,730)   | 4,342,081                  | 67,191                        |
| 92400         | Tenant Services – Other                                 | 4,715          | -             | -                          | -  | -                   | 4,715        | -           | 4,715                      | 221                           |
| 92500         | Total Tenant Services                                   | 4,715          | -             | -                          | -  | -                   | 4,715        | -           | 4,715                      | 221                           |
| 93100         | Water   | 16,658         | 4,083         | 2,542                      | 154,796                                    | -                   | 178,079      | -           | 178,079                    | 7,317                         |
| 93200         | Electricity   | 61,168         | 18,843        | 531                        | 336,343                                    | -                   | 416,885      | -           | 416,885                    | 3,388                         |
| 93300         | Gas   | 6,486          | 1,526         | 57                         | 2,345                                      | -                   | 10,414       | -           | 10,414                     | 987                           |
| 93600         | Sewer   | 60,187         | 8,701         | 8,698                      | 420,210                                    | -                   | 497,796      | -           | 497,796                    | 13,800                        |
| 93800         | Other Utilities Expense                                 | -              | -             | -                          | 98,189                                     | -                   | 98,189       | -           | 98,189                     | 528                           |
| 93000         | Total Utilities   | 144,499        | 33,153        | 11,828                     | 1,011,883                                  | -                   | 1,201,363    | -           | 1,201,363                  | 26,020                        |
| 94100         | Ordinary Maintenance and Operations – Labor             | 83,279         | 27,196        | -                          | 306,116                                    | -                   | 416,591      | -           | 416,591                    | 18,397                        |
| 94200         | Ordinary Maintenance and Operations – Materials & Other | 22,714         | 4,652         | 46                         | 415,735                                    | -                   | 443,147      | -           | 443,147                    | 11,405                        |
| 94300         | Ordinary Maintenance and Operations Contracts           | 153,454        | 78,020        | 104,475                    | 995,567                                    | -                   | 1,331,516    | -           | 1,331,516                  | 39,988                        |
| 94500         | Employee Benefit Contributions – Ordinary Maintenance   | 19,727         | 6,214         | -                          | -  | -                   | 25,941       | -           | 25,941                     | 5,541                         |
| 94000         | Total Maintenance                                       | 279,174        | 116,082       | 104,521                    | 1,717,418                                  | -                   | 2,217,195    | -           | 2,217,195                  | 75,534                        |

**Housing Authority of the City of Little Rock**  
**Financial Data Schedules – Statement of Revenue and Expenses and**  
**Changes in Net Position Accounts (Continued)**

**PHA Financial Data**  
**Year Ended December 31, 2019**

| Line Item No. | Account Description   | Project Totals | Program Total | Central Office Cost Center | Central Arkansas Housing Corporation, Inc. | Business Activities | Subtotal      | Elimination    | Primary Governmental Total | Granite Mountain Senior Homes |
|---------------|---|----------------|---------------|----------------------------|--|---------------------|---------------|----------------|----------------------------|-------------------------------|
| 95200         | Protective Services – Other Contract Costs                          | \$ 537         | \$ -          | \$ -                       | \$ -                                       | \$ -                | \$ 537        | \$ -           | \$ 537                     | \$ 767                        |
| 95000         | Total Protective Services   | 537            | -             | -                          | -  | -                   | 537           | -              | 537                        | 767                           |
| 96110         | Property Insurance  | 25,035         | 9,830         | 3,579                      | 129,324                                    | -                   | 167,768       | -              | 167,768                    | 11,585                        |
| 96120         | Liability Insurance   | 7,596          | 12,304        | 9,950                      | -  | -                   | 29,850        | -              | 29,850                     | 9,574                         |
| 96130         | Workers' Compensation   | 789            | 10,253        | 4,732                      | 12,401                                     | -                   | 28,175        | -              | 28,175                     | 1,905                         |
| 96140         | All Other Insurance   | -              | -             | 30,803                     | 187,510                                    | -                   | 218,313       | -              | 218,313                    | -                             |
| 96100         | Total Insurance Premiums  | 33,420         | 32,387        | 49,064                     | 329,235                                    | -                   | 444,106       | -              | 444,106                    | 23,064                        |
| 96200         | Other General Expenses  | 514,562        | -             | -                          | 6,548                                      | -                   | 521,110       | -              | 521,110                    | -                             |
| 96210         | Compensated Absences  | 924            | 4,311         | (6,899)                    | -  | -                   | (1,664)       | -              | (1,664)                    | -                             |
| 96300         | Payments in Lieu of Taxes   | 2,810          | 63            | -                          | -  | -                   | 2,873         | -              | 2,873                      | -                             |
| 96400         | Bad Debt – Tenant Rents   | 4,365          | 5,174         | -                          | -  | -                   | 9,539         | -              | 9,539                      | 2,495                         |
| 96000         | Total Other General Expenses  | 522,661        | 9,548         | (6,899)                    | 6,548                                      | -                   | 531,858       | -              | 531,858                    | 2,495                         |
| 96710         | Interest of Mortgage Payable  | -              | -             | -                          | 1,445,577                                  | -                   | 1,445,577     | (1,296,708)    | 148,869                    | 573                           |
| 96900         | Total Operating Expenses  | 1,220,794      | 1,822,596     | 1,015,964                  | 6,686,649                                  | 159                 | 10,746,162    | (1,855,438)    | 8,890,724                  | 195,865                       |
| 97000         | Excess of Operating Revenue over Operating Expenses                 | (23,422)       | 17,181,858    | 31,054                     | (1,850,202)                                | 21,169              | 15,380,457    | 1,296,708      | 16,677,165                 | 22,230                        |
| 97100         | Extraordinary Maintenance   | -              | -             | -                          | -  | -                   | -             | -              | -                          | 12,740                        |
| 97300         | Housing Assistance Payments   | -              | 16,243,179    | -                          | -  | -                   | 16,243,179    | -              | 16,243,179                 | -                             |
| 97350         | HAP Portability-In  | -              | 477,637       | -                          | -  | -                   | 477,637       | -              | 477,637                    | -                             |
| 97400         | Depreciation Expense  | 161,535        | 182,068       | 24,862                     | 1,223,818                                  | -                   | 1,592,283     | -              | 1,592,283                  | 255,370                       |
| 97500         | Fraud Losses  | -              | -             | -                          | -  | -                   | -             | -              | -                          | -                             |
| 90000         | Total Expenses  | 1,382,329      | 18,725,480    | 1,040,826                  | 7,910,467                                  | 159                 | 29,059,261    | (1,855,438)    | 27,203,823                 | 463,975                       |
| 10080         | Special Items (Net Gain/Loss)                                       | (488,776)      | -             | -                          | (6,359,093)                                | -                   | (6,847,869)   | -              | (6,847,869)                | -                             |
| 10091         | Inter-Project Excess Cash Transfer In                               | 5,011          | -             | -                          | -  | -                   | 5,011         | -              | 5,011                      | -                             |
| 10092         | Inter-Project Excess Cash Transfer Out                              | (5,011)        | -             | -                          | -  | -                   | (5,011)       | -              | (5,011)                    | -                             |
| 10100         | Total Other Financing Sources                                       | (488,776)      | -             | -                          | (6,359,093)                                | -                   | (6,847,869)   | -              | (6,847,869)                | -                             |
| 10000         | Excess (Deficiency) of Total Revenue Over (Under) Total Expense     | (673,733)      | 378,974       | 6,192                      | (9,413,113)                                | 21,169              | (9,780,511)   | 1,296,708      | (8,483,803)                | (245,879)                     |
| 11030         | Beginning Equity  | 10,831,070     | 3,168,815     | 512,563                    | 19,093,670                                 | 25,509,401          | 59,115,519    | (6,648,008)    | 52,467,511                 | 2,578,329                     |
| 11040         | Prior Period Adjustments, Equity Transfers and Correction of Errors | -              | -             | -                          | -  | -                   | -             | -              | -                          | -                             |
|               | Funding Equity  | \$ 10,157,337  | \$ 3,447,789  | \$ 518,755                 | \$ 9,680,557                               | \$ 25,530,570       | \$ 49,335,008 | \$ (5,351,300) | \$ 43,983,708              | \$ 2,332,450                  |
| 11170         | Administrative Fee Equity   | \$ -           | \$ 1,512,303  | \$ -                       | \$ -                                       | \$ -                | \$ 1,512,303  | \$ -           | \$ 1,512,303               | \$ -                          |
| 11180         | Housing Assistance Payments Equity                                  | \$ -           | \$ 32,979     | \$ -                       | \$ -                                       | \$ -                | \$ 32,979     | \$ -           | \$ 32,979                  | \$ -                          |
| 11190         | Unit Months Available   | 2,964          | 36,450        | -                          | 12,024                                     | -                   | 39,414        | -              | 39,414                     | 480                           |
| 11210         | Number of Unit Months Leased  | 2,881          | 34,167        | -                          | 9,239                                      | -                   | 37,048        | -              | 37,048                     | 476                           |
| 11270         | Excess Cash   | \$ 5,344,112   | \$ -          | \$ -                       | \$ 473                                     | \$ -                | \$ 5,344,112  | \$ -           | \$ 5,344,112               | \$ -                          |
| 11610         | Land Purchases  | \$ -           | \$ -          | \$ 56,322                  | \$ -                                       | \$ -                | \$ 56,322     | \$ -           | \$ 56,322                  | \$ -                          |
| 11620         | Building Purchases  | \$ 58,628      | \$ -          | \$ -                       | \$ -                                       | \$ -                | \$ 58,628     | \$ -           | \$ 58,628                  | \$ -                          |
| 13901         | Replacement Housing Factor Funds                                    | \$ 58,628      | \$ -          | \$ -                       | \$ -                                       | \$ -                | \$ 58,628     | \$ -           | \$ 58,628                  | \$ -                          |

# Housing Authority of the City of Little Rock

## Financial Data Schedules – Statement of Net Position Accounts

### Project Totals

### December 31, 2019

| Line Item No. | Account Description  | AR004000018<br>Madison Heights<br>Phase I | AR004000019<br>Madison Heights<br>Phase II | AR004000020<br>Homes at Granite<br>Mountain | AR004000021<br>Madison Heights<br>Phase III | AR004000023<br>Cumberland<br>Manor | AR004000024<br>Metropolitan<br>Village | AR004000028<br>Granite Mountain<br>Sr. Center |
|---------------|--|---|--|---|---|------------------------------------|--|---|
| 111           | Cash – Unrestricted  | \$ 85,711                                 | \$ 53,242                                  | \$ 20,126                                   | \$ -  | \$ -                               | \$ -                                   | \$ 21,002                                     |
| 114           | Cash – Tenant Security Deposits                              | -   | -  | -   | -   | -                                  | -                                      | -   |
| 100           | Total Cash   | 85,711                                    | 53,242                                     | 20,126                                      | -   | -                                  | -                                      | 21,002  |
| 122           | Accounts Receivable – HUD Other Projects                     | -   | -  | -   | -   | -                                  | -                                      | -   |
| 125           | Accounts Receivable – Miscellaneous                          | -   | -  | 15,670                                      | -   | -                                  | -                                      | 30,638  |
| 126           | Accounts Receivable – Tenants                                | -   | -  | -   | -   | -                                  | -                                      | -   |
| 126.1         | Allowance for Doubtful Accounts – Tenants                    | -   | -  | -   | -   | -                                  | -                                      | -   |
| 129           | Accrued Interest Receivable                                  | 23,199                                    | -  | -   | -   | -                                  | -                                      | -   |
| 120           | Total Receivables, Net of Allowance<br>for Doubtful Accounts | 23,199                                    | -  | 15,670                                      | -   | -                                  | -                                      | 30,638  |
| 142           | Prepaid Expenses and Other Assets                            | -   | -  | -   | -   | -                                  | -                                      | -   |
| 143           | Inventories  | -   | -  | -   | -   | -                                  | -                                      | -   |
| 145           | Assets Held for Sale   | -   | -  | -   | -   | -                                  | -                                      | -   |
| 150           | Total Current Assets   | 108,910                                   | 53,242                                     | 35,790                                      | -   | -                                  | -                                      | 51,640  |
| 161           | Land   | -   | -  | -   | -   | -                                  | -                                      | -   |
| 162           | Building   | -   | -  | -   | -   | -                                  | -                                      | -   |
| 164           | Furniture, Equipment & Machinery – Dwellings                 | -   | -  | -   | -   | -                                  | -                                      | -   |
| 166           | Accumulated Depreciation                                     | -   | -  | -   | -   | -                                  | -                                      | -   |
| 167           | Construction in Progress                                     | -   | -  | -   | -   | -                                  | -                                      | -   |
| 160           | Total Capital Assets, Net of Accumulated Depreciation        | -   | -  | -   | -   | -                                  | -                                      | -   |
| 171           | Notes, Loans and Mortgages Receivable – Noncurrent           | 2,516,384                                 | 1,530,443                                  | -   | -   | -                                  | -                                      | 2,816,754                                     |
| 174           | Other Assets   | -   | -  | -   | -   | -                                  | -                                      | -   |
| 180           | Total Noncurrent Assets                                      | 2,516,384                                 | 1,530,443                                  | -   | -   | -                                  | -                                      | 2,816,754                                     |
| 190           | Total Assets   | 2,625,294                                 | 1,583,685                                  | 35,790                                      | -   | -                                  | -                                      | 2,868,394                                     |

# Housing Authority of the City of Little Rock

## Financial Data Schedules – Statement of Net Position Accounts (Continued)

### Project Totals

### December 31, 2019

| Line Item No. | Account Description                                       | AR004000001<br>Sunset Terrace | AR004000009<br>Parris Tower | AR004000010<br>Cumberland Tower | AR004000011<br>Powell Tower | AR004000026<br>Central | AR004000027<br>Stevens | Other Project | Total AMPs    |
|---------------|---|-------------------------------|-----------------------------|---------------------------------|-----------------------------|------------------------|------------------------|---------------|---------------|
| 111           | Cash – Unrestricted                                       | \$ 196,117                    | \$ -                        | \$ -                            | \$ -                        | \$ 2,030               | \$ 1,483               | \$ 1,019,972  | \$ 1,399,683  |
| 114           | Cash – Tenant Security Deposits                           | 4,825                         | -                           | -                               | -                           | 875                    | 1,419                  | -             | 7,119         |
| 100           | Total Cash  | 200,942                       | -                           | -                               | -                           | 2,905                  | 2,902                  | 1,019,972     | 1,406,802     |
| 122           | Accounts Receivable – HUD Other Projects                  | -                             | -                           | -                               | -                           | -                      | -                      | -             | -             |
| 125           | Accounts Receivable – Miscellaneous                       | -                             | -                           | -                               | -                           | -                      | -                      | -             | 46,308        |
| 126           | Accounts Receivable – Tenants                             | 7,476                         | -                           | -                               | -                           | 177                    | 1,141                  | -             | 8,794         |
| 126.1         | Allowance for Doubtful Accounts – Tenants                 | (5,189)                       | -                           | -                               | -                           | -                      | -                      | -             | (5,189)       |
| 129           | Accrued Interest Receivable                               | -                             | -                           | -                               | -                           | -                      | -                      | -             | 23,199        |
| 120           | Total Receivables, Net of Allowance for Doubtful Accounts | 2,287                         | -                           | -                               | -                           | 177                    | 1,141                  | -             | 73,112        |
| 142           | Prepaid Expenses and Other Assets                         | 278                           | -                           | -                               | -                           | 18                     | 25                     | -             | 321           |
| 143           | Inventories   | 6,081                         | -                           | -                               | -                           | -                      | -                      | -             | 6,081         |
| 145           | Assets Held for Sale                                      | -                             | -                           | -                               | -                           | -                      | -                      | 204,239       | 204,239       |
| 150           | Total Current Assets                                      | 209,588                       | -                           | -                               | -                           | 3,100                  | 4,068                  | 1,224,211     | 1,690,555     |
| 161           | Land  | 105,834                       | -                           | -                               | -                           | -                      | -                      | -             | 105,834       |
| 162           | Building  | 1,172,832                     | -                           | -                               | -                           | 759,210                | 1,242,078              | 6,400         | 3,180,520     |
| 164           | Furniture, Equipment & Machinery – Dwellings              | 315,215                       | -                           | -                               | -                           | 375                    | 601                    | -             | 316,191       |
| 166           | Accumulated Depreciation                                  | (1,210,118)                   | -                           | -                               | -                           | (303,234)              | (496,120)              | (6,400)       | (2,015,872)   |
| 167           | Construction in Progress                                  | 131,242                       | -                           | -                               | -                           | 6,450                  | 6,450                  | -             | 144,142       |
| 160           | Total Capital Assets, Net of Accumulated Depreciation     | 515,005                       | -                           | -                               | -                           | 462,801                | 751,009                | -             | 1,730,815     |
| 171           | Notes, Loans and Mortgages Receivable – Noncurrent        | -                             | -                           | -                               | -                           | -                      | -                      | -             | 6,863,581     |
| 174           | Other Assets  | -                             | -                           | -                               | -                           | -                      | -                      | -             | -             |
| 180           | Total Noncurrent Assets                                   | 515,005                       | -                           | -                               | -                           | 462,801                | 751,009                | -             | 8,594,396     |
| 190           | Total Assets  | \$ 724,593                    | \$ -                        | \$ -                            | \$ -                        | \$ 465,901             | \$ 757,077             | \$ 1,224,211  | \$ 10,284,951 |

# Housing Authority of the City of Little Rock

## Financial Data Schedules – Statement of Net Position Accounts (Continued)

### Project Totals

### December 31, 2019

| Line Item No. | Account Description                            | AR004000018<br>Madison Heights<br>Phase I | AR004000019<br>Madison Heights<br>Phase II | AR004000020<br>Homes at Granite<br>Mountain | AR004000021<br>Madison Heights<br>Phase III | AR004000023<br>Cumberland<br>Manor | AR004000024<br>Metropolitan<br>Village | AR004000028<br>Granite Mountain<br>Sr. Center |
|---------------|--|---|--|---|---|------------------------------------|--|---|
| 312           | Accounts Payable <= 90 Days                    | \$ -                                      | \$ -                                       | \$ -  | \$ -  | \$ -                               | \$ -                                   | \$ -  |
| 321           | Accrued Wage/Payroll Taxes Payable             | -   | -  | -   | -   | -                                  | -                                      | -   |
| 322           | Accrued Compensated Absences – Current Portion | -   | -  | -   | -   | -                                  | -                                      | -   |
| 333           | Accounts Payable – Other Government            | -   | -  | -   | -   | -                                  | -                                      | -   |
| 341           | Tenant Security Deposits                       | -   | -  | -   | -   | -                                  | -                                      | -   |
| 310           | Total Current Liabilities                      | -   | -  | -   | -   | -                                  | -                                      | -   |
| 300           | Total Liabilities                              | -   | -  | -   | -   | -                                  | -                                      | -   |
| 508.4         | Net Investment in Capital Assets               | -   | -  | -   | -   | -                                  | -                                      | -   |
| 511.4         | Restricted Net Assets                          | -   | -  | -   | -   | -                                  | -                                      | -   |
| 512.4         | Unrestricted Net Position                      | 2,625,294                                 | 1,583,685                                  | 35,796                                      | -   | -                                  | -                                      | 2,868,394                                     |
| 513           | Total Equity – Net Assets/Position             | 2,625,294                                 | 1,583,685                                  | 35,796                                      | -   | -                                  | -                                      | 2,868,394                                     |
| 600           | Total Liabilities and Net Assets               | \$ 2,625,294                              | \$ 1,583,685                               | \$ 35,796                                   | \$ -  | \$ -                               | \$ -                                   | \$ 2,868,394                                  |

# Housing Authority of the City of Little Rock

## Financial Data Schedules – Statement of Net Position Accounts (Continued)

### Project Totals

### December 31, 2019

| Line Item No. | Account Description                             | AR004000010                   |                             |                                 |                             |                        |                        | Total AMPs   |               |
|---------------|---|-------------------------------|-----------------------------|---------------------------------|-----------------------------|------------------------|------------------------|--------------|---------------|
|               |   | AR004000001<br>Sunset Terrace | AR004000009<br>Parris Tower | AR004000010<br>Cumberland Tower | AR004000011<br>Powell Tower | AR004000026<br>Central | AR004000027<br>Stevens |              | Other Project |
| 312           | Accounts Payable <= 90 Days                     | \$ 26,615                     | \$ -                        | \$ -                            | \$ -                        | \$ 1,063               | \$ 1,884               | \$ -         | \$ 29,562     |
| 321           | Accrued Wage/Payroll Taxes Payable              | 2,097                         | -                           | -                               | -                           | 436                    | 654                    | -            | 3,187         |
| 322           | Accrued Compensated Absences – Current Portion  | 6,810                         | -                           | -                               | -                           | -                      | -                      | -            | 6,810         |
| 333           | Accounts Payable – Other Government             | 3,878                         | -                           | -                               | -                           | 2,515                  | 3,177                  | -            | 9,570         |
| 341           | Tenant Security Deposits                        | 4,825                         | -                           | -                               | -                           | 875                    | 1,419                  | -            | 7,119         |
| 310           | Total Current Liabilities                       | 115,591                       | -                           | -                               | -                           | 4,889                  | 7,134                  | -            | 127,614       |
| 300           | Total Liabilities                               | 115,591                       | -                           | -                               | -                           | 4,889                  | 7,134                  | -            | 127,614       |
| 508.4         | Invested In Capital Assets, Net of Related Debt | 515,005                       | -                           | -                               | -                           | 462,801                | 753,009                | -            | 1,730,815     |
| 511.4         | Restricted Net Assets                           | -                             | -                           | -                               | -                           | (1,789)                | (3,066)                | 1,224,211    | 8,426,522     |
| 512.4         | Unrestricted Net Assets                         | 93,997                        | -                           | -                               | -                           | 461,012                | 749,943                | 1,224,211    | 10,157,337    |
| 513           | Total Equity/Net Assets                         | 609,002                       | -                           | -                               | -                           | 461,012                | 749,943                | 1,224,211    | 10,157,337    |
| 600           | Total Liabilities and Net Assets                | 724,593                       | \$ -                        | \$ -                            | \$ -                        | 465,901                | 757,077                | \$ 1,224,211 | \$ 10,284,951 |

# Housing Authority of the City of Little Rock

## Financial Data Schedules – Statement of Revenues and Expenses and Changes in Net Position Accounts

### Project Totals

Year Ended December 31, 2019

| Line Item No.   | Account Description                                     | Project Totals                            |  |   |   |                                    |  |   |       |       |       |       |       |       |        |
|-----------------|---|---|--|---|---|------------------------------------|--|---|-------|-------|-------|-------|-------|-------|--------|
|                 |   | AR004000018<br>Madison Heights<br>Phase I | AR004000019<br>Madison Heights<br>Phase II | AR004000020<br>Homes at Granite<br>Mountain | AR004000021<br>Madison Heights<br>Phase III | AR004000023<br>Cumberland<br>Manor | AR004000024<br>Metropolitan<br>Village | AR004000028<br>Granite Mountain<br>Sr. Center |       |       |       |       |       |       |        |
|                 |   | \$  | \$   | \$  | \$  | \$                                 | \$                                     | \$  | \$    | \$    | \$    | \$    | \$    | \$    | \$     |
| <b>Revenues</b> |   |   |  |   |   |                                    |  |   |       |       |       |       |       |       |        |
| 70500           | Net Tenant Rental Revenue                               | -   | -  | -   | -   | -                                  | -                                      | -   | -     | -     | -     | -     | -     | -     | -      |
| 70400           | Tenant Revenue – Other                                  | -   | -  | -   | -   | -                                  | -                                      | -   | -     | -     | -     | -     | -     | -     | -      |
| 70500           | Total Tenant Revenue                                    | -   | -  | -   | -   | -                                  | -                                      | -   | -     | -     | -     | -     | -     | -     | -      |
| 70600           | HUD PHA Operating Grants                                | 306,738                                   | 156,974                                    | 178,670                                     | 979   | 1,139                              | 1,139                                  | 1,139   | 1,139 | 1,139 | 1,139 | 1,139 | 1,139 | 1,139 | 39,114 |
| 70610           | Capital Grants  | -   | -  | -   | -   | -                                  | -                                      | -   | -     | -     | -     | -     | -     | -     | -      |
| 71100           | Investment Income – Unrestricted                        | -   | -  | -   | -   | -                                  | -                                      | -   | -     | -     | -     | -     | -     | -     | -      |
| 70000           | Total Revenue   | 306,738                                   | 156,974                                    | 178,670                                     | 979   | 1,139                              | 1,139                                  | 1,139   | 1,139 | 1,139 | 1,139 | 1,139 | 1,139 | 1,139 | 39,114 |
| <b>Expenses</b> |   |   |  |   |   |                                    |  |   |       |       |       |       |       |       |        |
| 91100           | Administrative Salaries                                 | -   | -  | -   | -   | -                                  | -                                      | -   | -     | -     | -     | -     | -     | -     | -      |
| 91200           | Auditing Fees   | -   | -  | -   | -   | -                                  | -                                      | -   | -     | -     | -     | -     | -     | -     | -      |
| 91300           | Management Fee  | 14,541                                    | 9,366                                      | 11,830                                      | -   | -                                  | -                                      | -   | -     | -     | -     | -     | -     | -     | -      |
| 91310           | Bookkeeping Fee   | -   | -  | -   | -   | -                                  | -                                      | -   | -     | -     | -     | -     | -     | -     | -      |
| 91500           | Employee Benefit Contributions – Administrative         | -   | -  | -   | -   | -                                  | -                                      | -   | -     | -     | -     | -     | -     | -     | -      |
| 91600           | Office Expenses   | 2,015                                     | -  | -   | -   | -                                  | -                                      | -   | -     | -     | -     | -     | -     | -     | -      |
| 91700           | Legal Expense   | -   | -  | -   | -   | -                                  | -                                      | -   | -     | -     | -     | -     | -     | -     | -      |
| 91800           | Travel  | -   | -  | -   | -   | -                                  | -                                      | -   | -     | -     | -     | -     | -     | -     | -      |
| 91900           | Other   | 149                                       | -  | -   | 990   | 1,139                              | 1,139                                  | 1,139   | 1,139 | 1,139 | 1,139 | 1,139 | 1,139 | 1,139 | 1,139  |
| 91000           | Total Operating – Administrative                        | 16,705                                    | 9,366                                      | 11,830                                      | 990   | 1,139                              | 1,139                                  | 1,139   | 1,139 | 1,139 | 1,139 | 1,139 | 1,139 | 1,139 | 1,139  |
| 92400           | Tenant Services – Other                                 | -   | -  | -   | -   | -                                  | -                                      | -   | -     | -     | -     | -     | -     | -     | -      |
| 92500           | Total Tenant Services                                   | -   | -  | -   | -   | -                                  | -                                      | -   | -     | -     | -     | -     | -     | -     | -      |
| 93100           | Water   | -   | -  | -   | -   | -                                  | -                                      | -   | -     | -     | -     | -     | -     | -     | -      |
| 93200           | Electricity   | -   | -  | -   | -   | -                                  | -                                      | -   | -     | -     | -     | -     | -     | -     | -      |
| 93300           | Gas   | -   | -  | -   | -   | -                                  | -                                      | -   | -     | -     | -     | -     | -     | -     | -      |
| 93600           | Sewer   | -   | -  | -   | -   | -                                  | -                                      | -   | -     | -     | -     | -     | -     | -     | -      |
| 93000           | Total Utilities   | -   | -  | -   | -   | -                                  | -                                      | -   | -     | -     | -     | -     | -     | -     | -      |
| 94100           | Ordinary Maintenance and Operations – Labor             | -   | -  | -   | -   | -                                  | -                                      | -   | -     | -     | -     | -     | -     | -     | -      |
| 94200           | Ordinary Maintenance and Operations – Materials & Other | -   | -  | -   | -   | -                                  | -                                      | -   | -     | -     | -     | -     | -     | -     | -      |
| 94300           | Ordinary Maintenance and Operations Contracts           | -   | -  | -   | -   | -                                  | -                                      | -   | -     | -     | -     | -     | -     | -     | -      |
| 94500           | Employee Benefit Contributions – Ordinary Maintenance   | -   | -  | -   | -   | -                                  | -                                      | -   | -     | -     | -     | -     | -     | -     | -      |
| 94000           | Total Maintenance                                       | -   | -  | -   | -   | -                                  | -                                      | -   | -     | -     | -     | -     | -     | -     | -      |

# Housing Authority of the City of Little Rock

## Financial Data Schedules – Statement of Revenues and Expenses and Changes in Net Position Accounts (Continued)

### Project Totals

Year Ended December 31, 2019

| Line Item No.   | Account Description                                     | AR004000001<br>Sunset Terrace | AR004000009<br>Parris Tower | AR004000010<br>Cumberland Tower | AR004000011<br>Powell Tower | AR004000026<br>Central | AR004000027<br>Slevens | Other Project | Total AMPs |
|-----------------|---|-------------------------------|-----------------------------|---------------------------------|-----------------------------|------------------------|------------------------|---------------|------------|
| <b>Revenues</b> |   |                               |                             |                                 |                             |                        |                        |               |            |
| 70300           | Net Tenant Rental Revenue                               | \$ 93,550                     | \$ -                        | \$ -                            | \$ -                        | \$ 13,135              | \$ 13,194              | \$ -          | \$ 119,879 |
| 70400           | Tenant Revenue – Other                                  | 39,699                        | -                           | -                               | -                           | 641                    | 697                    | -             | 41,037     |
| 70500           | Total Tenant Revenue                                    | 133,249                       | -                           | -                               | -                           | 13,776                 | 13,891                 | -             | 160,916    |
| 70600           | HUD PHA Operating Grants                                | 340,872                       | 1,940                       | 1,296                           | 4,528                       | 15,439                 | 27,564                 | -             | 976,392    |
| 70610           | Capital Grants  | 58,028                        | -                           | -                               | -                           | -                      | -                      | -             | 58,028     |
| 71100           | Investment Income – Unrestricted                        | -                             | -                           | -                               | -                           | -                      | -                      | 1,436         | 1,436      |
| 70000           | Total Revenue   | 532,749                       | 1,940                       | 1,296                           | 4,528                       | 29,215                 | 41,455                 | 1,436         | 1,197,372  |
| <b>Expenses</b> |   |                               |                             |                                 |                             |                        |                        |               |            |
| 91100           | Administrative Salaries                                 | 54,107                        | -                           | -                               | -                           | 6,031                  | 8,916                  | -             | 69,054     |
| 91200           | Auditing Fees   | 1,809                         | -                           | -                               | -                           | 555                    | 1,206                  | 12,756        | 16,326     |
| 91300           | Management Fee  | 39,432                        | -                           | -                               | -                           | 2,957                  | 4,584                  | -             | 82,710     |
| 91310           | Bookkeeping Fee   | 6,000                         | -                           | -                               | -                           | 450                    | 698                    | 7,148         | 11,858     |
| 91500           | Employee Benefit Contributions – Administrative         | 8,723                         | -                           | -                               | -                           | 1,260                  | 1,875                  | -             | 15,324     |
| 91600           | Office Expenses   | 12,694                        | -                           | -                               | -                           | 253                    | 362                    | 250           | 7,145      |
| 91700           | Legal Expense   | 6,895                         | -                           | -                               | -                           | -                      | -                      | -             | 3,266      |
| 91800           | Travel  | 3,266                         | -                           | -                               | -                           | -                      | -                      | -             | 1,792      |
| 91900           | Other   | 10,640                        | 598                         | 432                             | 3,627                       | 1,188                  | 1,263                  | 1,792         | 22,957     |
| 91000           | Total Operating – Administrative                        | 143,566                       | 598                         | 432                             | 3,627                       | 12,694                 | 18,904                 | 14,798        | 235,788    |
| 92400           | Tenant Services – Other                                 | 4,457                         | -                           | -                               | -                           | 129                    | 129                    | -             | 4,715      |
| 92500           | Total Tenant Services                                   | 4,457                         | -                           | -                               | -                           | 129                    | 129                    | -             | 4,715      |
| 93100           | Water   | 16,348                        | -                           | -                               | -                           | 89                     | 221                    | -             | 16,658     |
| 93200           | Electricity   | 60,441                        | -                           | -                               | -                           | -                      | 727                    | -             | 61,168     |
| 93300           | Gas   | 6,486                         | -                           | -                               | -                           | -                      | -                      | -             | 6,486      |
| 95600           | Sewer   | 59,383                        | -                           | -                               | -                           | 193                    | 611                    | -             | 60,187     |
| 93000           | Total Utilities   | 142,658                       | -                           | -                               | -                           | 282                    | 1,559                  | -             | 144,499    |
| 94100           | Ordinary Maintenance and Operations – Labor             | 56,057                        | -                           | -                               | -                           | 10,889                 | 16,333                 | -             | 83,279     |
| 94200           | Ordinary Maintenance and Operations – Materials & Other | 19,230                        | -                           | -                               | -                           | 3,191                  | 293                    | -             | 22,714     |
| 94300           | Ordinary Maintenance and Operations Contracts           | 129,792                       | 307                         | -                               | -                           | 7,167                  | 15,603                 | 525           | 153,454    |
| 94500           | Employee Benefit Contributions – Ordinary Maintenance   | 13,120                        | -                           | -                               | -                           | 2,576                  | 3,731                  | -             | 19,727     |
| 94000           | Total Maintenance                                       | 218,199                       | 307                         | -                               | -                           | 23,825                 | 35,960                 | 525           | 279,174    |

# Housing Authority of the City of Little Rock

## Financial Data Schedules – Statement of Revenues and Expenses and Changes in Net Position Accounts (Continued)

### Project Totals

Year Ended December 31, 2019

| Line Item No. | Account Description   | Project Totals                            |  |   |   |                                    |  |   |              |
|---------------|---|---|--|---|---|------------------------------------|--|---|--------------|
|               |   | AR004000018<br>Madison Heights<br>Phase I | AR004000019<br>Madison Heights<br>Phase II | AR004000020<br>Homes at Granite<br>Mountain | AR004000021<br>Madison Heights<br>Phase III | AR004000023<br>Cumberland<br>Manor | AR004000024<br>Metropolitan<br>Village | AR004000028<br>Granite Mountain<br>Sr. Center |              |
| 95200         | Protective Services – Other Contract Costs                      | \$ -                                      | \$ -                                       | \$ -  | \$ -  | \$ -                               | \$ -                                   | \$ -  | \$ -         |
| 95000         | Total Protective Services                                       | -   | -  | -   | -   | -                                  | -                                      | -   | -            |
| 96110         | Property Insurance  | -   | -  | -   | -   | -                                  | -                                      | -   | -            |
| 96120         | Liability Insurance   | -   | -  | -   | -   | -                                  | -                                      | -   | -            |
| 96130         | Workers' Compensation   | -   | -  | -   | -   | -                                  | -                                      | -   | -            |
| 96100         | Total Insurance Premiums  | -   | -  | -   | -   | -                                  | -                                      | -   | -            |
| 96200         | Other General Expenses  | 193,391                                   | 132,560                                    | 152,664                                     | -   | -                                  | -                                      | -   | 35,947       |
| 96210         | Compensated Absences  | -   | -  | -   | -   | -                                  | -                                      | -   | -            |
| 96300         | Payments in Lieu of Taxes                                       | -   | -  | -   | -   | -                                  | -                                      | -   | -            |
| 96400         | Bad debt – Tenant Rents   | -   | -  | -   | -   | -                                  | -                                      | -   | -            |
| 96000         | Total Other General Expenses                                    | 193,391                                   | 132,560                                    | 152,664                                     | -   | -                                  | -                                      | -   | 35,947       |
| 96900         | Total Operating Expenses  | 210,096                                   | 141,926                                    | 164,494                                     | 990   | 1,139                              | 1,139                                  | -   | 35,947       |
| 97000         | Excess of Operating Revenue over Operating Expenses             | (3,358)                                   | 15,048                                     | 14,176                                      | (11)  | -                                  | -                                      | -   | 3,167        |
| 97400         | Depreciation Expense  | -   | -  | -   | -   | -                                  | -                                      | -   | -            |
| 99000         | Total Expenses  | 210,096                                   | 141,926                                    | 164,494                                     | 990   | 1,139                              | 1,139                                  | -   | 35,947       |
| 10080         | Special Items (Net Gain/Loss)                                   | (232,213)                                 | (203,870)                                  | (46,443)                                    | -   | -                                  | -                                      | -   | (6,250)      |
| 10091         | Inter Project Excess Cash Transfer In                           | -   | -  | -   | 11  | -                                  | -                                      | -   | -            |
| 10092         | Inter Project Excess Cash Transfer Out                          | -   | -  | -   | -   | -                                  | -                                      | -   | -            |
| 10100         | Total Other Financing Sources (Uses)                            | (232,213)                                 | (203,870)                                  | (46,443)                                    | 11  | -                                  | -                                      | -   | (6,250)      |
| 10000         | Excess (Deficiency) of Total Revenue Over (Under) Total Expense | (235,571)                                 | (188,822)                                  | (32,267)                                    | -   | -                                  | -                                      | -   | (3,083)      |
| 11030         | Beginning Equity  | 2,860,865                                 | 1,772,507                                  | 68,063                                      | -   | -                                  | -                                      | -   | 2,871,477    |
|               | Ending Equity Balance   | \$ 2,625,294                              | \$ 1,583,685                               | \$ 35,796                                   | \$ -  | \$ -                               | \$ -                                   | \$ -  | \$ 2,868,394 |
| 11190         | Unit Months Available   | 708                                       | 456  | 480   | -   | -                                  | -                                      | -   | 288          |
| 11210         | Number of Unit Months Leased                                    | 708                                       | 456  | 480   | -   | -                                  | -                                      | -   | 284          |
| 11270         | Excess Cash   | 2,625,294                                 | 1,583,685                                  | 35,797                                      | -   | -                                  | -                                      | -   | 51,640       |
| 11610         | Land Purchases  | -   | -  | -   | -   | -                                  | -                                      | -   | -            |
| 11620         | Building Purchases  | -   | -  | -   | -   | -                                  | -                                      | -   | -            |
| 11630         | Furniture & Equipment – Dwelling Purchases                      | -   | -  | -   | -   | -                                  | -                                      | -   | -            |
| 13901         | Replacement Housing Factor Funds                                | 58,628                                    | -  | -   | -   | -                                  | -                                      | -   | -            |

# Housing Authority of the City of Little Rock

## Financial Data Schedules – Statement of Revenues and Expenses and Changes in Net Position Accounts (Continued)

### Project Totals

Year Ended December 31, 2019

| Line Item No. | Account Description   | AR004000001<br>Sunset Terrace | AR004000009<br>Paris Tower | AR004000010<br>Cumberland Tower | AR004000011<br>Powell Tower | AR004000026<br>Central | AR004000027<br>Stevens | Other Project | Total AMPs |
|---------------|---|-------------------------------|----------------------------|---------------------------------|-----------------------------|------------------------|------------------------|---------------|------------|
| 95200         | Protective Services – Other Contract Costs                      | 537                           | -                          | -                               | -                           | -                      | -                      | -             | 537        |
| 95000         | Total Protective Services                                       | 537                           | -                          | -                               | -                           | -                      | -                      | -             | 537        |
| 96110         | Property Insurance  | 16,259                        | -                          | 4,304                           | -                           | 4,472                  | -                      | -             | 25,035     |
| 96120         | Liability Insurance   | 6,462                         | -                          | 437                             | -                           | 697                    | -                      | -             | 7,596      |
| 96130         | Workers' Compensation   | 473                           | -                          | 158                             | -                           | 158                    | -                      | -             | 789        |
| 96100         | Total Insurance Premiums  | 23,194                        | -                          | 4,899                           | -                           | 5,327                  | -                      | -             | 33,420     |
| 96200         | Other General Expenses  | -                             | -                          | -                               | -                           | -                      | -                      | -             | 514,562    |
| 96210         | Compensated Absences  | 924                           | -                          | -                               | -                           | -                      | -                      | -             | 924        |
| 96300         | Payments in Lieu of Taxes                                       | -                             | -                          | 1,370                           | -                           | -                      | -                      | -             | 2,810      |
| 96400         | Bad Debt – Tenant Rents   | 3,599                         | -                          | -                               | -                           | 766                    | -                      | -             | 4,365      |
| 96000         | Total Other General Expenses                                    | 4,523                         | -                          | 1,370                           | -                           | 2,206                  | -                      | -             | 8,100      |
| 96900         | Total Operating Expenses  | 537,434                       | 965                        | 432                             | 3,627                       | 43,197                 | 64,085                 | 15,323        | 1,220,704  |
| 97000         | Excess of Operating Revenue over Operating Expenses             | (4,085)                       | 975                        | 864                             | (901)                       | (13,982)               | (22,630)               | (13,887)      | (23,422)   |
| 97400         | Depreciation Expense  | 61,276                        | -                          | -                               | -                           | 38,035                 | 62,224                 | -             | 161,535    |
| 90000         | Total Expenses  | 598,710                       | 965                        | 432                             | 3,627                       | 81,232                 | 126,309                | 15,323        | 1,382,329  |
| 10080         | Special Items (Net Gain/Loss)                                   | -                             | -                          | -                               | -                           | -                      | -                      | -             | (488,776)  |
| 10091         | Inter Project Excess Cash Transfer In                           | -                             | -                          | -                               | -                           | -                      | 5,000                  | -             | 5,011      |
| 10092         | Inter Project Excess Cash Transfer Out                          | (2,271)                       | (975)                      | (864)                           | (901)                       | -                      | -                      | -             | (5,011)    |
| 10100         | Total Other Financing Sources (Uses)                            | (2,271)                       | (975)                      | (864)                           | (901)                       | -                      | 5,000                  | -             | (488,776)  |
| 10000         | Excess (Deficiency) of Total Revenue Over (Under) Total Expense | (68,232)                      | -                          | -                               | -                           | (52,017)               | (79,854)               | (13,887)      | (673,733)  |
| 11030         | Beginning Equity  | 677,234                       | -                          | -                               | -                           | 513,029                | 829,797                | 1,238,098     | 10,831,070 |
|               | Ending Equity Balance   | 609,002                       | -                          | -                               | -                           | 461,012                | 749,943                | 1,224,211     | 10,157,337 |
| 11190         | Unit Months Available   | 876                           | -                          | -                               | -                           | 60                     | 96                     | -             | 2,964      |
| 11210         | Number of Unit Months Leased                                    | 800                           | -                          | -                               | -                           | 60                     | 93                     | -             | 2,881      |
| 11270         | Excess Cash   | 42,846                        | -                          | -                               | -                           | (3,411)                | (8,435)                | 1,018,696     | 5,344,112  |
| 11610         | Land Purchases  | -                             | -                          | -                               | -                           | -                      | -                      | -             | -          |
| 11620         | Building Purchases  | 58,628                        | -                          | -                               | -                           | -                      | -                      | -             | 58,628     |
| 11630         | Furniture & Equipment – Dwelling Purchases                      | -                             | -                          | -                               | -                           | -                      | -                      | -             | -          |
| 13901         | Replacement Housing Factor Funds                                | -                             | -                          | -                               | -                           | -                      | -                      | -             | 58,628     |

# Housing Authority of the City of Little Rock

## Financial Data Schedules – Statement of Net Position Accounts

### Program Totals

### December 31, 2019

| Line Item No. | Account Description  | 14.871<br>Housing Choice<br>Vouchers | 14.249<br>Section 8<br>Moderate<br>Rehabilitation<br>Single Room<br>Occupancy | 14.256<br>Neighborhood<br>Stabilization<br>Program<br>(Recovery Act<br>Funded) | 14.879<br>Mainstream<br>Vouchers | Total               |
|---------------|--|--------------------------------------|---|--|----------------------------------|---------------------|
| 111           | Cash – Unrestricted  | \$ 733,595                           | \$ 222,619  | \$ 181,713   | \$ 26,670                        | \$ 1,164,597        |
| 113           | Cash – Other Restricted                                    | 147,580                              | -   | -  | -                                | 147,580             |
| 114           | Cash – Tenant Security Deposits                            | -                                    | 11,301  | -  | -                                | 11,301              |
| 100           | Total Cash   | <u>881,175</u>                       | <u>222,619</u>  | <u>193,014</u>   | <u>26,670</u>                    | <u>1,323,478</u>    |
| 121           | Accounts Receivable – PHA Projects                         | 96,274                               | -   | -  | -                                | 96,274              |
| 122           | Accounts Receivable – HUD Other Projects                   | 69,289                               | -   | -  | -                                | 69,289              |
| 125           | Accounts Receivable – Miscellaneous                        | 150                                  | 1,671   | 550  | -                                | 2,371               |
| 126           | Accounts Receivable – Tenants                              | -                                    | -   | 2,499  | -                                | 2,499               |
| 126.1         | Allowance for Doubtful Accounts – Tenants                  | -                                    | -   | (801)  | -                                | (801)               |
| 128           | Fraud Recovery   | 115,545                              | -   | -  | -                                | 115,545             |
| 128.1         | Allowance for Doubtful Accounts – Fraud                    | (92,932)                             | -   | -  | -                                | (92,932)            |
| 120           | Total Receivables, Net of Allowances for Doubtful Accounts | <u>188,326</u>                       | <u>1,671</u>  | <u>2,248</u>   | <u>-</u>                         | <u>192,245</u>      |
| 142           | Prepaid Expenses and Other Assets                          | 8,848                                | -   | 74   | -                                | 8,922               |
| 150           | Total Current Assets                                       | <u>1,078,349</u>                     | <u>224,290</u>  | <u>195,336</u>   | <u>26,670</u>                    | <u>1,524,645</u>    |
| 161           | Land   | 100,000                              | -   | 121,724  | -                                | 221,724             |
| 162           | Buildings  | 1,412,036                            | -   | 2,302,581  | -                                | 3,714,617           |
| 164           | Furniture, Equipment & Machinery – Administration          | 155,346                              | -   | -  | -                                | 155,346             |
| 166           | Accumulated Depreciation                                   | (790,188)                            | -   | (888,193)  | -                                | (1,678,381)         |
| 167           | Construction in Progress                                   | -                                    | -   | 5,913  | -                                | 5,913               |
| 160           | Total Capital Assets, Net of Accumulated Depreciation      | <u>877,194</u>                       | <u>-</u>  | <u>1,542,025</u>   | <u>-</u>                         | <u>2,419,219</u>    |
| 180           | Total Noncurrent Assets                                    | <u>877,194</u>                       | <u>-</u>  | <u>1,542,025</u>   | <u>-</u>                         | <u>2,419,219</u>    |
| 190           | Total Assets   | <u>\$ 1,955,543</u>                  | <u>\$ 224,290</u>   | <u>\$ 1,737,361</u>  | <u>\$ 26,670</u>                 | <u>\$ 3,943,864</u> |

# Housing Authority of the City of Little Rock

## Financial Data Schedules – Statement of Revenues and Expenses and Changes in Net Position Accounts (Continued)

### Program Totals

December 31, 2019

14.249 Section 8 Moderate Rehabilitation Single Room Occupancy  
14.256 Neighborhood Stabilization Program (Recovery Act Funded)  
14.879 Mainstream Vouchers

| Line Item No. | Account Description                            | 14.871 Housing Choice Vouchers | 14.249 Section 8 Moderate Rehabilitation Single Room Occupancy | 14.256 Neighborhood Stabilization Program (Recovery Act Funded) | 14.879 Mainstream Vouchers | Total        |
|---------------|--|--------------------------------|--|---|----------------------------|--------------|
| 312           | Accounts Payable <= 90 Days                    | \$ 215,870                     | \$ 18,450  | \$ 4,929  | \$ 384                     | \$ 239,633   |
| 321           | Accrued Wage/Payroll Taxes Payable             | 19,149                         | -  | 1,364   | -                          | 20,513       |
| 322           | Accrued Compensated Absences – Current Portion | 34,801                         | -  | -   | -                          | 34,801       |
| 341           | Tenant Security Deposits                       | -                              | -  | 11,301  | -                          | 11,301       |
| 342           | Unearned Revenue                               | 8,618                          | -  | -   | 13,697                     | 13,697       |
| 345           | Other Current Liabilities                      | 278,438                        | 18,450   | 40,694  | 14,081                     | 351,663      |
| 310           | Total Current Liabilities                      | 546,876                        | 36,900   | 56,988  | 27,162                     | 667,926      |
| 353           | Noncurrent Liabilities – Other                 | 144,412                        | -  | -   | -                          | 144,412      |
| 350           | Total Noncurrent Liabilities                   | 144,412                        | -  | -   | -                          | 144,412      |
| 300           | Total Liabilities                              | 691,288                        | 36,900   | 56,988  | 27,162                     | 812,338      |
| 508.4         | Net Investment in Capital Assets               | 877,194                        | -  | 1,542,025   | -                          | 2,419,219    |
| 511.4         | Restricted Net Position                        | 32,979                         | -  | -   | -                          | 32,979       |
| 512.4         | Unrestricted Net Position                      | 622,520                        | 205,840  | 154,642   | 12,589                     | 995,591      |
| 513           | Total Equity – Net Assets/Position             | 1,532,693                      | 205,840  | 1,696,667   | 12,589                     | 3,447,789    |
| 600           | Total Liabilities and Equity/Net Assets        | \$ 1,955,543                   | \$ 224,290   | \$ 1,737,361  | \$ 26,670                  | \$ 3,943,864 |

# Housing Authority of the City of Little Rock

## Financial Data Schedules – Statement of Revenues and Expenses and Changes in Net Position Accounts

### Program Totals Year Ended December 31, 2019

| Line Item No. | Account Description                                       | 14.249 Section 8 Moderate Rehabilitation Single Room Occupancy |   |                            |         |            | Total |
|---------------|---|--|---|----------------------------|---------|------------|-------|
|               |   | 14.871 Housing Choice Vouchers                                 | 14.256 Neighborhood Stabilization Program (Recovery Act Funded) | 14.879 Mainstream Vouchers |         |            |       |
|               |   | \$   | \$  | \$                         | \$      | \$         |       |
| 70900         | Net Tenant Rental Revenue                                 | -  | -   | 133,571                    | -       | 133,571    |       |
| 70400         | Tenant Revenue – Other                                    | -  | -   | 2,252                      | -       | 2,252      |       |
| 70500         | Total Tenant Revenue                                      | -  | -   | 135,823                    | -       | 135,823    |       |
| 70600         | HUD PHA Operating Grants                                  | 17,753,612   | 211,037   | -                          | 223,097 | 18,187,746 |       |
| 71100         | Investment Income – Unrestricted                          | -  | -   | 8                          | -       | 8          |       |
| 71400         | Fraud Recovery  | 115,566  | -   | -                          | -       | 115,566    |       |
| 71500         | Other Revenue   | 564,811  | -   | -                          | -       | 564,811    |       |
| 72000         | Investment Income – Restricted                            | 500  | -   | -                          | -       | 500        |       |
| 70000         | Total Revenue   | 18,434,489   | 211,037   | 135,831                    | 223,097 | 19,004,454 |       |
| 91100         | Administrative Salaries                                   | 688,439  | -   | 16,220                     | -       | 704,659    |       |
| 91200         | Auditing Fees   | 31,568   | -   | 555                        | -       | 32,123     |       |
| 91300         | Management Fee  | 328,520  | 5,280   | 13,210                     | 3,920   | 350,930    |       |
| 91310         | Bookkeeping Fee   | 98,224   | 1,583   | 2,010                      | 1,176   | 102,993    |       |
| 91400         | Advertising and Marketing                                 | 637  | -   | -                          | -       | 637        |       |
| 91500         | Employee Benefit Contributions – Administrative           | 197,702  | -   | 3,494                      | -       | 201,196    |       |
| 91600         | Office Expenses   | 63,008   | -   | 511                        | -       | 63,519     |       |
| 91700         | Legal Expense   | -  | -   | -                          | -       | -          |       |
| 91800         | Travel  | 139  | -   | -                          | -       | 139        |       |
| 91900         | Other   | 159,566  | -   | 1,858                      | -       | 161,424    |       |
| 91000         | Total Operating – Administrative                          | 1,581,609  | 6,863   | 37,858                     | 5,096   | 1,631,426  |       |
| 93100         | Water   | 311  | -   | 3,772                      | -       | 4,083      |       |
| 93200         | Electricity   | 14,612   | -   | 4,231                      | -       | 18,843     |       |
| 93300         | Gas   | 1,526  | -   | -                          | -       | 1,526      |       |
| 93600         | Sewer   | 760  | -   | 7,941                      | -       | 8,701      |       |
| 93000         | Total Utilities   | 17,209   | -   | 15,944                     | -       | 33,153     |       |
| 94100         | Ordinary Maintenance and Operations – Labor               | -  | -   | 27,196                     | -       | 27,196     |       |
| 94200         | Ordinary Maintenance and Operations – Materials and Other | 1,233  | -   | 3,419                      | -       | 4,652      |       |
| 94300         | Ordinary Maintenance and Operations Contracts             | 44,056   | -   | 33,964                     | -       | 78,020     |       |
| 94500         | Employee Benefit Contributions – Ordinary Maintenance     | -  | -   | 6,214                      | -       | 6,214      |       |
| 94000         | Total Maintenance   | 45,289   | -   | 70,793                     | -       | 116,082    |       |

# Housing Authority of the City of Little Rock

## Financial Data Schedules – Statement of Revenues and Expenses and Changes in Net Position Accounts (Continued)

### Program Totals Year Ended December 31, 2019

| Line Item No. | Account Description                                     | 14.249 Section 8 Moderate Rehabilitation Single Room Occupancy |   |                            |           |              | Total |
|---------------|---|--|---|----------------------------|-----------|--------------|-------|
|               |   | 14.871 Housing Choice Vouchers                                 | 14.256 Neighborhood Stabilization Program (Recovery Act Funded) | 14.879 Mainstream Vouchers |           |              |       |
| 96110         | Property Insurance                                      | \$ 3,241   | \$ 6,589  | \$ -                       | \$ -      | \$ 9,830     |       |
| 96120         | Liability Insurance                                     | 9,950  | 2,354   | -                          | -         | 12,304       |       |
| 96130         | Workers' Compensation                                   | 10,095   | 158   | -                          | -         | 10,253       |       |
| 96100         | Total Insurance Premiums                                | 23,286   | 9,101   | -                          | -         | 32,387       |       |
| 96210         | Compensated Absences                                    | 4,311  | -   | -                          | -         | 4,311        |       |
| 96300         | Payments in Lieu of Taxes                               | -  | 63  | -                          | -         | 63           |       |
| 96400         | Bad Debt – Tenant Rents                                 | -  | 5,174   | -                          | -         | 5,174        |       |
| 96000         | Total Other General Expenses                            | 4,311  | 5,237   | -                          | -         | 9,548        |       |
| 96900         | Total Operating Expenses                                | 1,671,704  | 138,933   | 6,863                      | 5,096     | 1,822,596    |       |
| 97000         | Excess of Operating Revenue Over Operating Expenses     | 16,762,785   | (3,102)   | 204,174                    | 218,001   | 17,181,858   |       |
| 97300         | Housing Assistance Payments                             | 15,775,789   | -   | 261,978                    | 205,412   | 16,243,179   |       |
| 97350         | HAP Portability-Jh                                      | 477,637  | -   | -                          | -         | 477,637      |       |
| 97400         | Depreciation Expense                                    | 66,939   | 115,129   | -                          | -         | 182,068      |       |
| 97500         | Fraud Losses  | -  | -   | -                          | -         | -            |       |
| 90000         | Total Expenses  | 17,992,069   | 254,062   | 268,841                    | 210,508   | 18,725,480   |       |
| 10080         | Special Items (Net Gain/Loss)                           | -  | -   | -                          | -         | -            |       |
| 10093         | Transfers between Program and Project – In              | -  | -   | -                          | -         | -            |       |
| 10100         | Total Other financing Sources (Uses)                    | -  | -   | -                          | -         | -            |       |
| 10000         | Excess (Deficiency) of Total Revenue Over (Under) Total | 442,420  | (118,231)   | (57,804)                   | 12,589    | 278,974      |       |
| 11030         | Beginning Equity  | 1,090,273  | 263,644   | 1,814,898                  | -         | 3,168,815    |       |
|               | Ending Equity Balance                                   | \$ 1,532,693   | \$ 205,840  | \$ 1,696,667               | \$ 12,589 | \$ 3,447,789 |       |
| 11170         | Administrative Fee Equity                               | \$ 1,499,714   | \$ -  | \$ -                       | \$ 12,589 | \$ 1,512,303 |       |
| 11180         | Housing Assistance Payments Equity                      | \$ 32,979  | \$ -  | \$ -                       | \$ -      | \$ 32,979    |       |
| 11190         | Unit Months Available                                   | 34,956   | 612   | 252                        | 480       | 36,450       |       |
| 11210         | Number of Unit Months Leased                            | 32,835   | 539   | 250                        | 393       | 34,167       |       |

**Housing Authority of the City of Little Rock**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended December 31, 2019**

| Federal Grantor/<br>Pass-Through<br>Grantor/ Program or<br>Cluster Title                 | Federal CFDA<br>Number | Pass-Through<br>Entity<br>Identifying<br>Number | Passed<br>Through<br>to<br>Subrecipients | Total Federal<br>Expenditures |
|--|------------------------|---|--|-------------------------------|
| U.S. Department of Housing and<br>Urban Development/Public and<br>Indian Housing         | 14.850                 |   | -  | 926,615                       |
| <b><i>Housing Voucher Cluster</i></b>  |                        |   |  |                               |
| U.S. Department of Housing and<br>Urban Development/Section 8<br>Housing Choice Vouchers | 14.871                 |   | -  | 17,753,612                    |
| U.S. Department of Housing and<br>Urban Development/Mainstream<br>Vouchers               | 14.879                 |   | -  | 210,508                       |
| Total Housing Voucher Cluster  |                        |   | -  | 17,964,120                    |
| U.S. Department of Housing and<br>Urban Development/Public<br>Housing Capital Fund       | 14.872                 |   | -  | 169,453                       |
| Total  |                        |   | \$ -                                     | \$ 19,060,188                 |

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**Housing Authority of the City of Little Rock**  
**Notes to the Schedule of Expenditures of Federal Awards**  
**Year Ended December 31, 2018**

**Notes to Schedule**

1. The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Housing Authority of the City of Little Rock under programs of the federal government for the year ended December 31, 2019. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Housing Authority of the City of Little Rock, it is not intended to and does not present the financial position, changes in net position or cash flows of the Housing Authority of the City of Little Rock.

The Schedule does not include Central Arkansas Housing Corporation's federal award programs.

2. Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles contained in the Uniform Guidance or OMB *Circular A-87*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The Housing Authority of the City of Little Rock has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

**Housing Authority of the City of Little Rock**  
**Schedule of Findings and Questioned Costs**  
**Year Ended December 31, 2019**

**Summary of Auditor's Results**

*Financial Statements*

1. The type of report the auditor issued on whether the financial statements audited were prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) was:

Unmodified       Qualified       Adverse       Disclaimer

2. The independent auditor's report on internal control over financial reporting disclosed:

Significant deficiency(ies)?       Yes       None reported

Material weakness(es)?       Yes       No

3. Noncompliance considered material to the financial statements was disclosed by the audit?

Yes       No

*Federal Awards*

4. The independent auditor's report on internal control over compliance for the major federal award program disclosed:

Significant deficiency(ies)?       Yes       None reported

Material weakness(es)?       Yes       No

5. The opinion(s) expressed in the independent auditor's report on compliance for major federal awards were:

Unmodified       Qualified       Adverse       Disclaimer

6. The audit disclosed findings required to be reported by 2 CFR 200.516(a)?

Yes       No

**Housing Authority of the City of Little Rock**  
**Schedule of Findings and Questioned Costs (Continued)**  
**Year Ended December 31, 2019**

7. The Authority's major programs were:

| <u>Cluster/Program</u>          | <u>CFDA Number</u> |
|---------------------------------|--------------------|
| Housing Choice Vouchers Cluster |                    |
| Section 8 Housing Vouchers      | 14.871             |
| Mainstream Vouchers             | 14.879             |
| Public and Indian Housing       | 14.850             |

8. The threshold used to distinguish between Type A and Type B programs was \$750,000.

9. The Authority qualified as a low-risk auditee?  Yes  No

Draft

**Housing Authority of the City of Little Rock**  
**Schedule of Findings and Questioned Costs (Continued)**  
**Year Ended December 31, 2019**

**Findings Required to be Reported by *Government Auditing Standards***

| Reference Number | Finding   |
|------------------|---|
| 2019-001         | <p>Criteria or Specific Requirement – Management is responsible for establishing and maintaining effective internal control over financial reporting.</p> <p>Condition – The Authority did not perform adequate account reconciliations over accounts payable, accounts receivable and allowances, expenses, other liabilities, prepaid assets, and the schedule of expenditures of federal awards, therefore, audit adjustments were proposed and recorded and some audit adjustments were proposed but not recorded in order to present the financial statements in accordance with generally accepted accounting principles. During the audit of the Authority’s blended component, CAHC, several adjustments were necessary and it did not appear that adequate supervision was performed by the Authority.</p> <p>Effect – Misstated financial statements could occur and not be prevented or detected in a timely</p> <p>Cause – There is inadequate oversight by management of employees to ensure proper reconciliation of accounts and review by the director of finance.</p> <p>Recommendation – We recommend policies be implemented, whereby all supporting schedules are reconciled to the general ledger and reviewed by an appropriate individual on a monthly basis.</p> <p>Views of Responsible Officials and Planned Corrective Actions – Management concurs with the finding and related adjustments made during the audit. Management will work to implement internal controls related to the finding as noted above.</p> |

**Housing Authority of the City of Little Rock**  
**Schedule of Findings and Questioned Costs (Continued)**  
**Year Ended December 31, 2019**

**Findings Required to be Reported by the Uniform Guidance**

| Reference Number | Finding  |
|------------------|--|
|                  | <p><b><u>Section 8 Housing Choice Vouchers – CFDA 14.871</u></b><br/> <b><u>U.S. Department of Housing and Urban Development</u></b><br/> <b><u>Award Year 2019</u></b></p>  |
| 2019-002         | <p>Criteria or Specific Requirement – Reporting – In accordance with 2 CFR Part 200, report <i>HUD 52681-B, Voucher for Payment of Annual Contributions and Operating Statement (OMB No. 2577-0169)</i> is required to be submitted monthly to HUD. Additionally, report <i>HUD 60002, Section 3 Summary Report, Economic Opportunities for Low-and Very Low-Income Persons (OMB No. 2529-0043)</i>, is required to be submitted annually.</p> <p>Condition – The Authority did not maintain sufficient support for the information submitted on the HUD 52681-B report and did not submit the HUD 60002 report during 2019</p> <p>Questioned Costs: None</p> <p>Context – Two of 12 monthly HUD 52681-B reports submitted during 2019 were selected for testing. The HUD 52681-B reports selected did not have underlying support for the information submitted. Additionally, the 2018 HUD 60002 report, which was required to be submitted in 2019, was not submitted until January 3, 2020. The sampling methodology used is not, and is not intended to be, statistically valid.</p> <p>Effect – HUD was not provided with accurate information timely.</p> <p>Cause – The Authority does not have adequate internal controls in place to ensure reports are completed accurately and submitted within the required time frame to HUD.</p> <p>Repeat Finding – Not applicable</p> <p>Recommendation – We recommend policies and procedures be implemented to ensure compliance with the program’s reporting requirements and control activities be put in place to ensure reports are submitted timely.</p> <p>Views of Responsible Officials and Planned Corrective Actions – Management agrees and will implement internal controls to ensure that reports are submitted timely and adequate support is maintained.</p> |

**Housing Authority of the City of Little Rock**  
**Schedule of Findings and Questioned Costs (Continued)**  
**Year Ended December 31, 2019**

**Reference  
Number**

**Finding**

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**Public and Indian Housing – CFDA 14.850**  
**U.S. Department of Housing and Urban Development**  
**Award Year 2019**

2019-003 Criteria or Specific Requirement – Special Testing: Public Housing Waiting List – In accordance with 2 CFR Part 200, the public housing authority (PHA) must establish and adopt written policies for admission of tenants. The PHA tenant selection policies must include requirements for applications and waiting lists, and description of the policies for selection of applicants from the waiting list

Condition – The Authority did not follow its established policies for adding applicants to the waiting list or selecting tenants from the waiting list

Questioned Costs: None

Context – 25 of 4,257 applicants added to the waiting list during 2019 were tested to determine if they were placed on the waiting list with the proper preferences noted as described in the Authority's policy. Of those selected, ten were not placed on the waiting list with the proper preference noted. Additionally, four of 33 tenants admitted to the program were tested to determine if they were selected in accordance with the policies. One of the four tenants selected for testing was not properly selected from the waiting list. The sampling methodology used is not, and is not intended to be, statistically valid.

Effect – The Authority could admit someone to the program in the improper order

Cause – The Authority does not appear to have adequate internal controls to ensure that the waiting list is maintained in accordance with its policy.

Repeat Finding – Not applicable

Recommendation – We recommend policies and procedures be implemented to ensure compliance with the program's waiting list requirements and control activities be put in place to ensure applicants are properly placed on the waiting list and that tenants are properly selected from the waiting list.

Views of Responsible Officials and Planned Corrective Actions – Management agrees and will implement internal controls to ensure the waiting list is maintained in accordance with its policy

**Housing Authority of the City of Little Rock**  
**Schedule of Findings and Questioned Costs (Continued)**  
**Year Ended December 31, 2019**

| Reference Number | Finding   |
|------------------|---|
|                  | <u>Public and Indian Housing – CFDA 14.850</u><br><u>U.S. Department of Housing and Urban Development</u><br><u>Award Year 2019</u>   |
| 2019-004         | <p>Criteria or Specific Requirement – Eligibility – In accordance with 2 CFR Part 200, the Authority must reexamine family income and composition at least once every 12 months.</p> <p>Condition – The Authority did not complete the annual reexamination in accordance with HUD guidance.</p> <p>Questioned Costs: None</p> <p>Context – 22 of 219 tenants were tested to determine if the reexamination was done in accordance with HUD guidance. Of those selected, eight did not have the reexamination done in accordance with HUD guidance. Of those eight, one did not have support maintained on file for the reexamination, one was done two months late, and six did not have their income confirmed by a third party timely. The sampling methodology used is not, and is not intended to be, statistically valid.</p> <p>Effect – The Authority could give an improper housing assistance payment adjustment</p> <p>Cause – The Authority does not appear to have adequate internal controls to ensure that the reexamination is done in accordance with HUD guidance</p> <p>Repeat Finding – Not applicable</p> <p>Recommendation – We recommend policies and procedures be implemented to ensure compliance with the program’s eligibility requirements and control activities be put in place to ensure the tenants have a reexamination done in accordance with HUD guidance annually.</p> <p>Views of Responsible Officials and Planned Corrective Actions – Management agrees and will implement internal controls to ensure the reexaminations are done in accordance with HUD guidance.</p> |

**Housing Authority of the City of Little Rock**  
**Schedule of Findings and Questioned Costs (Continued)**  
**Year Ended December 31, 2019**

**Reference  
Number**

**Finding**

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**Public and Indian Housing – CFDA 14.850**  
**U.S. Department of Housing and Urban Development**  
**Award Year 2019**

2019-005 Criteria or Specific Requirement – Special Test : Recording of Declaration of Trust Against Public Housing Property – A current Declaration of Trust (DOT) must be recorded against all public housing property owned by PHAs that has been acquired, developed, maintained, or assisted with funds from the US Housing Act of 1937.

Condition – The Authority did not maintain the declaration of trust on all the public housing properties

Questioned Costs: None

Context – 2 of 7 declaration of trusts were not on maintained on file.

Effect – The Authority could fail to provide public notice that the property must be operated in accordance with all Federal public housing requirements.

Cause – The Authority does not appear to have adequate internal controls to ensure that the proper documentation is maintained.

Repeat Finding – Not applicable

Recommendation – We recommend policies and procedures be implemented to ensure compliance with the program’s special test for recording of declaration of trust against public housing properties and control activities be put in place to ensure the proper documentation is maintained

Views of Responsible Officials and Planned Corrective Actions – Management agrees and will implement internal controls to ensure the proper documentation is maintained for the recording of declaration of trusts against public housing properties.

**Housing Authority of the City of Little Rock**  
**Schedule of Findings and Questioned Costs (Continued)**  
**Year Ended December 31, 2019**

| Reference Number | Finding   |
|------------------|---|
|                  | <b><u>Public and Indian Housing – CFDA 14.850</u></b><br><b><u>U.S. Department of Housing and Urban Development</u></b><br><b><u>Award Year 2019</u></b>  |
| 2019-006         | <p>Criteria or Specific Requirement – Allowable Costs – Management is responsible for establishing and maintaining effective internal control over compliance</p> <p>Condition – The Authority did not maintain adequate documentation of how payroll costs was allocated between the programs.</p> <p>Questioned Costs: None</p> <p>Context – 40 of 2,619 expenditures were tested to determine if the costs were allowable for the program. Of those selected, three did not have adequate documentation to support how the cost was allocated. We noted that the costs appeared to be for allowable purposes. The sampling methodology used is not, and is not intended to be, statistically valid.</p> <p>Effect – The Authority could fail to properly allocate the costs to the correct program</p> <p>Cause – The Authority does not appear to have adequate internal controls to ensure that the proper documentation is maintained.</p> <p>Repeat Finding – Not applicable</p> <p>Recommendation – We recommend policies and procedures be implemented to ensure all allocated cost calculations are supported</p> <p>Views of Responsible Officials and Planned Corrective Actions – Management agrees and will implement internal controls to ensure the proper documentation is maintained for allocation of costs.</p> |

# Housing Authority of the City of Little Rock

## Summary Schedule of Prior Audit Findings

### Year Ended December 31, 2019

**Findings Required to be Reported by Government Auditing Standards**

| Reference Number | Finding   | Status                      |
|------------------|---|-----------------------------|
| 2018-001         | <p>The Authority did not perform adequate account reconciliations over accounts payable, accounts receivable and allowances, capital assets and insurance proceeds, other liabilities, prepaid assets, unearned revenue, revenues, grant expenses and the schedule of expenditures of federal awards, therefore, audit adjustments were proposed and recorded and some audit adjustments were proposed but not recorded in order to present the financial statements in accordance with generally accepted accounting principles. During the audit of the Authority's blended component, CAHC, several adjustments were necessary and it did not appear that adequate supervision was performed by the Authority. Additionally, journal entries recorded by the director of finance are not reviewed by another individual.</p> | Not resolved – see 2019-001 |

**Findings Required to be Reported by the Uniform Guidance**

| Reference Number  | Finding  | Status       |
|---|--|--------------|
| <p><b><u>Public Housing Capital Fund (CFP) – CFDA 14.872</u></b><br/> <b><u>U.S. Department of Housing and Urban Development</u></b><br/> <b><u>Award Year 2018</u></b></p> |  |              |
| 2018-002  | <p>Reporting – In accordance with 2 CFR Part 200, upon expenditure by the PHA of all funds, or termination by HUD of the activities funded in a modernization or development program, a PHA shall submit the closeout forms, including the HUD 53001, <i>Actual Modernization Cost Certificates</i> (AMCC) marked "final" to their local HUD Field Office for review and approval. PHAs must submit the AMCC within 90 days after the expenditure deadline. The Authority had two awards with expenditure end dates of July 29, 2018; therefore, the AMCC was due 90 days later on October 27, 2018. We noted these reports were not submitted until June 6, 2019.</p> | Resolved     |
| <p><b><u>Public Housing Capital Fund (CFP) – CFDA 14.872</u></b><br/> <b><u>U.S. Department of Housing and Urban Development</u></b><br/> <b><u>Award Year 2018</u></b></p> |  |              |
| 2018-003  | <p>Cash Management – In accordance with 2 CFR Part 200, when entities are funded on a reimbursement basis, program costs must be paid for by entity funds before reimbursement is requested from the federal government. The Authority did not expend funds before requesting reimbursement from the federal government.</p>   | Not Resolved |

# Blended Component Units

**Housing Authority of the City of Little Rock**  
**Statement of Net Position**  
**December 31, 2019**

| <b>Assets</b>                                   | <b>Primary<br/>Government</b> | <b>GMSH</b>         |
|---|-------------------------------|---------------------|
| <b>Current Assets</b>                           |                               |                     |
| Cash and cash equivalents – unrestricted        | \$ 4,795,298                  | \$ 19,036           |
| Cash and cash equivalents – restricted          | 6,730,545                     | 262,740             |
|   | <u>11,525,843</u>             | <u>281,776</u>      |
| Investments                                     | 619,120                       | -                   |
| Accounts receivable – HUD                       | 70,573                        | -                   |
| Accounts receivable – other PHA projects        | 96,274                        | -                   |
| Accounts receivable – tenants, net of allowance | 543,710                       | 14,919              |
| Accounts receivable – miscellaneous             | 31,472                        | -                   |
| Accrued interest receivable                     | 23,199                        | -                   |
| Prepaid expenses                                | 190,762                       | 1,707               |
| Inventories                                     | 7,188                         | -                   |
| Assets held for sale                            | 204,239                       | -                   |
|   | <u>13,312,380</u>             | <u>298,402</u>      |
| Total current assets                            |                               |                     |
| <b>Capital Assets</b>                           |                               |                     |
| Land  | 5,321,606                     | 62,597              |
| Buildings and improvements                      | 82,835,465                    | 6,660,601           |
| Furniture, equipment and machinery              | 3,899,396                     | 177,949             |
| Construction in progress                        | 150,055                       | -                   |
|   | <u>92,206,522</u>             | <u>6,901,147</u>    |
| Less accumulated depreciation                   | 22,986,378                    | 2,056,112           |
|   | <u>69,220,144</u>             | <u>4,845,035</u>    |
| Net capital assets                              |                               |                     |
| <b>Noncurrent Assets</b>                        |                               |                     |
| Notes receivable                                | 9,264,328                     | -                   |
| Other   | 192,412                       | 30,402              |
|   | <u>9,456,740</u>              | <u>30,402</u>       |
| Total noncurrent assets                         |                               |                     |
| Total assets                                    | <u>\$ 91,989,264</u>          | <u>\$ 5,173,839</u> |

**Housing Authority of the City of Little Rock**  
**Statement of Net Position (Continued)**  
**December 31, 2019**

**Liabilities and Net Position**

|   | Primary<br>Government | GMSH         |
|---|-----------------------|--------------|
| <b>Current Liabilities</b>              |                       |              |
| Accounts payable                        | \$ 3,263,088          | \$ 4,836     |
| Accounts payable – other governments    | 9,570                 | -            |
| Accrued wages and payroll taxes payable | 43,900                | -            |
| Accrued compensated absences            | 79,153                | -            |
| Unearned revenue                        | 101,992               | 4,051        |
| Tenant security deposits                | 128,295               | 6,086        |
| Current portion of long-term debt       | 40,130,945            | -            |
| Other current liabilities               | 484,315               | 13,964       |
|   | <hr/>                 | <hr/>        |
| Total current liabilities               | 44,241,258            | 28,937       |
| <b>Noncurrent liabilities</b>           |                       |              |
| Family self-sufficiency program escrows | 144,412               | -            |
| Long-term debt                          | 591,583               | -            |
| Due to affiliate                        | 3,028,303             | 2,812,452    |
|   | <hr/>                 | <hr/>        |
| Total noncurrent liabilities            | 3,764,298             | 2,812,452    |
|   | <hr/>                 | <hr/>        |
| Total liabilities                       | 48,005,556            | 2,841,389    |
| <b>Net Position</b>                     |                       |              |
| Net investment in capital assets        | 23,180,646            | 2,032,583    |
| Restricted – expendable                 | 7,426,007             | 256,654      |
| Unrestricted                            | 13,377,055            | 43,213       |
|   | <hr/>                 | <hr/>        |
| Total net position                      | 43,983,708            | 2,332,450    |
|   | <hr/>                 | <hr/>        |
| Total liabilities and net position      | \$ 91,989,264         | \$ 5,173,839 |
|   | <hr/>                 | <hr/>        |

**Housing Authority of the City of Little Rock**  
**Statement of Revenues and Expenses and Changes in Net Position**  
**Year Ended December 31, 2019**

|   | Primary<br>Government | GMSH                |
|---|-----------------------|---------------------|
| <b>Operating Revenues</b>                               |                       |                     |
| Net tenant rental revenue                               | \$ 5,054,706          | \$ 214,762          |
| Tenant revenue – other                                  | 58,239                | -                   |
| HUD operating grants                                    | 19,225,689            | -                   |
| Other revenue   | 1,147,061             | 3,133               |
|   | <u>25,485,695</u>     | <u>217,895</u>      |
| <b>Operating Expenses</b>                               |                       |                     |
| Administrative expenses                                 | 4,729,057             | 67,809              |
| Management fee  | 113,321               | -                   |
| Tenant services   | 4,715                 | -                   |
| Utilities   | 1,202,693             | 26,020              |
| Operating and maintenance                               | 2,244,553             | 83,381              |
| Protective services                                     | 537                   | -                   |
| Housing assistance payments                             | 16,720,816            | -                   |
| Depreciation  | 1,592,283             | 251,628             |
| Amortization  | -                     | 3,742               |
| Taxes and insurance                                     | 446,979               | 30,821              |
|   | <u>27,054,954</u>     | <u>463,401</u>      |
| <b>Operating Loss</b>                                   | (1,569,259)           | (245,506)           |
| <b>Nonoperating Revenues (Expenses)</b>                 |                       |                     |
| Investment income (expense)                             | 23,566                | -                   |
| Interest expense  | (148,869)             | (573)               |
| Loss on assignment of interest in housing projects      | (6,847,869)           | 200                 |
|   | <u>(6,973,172)</u>    | <u>(373)</u>        |
| <b>Loss Before HUD Capital Grants and Contributions</b> | (8,542,431)           | (245,879)           |
| <b>HUD Capital Grants</b>                               | 58,628                | -                   |
| <b>Change in Net Position</b>                           | <u>(8,483,803)</u>    | <u>(245,879)</u>    |
| <b>Net Position, Beginning of Year</b>                  | <u>52,467,511</u>     | <u>2,578,329</u>    |
| <b>Net Position, End of Year</b>                        | <u>\$ 43,983,708</u>  | <u>\$ 2,332,450</u> |