

HOUSING AUTHORITY OF THE CITY OF TULSA

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2021



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INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Housing Authority of the City of Tulsa
Tulsa, Oklahoma

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the business-type activities and the aggregate discretely presented component units of the Housing Authority of the City of Tulsa (the Authority), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component units of the Authority, as of December 31, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

The financial statements of Nogales Housing Partners, LP, Tulsa Housing Endeavors I LP, and River West Phase I, LP (the aggregate discretely presented component units) were not audited in accordance with *Government Auditing Standards*.

Emphasis of Matter

As discussed in Note 2 to the financial statements, there was a correction of an error for notes receivable and developer fee balances that resulted in a restatement to beginning net position for the year ended December 31, 2021. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Housing Authority of the City of Tulsa's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Housing Authority of the City of Tulsa's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The financial data schedules and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the financial data schedules and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 14, 2026, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Baltimore, Maryland
January 14, 2026

**HOUSING AUTHORITY OF THE CITY OF TULSA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2021**

Our discussion and analysis of the Authority's financial performance provides an overview of the Authority's financial activities for the year ended December 31, 2021. Please read it in conjunction with the Authority's financial statements.

FINANCIAL HIGHLIGHTS

- The Authority's net position increased by \$16,947,626 or 22.25% during the year ended December 31, 2021 from \$76,167,060 at December 31, 2020 (as restated) to \$93,114,686 at December 31, 2021.
- Total operating revenues increased by \$8,356,262 or 10.65% for the year ended December 31, 2021 from \$78,429,840 for the year ended December 31, 2020 to \$86,786,102 for the year ended December 31, 2021.
- Total operating expenses of the Authority decreased by \$18,594,754, or 21.08% for the year ended December 31, 2021 from \$88,212,419 for the year ended December 31, 2020 to \$69,617,665 for the year ended December 31, 2021.
- Total nonoperating revenues (expenses), including capital grants, decreased by \$14,173,799 or 87.31% for the year ended December 31, 2021 from \$16,233,277 for the year ended December 31, 2020 to \$2,059,478 for the year ended December 31, 2021.

USING THIS ANNUAL REPORT

The following summarizes the content of the Authority's financial statements:

- Management's Discussion and Analysis
- Financial Statements, including the Statement of Net Position on page 10, the Statement of Revenues and Expenses and Changes in Net Position on page 11, and the Statement of Cash Flows on page 12.
- Notes to Financial Statements on page 14.

The primary focus of the Authority's financial statements is on the Authority as a whole. This perspective allows the user to address relevant questions, broaden a basis for comparison, and enhance the Authority's accountability.

The Authority engages in only business type activities. The financial statements are designed to be corporate-like in that all business type activities are consolidated to a total for the entire entity. The Authority's major business activities include the following:

- Rental and management of real estate under low rent public housing and Section 8 contracts.
- Provide rental assistance and Family Self Sufficiency counseling under Section 8 voucher contracts.
- Provide tenant services funded from both low rent public housing contracts and private donations.
- Modernization of low rent public housing property through use of Capital Fund Program grants.
- The operation of a low-income tax credit housing project through Nogales Housing Partners LP, the Authority's discretely presented component unit.
- Provision of down payment assistance to homeowners through the HOME Investment Partnership Program of Housing Partners of Tulsa, a component unit of the Authority.

**HOUSING AUTHORITY OF THE CITY OF TULSA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2021**

STATEMENT OF NET POSITION

The following table reflects the condensed Statement of Net Position compared to prior year.

	12/31/2021	12/31/2020 as Restated	Total Change	% Change
Cash and Cash Equivalents	\$ 28,122,597	\$ 14,031,360	\$ 14,091,237	100.43%
Investments	-	3,179,431	(3,179,431)	-100.00%
Other Assets	34,195,822	22,190,383	12,005,439	54.10%
Capital Assets	40,818,976	46,647,581	(5,828,605)	-12.49%
Total Assets	<u>103,137,395</u>	<u>86,048,755</u>	<u>17,088,640</u>	19.86%
Current Liabilities	3,247,394	8,704,077	(5,456,683)	-62.69%
Other Noncurrent Liabilities	1,139,573	1,177,618	(38,045)	-3.23%
Total Liabilities	<u>10,022,709</u>	<u>9,881,695</u>	<u>141,014</u>	1.43%
Net Position:				
Net Investment in Capital Assets	35,059,559	42,003,479	(6,943,920)	-16.53%
Restricted	5,397,008	3,545,388	1,851,620	52.23%
Unrestricted	52,658,119	30,618,193	22,039,926	71.98%
Total Net Position	<u>93,114,686</u>	<u>76,167,060</u>	<u>16,947,626</u>	22.25%
Total Liabilities and Net Position	<u>\$ 103,137,395</u>	<u>\$ 86,048,755</u>	<u>\$ 17,088,640</u>	19.86%

For more detailed information, see page 10 for the Statement of Net Position.

MAJOR FACTORS AFFECTING THE STATEMENT OF NET POSITION

The net increase in cash and investments of \$10,911,806 is primarily due to sale of Inhofe, Riverview conversion, and first scattered site sale.

Capital assets decreased by \$5,828,605. The decrease is primarily due to an increase in accumulated depreciation of \$4,026,166 and the sale of Inhofe Plaza.

Other assets increased by \$12,005,439 mainly due to increases in notes receivable and developer fees receivable.

The decrease in net investment in capital assets is primarily due to current year's additions, offsetting the change in accumulated depreciation and disposals.

The increase in unrestricted net position of \$22,039,926 is primarily due to sale of Inhofe, the Riverview conversion, and first scattered site sale, as well as increased developer fees earned during the year.

**HOUSING AUTHORITY OF THE CITY OF TULSA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2021**

STATEMENT OF REVENUES AND EXPENSES AND CHANGES IN NET POSITION

The following schedule compares the revenues and expenses for the current and previous fiscal year. As stated before, the Authority engages in only business-type activities.

	<u>12/31/2021</u>	<u>12/31/2020</u>	<u>Total Change</u>	<u>% Change</u>
Revenues:				
Operating Grants and Subsidies	\$ 60,352,421	\$ 67,112,863	\$ (6,760,442)	-10.07%
Tenant Rental and Other Operating	3,171,459	6,231,666	(3,060,207)	-49.11%
Other	<u>23,262,222</u>	<u>5,085,311</u>	<u>18,176,911</u>	<u>357.44%</u>
Total Operating Revenues	<u>86,786,102</u>	<u>78,429,840</u>	<u>8,356,262</u>	<u>10.65%</u>
Expenses:				
Administrative and General	20,324,930	27,910,255	(7,585,325)	-27.18%
Tenant Services	1,673,953	332,646	1,341,307	403.22%
Utilities	3,193,484	4,138,016	(944,532)	-22.83%
Maintenance	7,471,387	8,992,586	(1,521,199)	-16.92%
Protective Services	1,272,579	780,574	492,005	63.03%
Housing Assistance Payments	31,655,166	41,180,058	(9,524,892)	-23.13%
Depreciation	<u>4,026,166</u>	<u>4,878,284</u>	<u>(852,118)</u>	<u>-17.47%</u>
Total Operating Expenses	<u>69,617,665</u>	<u>88,212,419</u>	<u>(18,594,754)</u>	<u>-21.08%</u>
Nonoperating Revenues (Expenses):				
Capital Grants and Contributions	1,096,287	6,060,827	(4,964,540)	-81.91%
Interest Income	100,039	145,714	(45,675)	-31.35%
Gain (Loss) on Sale of Fixed Assets	982,637	10,203,479	(9,220,842)	90.37%
Interest Expense	<u>(119,485)</u>	<u>(176,743)</u>	<u>57,258</u>	<u>32.40%</u>
Total Nonoperating Revenues	<u>2,059,478</u>	<u>16,233,277</u>	<u>(14,173,799)</u>	<u>-87.31%</u>
Change in Net Position	<u>\$ 19,227,915</u>	<u>\$ 6,450,698</u>	<u>\$ 12,777,217</u>	<u>-198.07%</u>

MAJOR FACTORS AFFECTING THE STATEMENT OF REVENUES AND EXPENSES AND CHANGES IN NET POSITION

Operating Grants and Subsidies decreased by \$6,760,442, primarily due to the CARES funds received for the Housing Choice Voucher program and Public Housing program in 2020 that were not received in 2021. Another factor is the reduction in subsidies related to the sale of Inhofe Plaza.

Tenant Rental and Other Operating income decreased by \$3,060,207 primarily due to the sale of Inhofe, demolition for Riverview, Sandy and Apache moved to discrete component units, and the sale of a portion of the scattered site homes.

Other Income increased by \$18,176,911, primarily due to contributions received by Affordable Housing Property Solutions, a blended component unit of the Authority, for the Choice Neighborhood program as well as developer fees earned.

**HOUSING AUTHORITY OF THE CITY OF TULSA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2021**

MAJOR FACTORS AFFECTING THE STATEMENT OF REVENUES AND EXPENSES AND CHANGES IN NET POSITION (CONTINUED)

Administrative and General expense decreased by \$7,585,325, primarily due to the sale of Inhofe Plaza, demolition of Riverview, and Sandy and Apache moved to discrete component units and the sale of a portion of scattered site homes.

Housing Assistance Payments (HAP) expense decreased by \$9,524,892 primarily due to the elimination of CARES funding received in 2020 to pay these expenses.

Tenant services expense increased by \$1,341,307 primarily due to the increased Choice Neighborhood activity in 2021 of relocating tenants from Riverview and paying third party social services full-time.

Capital grants and contributions decreased by \$4,964,540 primarily due to a decrease in public housing capital projects because we reduced the public housing portfolio through RAD conversions.

Gain (Loss) on Sale of Fixed Assets decreased by \$9,220,842 compared to the prior year, which had gain on sale of \$10.2 million, mainly due to loss on sale of Riverview and Inhofe.

While the results of operations are a significant measure of the Authority's activities, the analysis of the changes in Unrestricted Net Position provides for a clearer change in financial well-being. The increase in unrestricted net position is attributable to operating cash flow, less amounts of increases in restricted net position.

CAPITAL ASSETS AND DEBT ADMINISTRATION

As of year-end, the Authority had \$40,818,976 invested (net) in a variety of capital assets as reflected in the following schedule, which represents a net decrease of \$5,828,605 from the end of last year.

	12/31/2021	12/31/2020
Land, Construction in Progress, Buildings, and Improvements	\$ 140,937,576	\$ 153,182,290
Furniture and Equipment	4,903,565	11,225,100
Total Cost of Assets	145,841,141	164,407,390
Accumulated Depreciation	(105,022,165)	(117,759,809)
Net	<u>\$ 40,818,976</u>	<u>\$ 46,647,581</u>

CHANGE IN CAPITAL ASSETS

The following summarizes the changes in capital assets:

Balance - Beginning of Year	\$ 46,647,581
Additions to Capital Assets	2,869,658
Disposal of Capital Assets, Net	(4,672,097)
Depreciation	(4,026,166)
Balance - End of Year	<u>\$ 40,818,976</u>

**HOUSING AUTHORITY OF THE CITY OF TULSA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2021**

DEBT OUTSTANDING

As of December 31, 2021, outstanding debt was \$5,759,417 compared to \$4,498,417, at December 31, 2020. This represents an increase of \$1,261,000 and is attributable to the addition of the Murdock Villa loan, offset by the payment of the Inhofe Plaza debt and current year principal payments.

	Balance 12/31/2020	Increase	Decrease	Balance 12/31/2021	Current Portion
Inhofe Plaza Debt	\$ 4,498,417	\$ -	\$ (4,498,417)	\$ -	\$ -
Murdock Villa Loan	-	5,800,000	(40,583)	5,759,417	123,675
Total	<u>\$ 4,498,417</u>	<u>\$ 5,800,000</u>	<u>\$ (4,539,000)</u>	<u>\$ 5,759,417</u>	<u>\$ 123,675</u>

ECONOMIC FACTORS

Significant economic factors affecting the Authority are as follows:

- Federal funding of the Department of Housing and Urban Development (or applicable agency)
- 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
- Continuing increases in property insurance

FINANCIAL CONTACT

The individual to be contacted regarding this report is Julie Ward, Chief Financial Officer of the Housing Authority of the City of Tulsa, Oklahoma, at (918) 581-5986. Specific requests may be submitted to Julie Ward, CFO, at P.O. Box 6369, Tulsa, Oklahoma, 74148-0369.

HOUSING AUTHORITY OF THE CITY OF TULSA
STATEMENT OF NET POSITION
DECEMBER 31, 2021

	Business-Type Activities	Discretely Presented Component Unit
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents - Unrestricted	\$ 22,050,096	\$ 2,822,740
Cash and Cash Equivalents - Restricted	6,072,501	1,437,361
Accounts Receivable, Net	626,172	985,617
Prepaid Expenses	149,751	277,113
Total Current Assets	<u>28,898,520</u>	<u>5,522,831</u>
NONCURRENT ASSETS		
Notes Receivable	33,419,899	-
Other Assets	-	2,073,152
Nondepreciable Capital Assets	11,325,675	-
Depreciable Assets, Net	29,493,301	58,092,747
Total Noncurrent Assets	<u>74,238,875</u>	<u>60,165,899</u>
Total Assets	<u><u>\$ 103,137,395</u></u>	<u><u>\$ 65,688,730</u></u>
LIABILITIES AND NET POSITION		
CURRENT LIABILITIES		
Accounts Payable	\$ 742,854	\$ 195,337
Accrued Liabilities	1,485,205	3,403,241
Accrued Compensated Absences, Current Portion	170,389	6,255
Unearned Revenue	227,154	31,936
Long-Term Debt, Current Portion	123,675	692,208
Tenant Security Deposits	220,739	62,267
Current Liabilities - Other	277,378	-
Total Current Liabilities	<u>3,247,394</u>	<u>4,391,244</u>
NONCURRENT LIABILITIES		
Long-Term Debt, Less Current Portion	5,635,742	50,062,183
Accrued Compensated Absences, Less Current Portion	970,858	3,979
Noncurrent Liabilities - Other	168,715	1,808,112
Total Noncurrent Liabilities	<u>6,775,315</u>	<u>51,874,274</u>
Total Liabilities	10,022,709	56,265,518
NET POSITION		
Net Investment in Capital Assets	35,059,559	7,338,356
Restricted Net Position	5,397,008	1,375,094
Unrestricted Net Position	52,658,119	709,762
Total Net Position	<u>93,114,686</u>	<u>9,423,212</u>
Total Liabilities and Net Position	<u><u>\$ 103,137,395</u></u>	<u><u>\$ 65,688,730</u></u>

See accompanying Notes to Financial Statements.

HOUSING AUTHORITY OF THE CITY OF TULSA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2021

	Business-Type Activities	Discretely Presented Component Unit
OPERATING REVENUES		
Dwelling Rent	\$ 3,171,459	\$ 3,575,166
Governmental Grants and Subsidy	60,352,421	98,366
Other Income	23,262,222	24,989
Total Operating Revenues	<u>86,786,102</u>	<u>3,698,521</u>
OPERATING EXPENSES		
Administrative	14,653,549	822,169
Tenant Services	1,673,953	16,205
Utilities	3,193,484	383,628
Maintenance and Operations	7,471,387	432,607
Protective Services	1,272,579	134,195
General Expense	5,671,381	727,748
Housing Assistance Payments	31,655,166	-
Depreciation	4,026,166	1,239,701
Total Operating Expenses	<u>69,617,665</u>	<u>3,756,253</u>
NET OPERATING INCOME (LOSS)	17,168,437	(57,732)
NONOPERATING REVENUES (EXPENSES)		
Investment Income	100,039	1,328
Gain on Sale of Capital Assets	982,637	-
Interest Expense	(119,485)	(1,629,834)
Total Nonoperating Revenues (Expenses)	<u>963,191</u>	<u>(1,628,506)</u>
NET INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	18,131,628	(1,686,238)
CAPITAL CONTRIBUTIONS	<u>1,096,287</u>	<u>11,522,489</u>
CHANGE IN NET POSITION	19,227,915	9,836,251
Net Position - Beginning of Year, Originally Stated	68,725,381	(413,039)
Prior Period Adjustment	<u>5,161,390</u>	<u>-</u>
Net Position - Beginning of Year, as Restated	<u>73,886,771</u>	<u>(413,039)</u>
NET POSITION - END OF YEAR	<u><u>\$ 93,114,686</u></u>	<u><u>\$ 9,423,212</u></u>

See accompanying Notes to Financial Statements.

HOUSING AUTHORITY OF THE CITY OF TULSA
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2021

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from Customers	\$ 3,111,251
Governmental Grants and Subsidiary - Operations	60,709,178
Cash Received from Other Sources	23,492,557
Payments to Suppliers for Operations	(7,587,386)
Payments for Housing Operations and Tenant Services	(12,610,620)
Housing Assistance Payments	(31,655,166)
Payments to Employees	(14,739,981)
Net Cash Provided by Operating Activities	<u>20,719,833</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds from Sales and Maturities of Investments	3,179,431
Interest Received	100,039
Net Cash Provided by Investing Activities	<u>3,279,470</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Capital Grants	1,096,287
Acquisition of Capital Assets	(2,869,658)
Proceeds on Sale of Capital Assets	5,654,734
Disbursement on Notes Receivable	(14,930,944)
Proceeds from Long-Term Debt	5,800,000
Repayment of Long-Term Debt	(4,539,000)
Payment of Interest	(119,485)
Net Cash Used by Capital and Related Financing Activities	<u>(9,908,066)</u>

NET INCREASE IN CASH AND CASH EQUIVALENTS

14,091,237

Cash and Cash Equivalents - Beginning of Year

14,031,360

CASH AND CASH EQUIVALENTS - END OF YEAR

\$ 28,122,597

RECONCILIATION TO STATEMENT OF NET POSITION

Cash and Cash Equivalents - Unrestricted	\$ 22,050,096
Cash and Cash Equivalents - Restricted	6,072,501
Total Cash, Cash Equivalents and Restricted Cash	<u><u>\$ 28,122,597</u></u>

See accompanying Notes to Financial Statements.

HOUSING AUTHORITY OF THE CITY OF TULSA
STATEMENT OF CASH FLOWS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021

**RECONCILIATION OF OPERATING INCOME TO NET CASH
PROVIDED BY OPERATING ACTIVITIES**

Operating Income from Operations	\$ 17,168,437
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation	4,026,166
Bad Debt Expense	365,448
Effects of Changes in Operating Assets and Liabilities:	
Accounts Receivable	17,565
Prepaid Expenses	262,203
Accounts Payable	(1,182,269)
Accrued Liabilities	(222,173)
Unearned Revenue	197,988
Compensated Absences	(97,023)
Tenant Security Deposits	(54,117)
Other Current Liabilities	237,608
Net Cash Provided by Operating Activities	<u><u>\$ 20,719,833</u></u>

See accompanying Notes to Financial Statements.

HOUSING AUTHORITY OF THE CITY OF TULSA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Housing Authority of the City of Tulsa (THA or the Authority), established by the City of Tulsa in 1966, is a quasi-governmental, public body, corporate and politic, exercising exclusively public and essential government functions, and having all the powers necessary or convenient to carry out and effectuate the purposes and provisions of the Oklahoma Housing Authorities Act (OHAA). THA is governed by a five-member board of commissioners, appointed by the mayor of the City of Tulsa, which establishes policies, approves budgets and provides general direction to the THA President / Chief Executive Officer and Executive Staff.

THA is responsible for promoting safe and sanitary dwelling accommodations to persons of low income at rentals or prices they can afford, funded by grants and subsidies from the U.S. Department of Housing and Urban Development (HUD). THA receives no direct financial support from the City of Tulsa. THA holds the HUD rank of High Performing Agency.

Tulsa Housing Assistance Corporation (THAC) is a nonprofit organization, formed for the purpose of issuing revenue bonds, the proceeds of which were used to purchase the Murdock Villa apartment complex, located in Tulsa, Oklahoma and consisting of 143 units and operated under Section 8 of the National Housing Act, and to provide financing for other Authority-owned properties to be operated as low-income housing projects. There was no activity during the audit period.

Reporting Entity

The accompanying financial statements present the Authority and its component units, entities for which the Authority government is considered to be financially accountable. Blended component units are, in substance, part of the Authority's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the Authority. The discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is both legally and substantively separate from the Authority.

Reporting Entity – Blended Component Units

Housing Partners of Tulsa, Inc. (HPT) is a nonprofit organization, organized by the Authority, to provide a wide range of affordable housing options for low and moderate income for Tulsans and to promote programs leading to self-sufficiency and home ownership.

HOUSING AUTHORITY OF THE CITY OF TULSA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reporting Entity – Blended Component Units (Continued)

HPT also has a contract with the City of Tulsa to administer HOME investment Program funds set aside for the purpose of providing down-payment assistance to eligible potential homeowners. Once eligibility is determined, HPT provides a down payment to the homeowner at closing. Among other requirements, this assistance is not required to be paid back to HPT unless the house is sold within five years of the purchase date. HPT also provides housing and housing related services to eligible participants, funded by grants from HUD.

In 2017, the board of commissioners of the Authority gave HPT the ability to appoint its own board. No Authority board members are now members of HPT's board.

Property One Management Group, LLC is a nonprofit organization, organized by the Authority, to purchase, manage, improve, and sell real estate. There was no activity during the audit period.

Affordable Housing Property Solutions is a nonprofit organization, organized by the Authority, to purchase real estate, participate in RAD conversions and partner with the Housing Authority in development deals as a co-developer.

Parkview Terrace is a single asset entity that was organized to own and manage the public housing property Parkview Terrace after RAD conversion.

Pioneer Plaza is a single asset entity that was organized to own and manage the public housing property Pioneer Plaza after RAD conversion.

East Central Village is a single asset entity that was organized to own and manage the public housing property East Central Village after RAD conversion.

La Fortune Tower is a single asset entity that was organized to own and manage the public housing property LaFortune Tower after RAD conversion.

THA River West Phase I GP LLC is a single asset entity that was organized to own and manage the Riverwest Phase I property after LIHTC conversion. There was no activity during the audit period.

THA River West Phase II GP LLC is a single asset entity that was organized to own and manage the Riverwest Phase II property after LIHTC conversion. There was no activity during the audit period.

THA River West Phase III GP LLC is a single asset entity that was organized to own and manage the Riverwest Phase III property after LIHTC conversion. There was no activity during the audit period.

HOUSING AUTHORITY OF THE CITY OF TULSA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reporting Entity – Blended Component Units (Continued)

Nogales Realty, LLC and Newton Plaza, Inc. were formed for the purpose of construction of the Newton Plaza apartment complex located in Tulsa, Oklahoma, consisting of 28 units and operating as a low-income tax credit project. Newton Plaza, Inc. and Nogales Realty, LLC are owned 100% by the Authority and Newton Plaza, Inc. is the general partner of Nogales LP. Newton Plaza's share of Nogales LP is 0.009% of Profit & Losses and 13.827% of Capital.

The Authority received HOPE VI grants in the amount of \$28.6 million and loaned them to HOPE VI entities in accordance with HUD's HOPE VI grant program for the construction of low rent public housing units. While the loans bear interest, no principal or interest payments are due until 2042-2043. If these notes go unpaid, the Authority does have first right of refusal to acquire the properties. The Authority does not report the HOPE VI financial statements as component units since the Authority is not a majority general partner or owner. Any subsidies the Authority receives are passed directly on to the HOPE VI entities. Furthermore, the potential that the HOPE VI entities will provide either a financial benefit or burden is considered remote. Consequently, the loans receivable and accrued interest amounting to approximately \$970,001 at December 31, 2021 and the public housing operating subsidies received of \$69,443 for year-end December 31, 2021 are not reported as assets by the Authority.

Tulsa Housing Management LLC is an affiliate of THA that acts as the property manager. THM currently manages the following portfolio:

- Two (2) public housing sites at South Haven and Hewgley Terrace
- Eight (8) RAD Sites at Sandy Park (LIHTC), Apache Manor (LIHTC), Parkview Terrace, Pioneer Plaza (LIHTC), Mohawk Manor (LIHTC), Seminole Hills and Whitlow Townhome (LIHTC), LaFortune Tower, and East Central Village
- One (1) PBRA site at Murdock Villa

THM has significant housing management experience. THM is recognized by HUD as a "High Performing" Public Housing Agency. THM works directly with Country Club Gardens limited partners to ensure yearly audits are completed on time, worked with property management to ensure that tenant files were correctly maintained, and monitored. THM's analyst performs yearly file audits checking for correct rent calculations and LIHTC program compliance. Asset management staff at THM are continually training to ensure a high level of professionalism. Most recently, all THA's Property Managers received their LIHTC Certification and all Property Managers are Certified Public Housing Managers (CPHM). Likewise, all THM's asset management staff continue to stay abreast of all HUD program management changes ensuring that all housing programs are kept in compliance.

HOUSING AUTHORITY OF THE CITY OF TULSA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Discretely Presented Component Units

The financial statements present Nogales Housing Partners LP, Tulsa Housing Endeavors LP and River West Phase I, LP as discretely presented component units because THA does not have the ability to control the operations of the Partnerships (GASB Statement No. 61).

Nogales Housing Partners, LP: Nogales Housing Partners LP, an Oklahoma limited partnership, was formed in 2004 to acquire, construct, develop and operate a 28-unit multifamily apartment complex known as Newton Plaza in Tulsa, Oklahoma, for rental to individuals and families of low income and to public housing tenants (as to 14 of the units). The Project is operated by an independent management company in a manner necessary to qualify for federal low-income housing tax credits as provided for in Section 42 of the Internal Revenue Code (IRC).

Pursuant to the Partnership Agreement of Nogales, the limited partner of Nogales is required to make and has made capital contributions in varying installments totaling approximately \$2,450,000. These limited partner capital contributions are subject to adjustments based on the amount of Low-income Housing Tax Credits allocated to Newton Plaza apartment complex and subject to other adjustments as defined in the Partnership Agreement of Nogales LP.

Nogales LP expects to generate an aggregate of approximately \$2,550,000 of low-income housing tax credits (Tax Credits). Tax Credits become available for use by its partners pro-rata over a ten-year period, and which expired in March 2016. In order to qualify for Tax Credits, Newton Plaza apartment complex must comply with federal and state requirements including, but not limited to, renting to low-income tenants at prescribed rates for at least the first 15 years of operation, and maintaining and operating the apartment complex as low-income housing for another 15 years after that. Because Tax Credits are subject to complying with certain requirements, there can be no assurance that the aggregate amount of Tax Credits will be realized.

Tulsa Housing Endeavors, LP: Tulsa Housing Endeavors, LP, an Oklahoma limited partnership, was formed in 2020 to acquire, construct, develop and operate a 318-unit multifamily apartment complexes known as Sandy Park and Apache Manor in Tulsa, Oklahoma, for rental to individuals and families of low income and rad project-based voucher tenants. The Project is operated by the authority in a manner necessary to qualify for federal low-income housing tax credits as provided for in Section 42 of the Internal Revenue Code (IRC).

Pursuant to the Partnership Agreement of Tulsa Housing Endeavors, the limited partner of Sandy Park and Apache Manor is required to make capital contributions in varying installments totaling approximately \$14,500,179. These limited partner capital contributions are subject to adjustments based on the amount of Low-income Housing Tax Credits allocated to Sandy Park and Apache Manor apartment complexes and subject to other adjustments as defined in the Partnership Agreement of Tulsa Housing Endeavors LP.

HOUSING AUTHORITY OF THE CITY OF TULSA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Discretely Presented Component Units (Continued)

Tulsa Housing Endeavors, LP (Continued): Tulsa Housing Endeavors LP expects to generate an aggregate of approximately \$15,649,415 of low-income housing tax credits (Tax Credits). Tax Credits become available for use by its partners pro-rata over a ten-year period beginning in 2021. In order to qualify for Tax Credits, both Apache Manor and Sandy Park must comply with federal and state requirements including, but not limited to, renting to low-income tenants and prescribed rates for at least the first 15 years of operations, and maintaining and operating the apartment complexes as low-income housing for another 15 years after that. Because Tax Credits are subject to complying with certain requirements, there can be no assurance that the aggregate amount of Tax Credits will be realized.

River West Phase I, LP: River West Phase I, LP, an Oklahoma limited partnership, was formed in 2018 to acquire, construct, develop and operate a 74-unit multifamily apartment complex, known as River West Phase I in Tulsa, Oklahoma, for rental to individuals and families including low-income tenants (53 of 74 total units). The Project is to be operated in a manner necessary to qualify for federal low-income housing tax credits as provided for in Section 42 of the Internal Revenue Code (IRC).

The general partner is THA River West Phase I GP, LLC (General Partner), an Oklahoma limited liability company and a component unit of the Housing Authority of the City of Tulsa (the Authority). The limited partners are RBC Community Investments, LLC (Limited Partner) and RBC Community Investments Manager II, Inc. (Special Limited Partner).

Profits, losses, and tax credits are allocated in accordance with the Amended and Restated Agreement of Limited Partnership (the Partnership Agreement). Profits and losses from operations and low-income housing tax credits in any one year are to be allocated 99.99% to Limited Partner, 0.001% to Special Limited Partner, and 0.009% to General Partner.

A copy of each of the separately issued audited financial statements of the discretely presented component units can be obtained by contacting the Housing Authority of the City of Tulsa, 415 E. Independence Street, Tulsa, OK 74106.

Summary of HUD Programs

The accompanying financial statements include activities of several Housing Programs subsidized by HUD. A summary of each significant HUD program is provided below:

Low-Income Housing Programs: THA owns and manages 13 principal developments (Asset Management Projects). These developments are acquired, developed, and modernized under HUD's Capital Fund Program. Funding of operations is provided by HUD through annual operating subsidies and tenant rentals, determined based on family composition and income.

HOUSING AUTHORITY OF THE CITY OF TULSA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Summary of HUD Programs (Continued)

Low-Income Housing Programs (Continued): THA also owns and manages four developments funded by HUD Section 8 Project Based contracts: Meadows, Towne Square, Inhofe Plaza, and Murdoch Villa. Funding of operations is provided by HUD through annual Section 8 operating subsidies and tenant rentals, determined based on family composition and income.

Housing Assistance Program: The housing assistance payments program utilizes approved existing privately owned family rental housing units to provide decent and affordable housing to low-income families. Qualifying families pay rent to the property owners based on family composition and income, and HUD, through THA, pays the difference between the approved fair property rental and tenant rent.

Basis of Accounting

The Authority presents its activities as an enterprise fund. The measurement focus is on the determination of operations, financial position, and cash flows. As a result, the Authority uses the accrual method of accounting, whereby revenues are recorded when earned and expenses are recorded at the time that liabilities are incurred.

The Authority distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses result from providing services to tenants. Operating revenues and expenses consist of rental revenues, other charges collected from tenants, operating grants and subsidies, and expenses associated with operating low-income housing projects, including housing assistance payments. All other revenues and expenses are reported as nonoperating revenues and expenses.

The Authority is required to follow all statements of the Governmental Accounting Standards Board (GASB). GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, was issued to incorporate FASB and AICPA Guidance into GASB authoritative literature.

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 and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

HOUSING AUTHORITY OF THE CITY OF TULSA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

All highly liquid debt instruments purchased with an original maturity of three months or less are considered to be cash equivalents.

Cash balances are maintained at financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 as of December 31, 2021.

Investments

Investments (including restricted investments) consist of U.S. agency securities, certificates of deposit, money market funds, and other time deposits. Investments that are short-term money-market type investments, as defined by the GASB, are recorded at amortized cost, which approximates fair value. All other investments are recorded at fair value.

Capital Assets

Property and equipment are recorded at acquisition cost, and depreciated using the straight-line method over their estimated useful lives, as follows:

Buildings and Improvements	20 to 40 Years
Furniture and Equipment, Including Dwelling Appliances	3 to 15 Years

Capitalization Policy for the Authority is items purchased for betterment, not repairs, in excess of \$5,000 and a useful life of one (1) year will be capitalized.

Maintenance and repairs are charged to expenses as incurred, whereas renewals and betterments are generally capitalized.

Upon sale or retirement, the costs are removed from the accounts, and the resulting gain or loss is included in the nonoperating revenues (expenses).

Income Taxes

No provision has been made for federal and state income taxes on the Authority, as the Authority is a tax-exempt organization. Nogales Realty, LLC is a single member limited liability company owned by the Authority and is considered as part of the Authority for income tax purposes. The Authority does make annual payments in lieu of income taxes to local school districts.

No provision has been made for federal and state income taxes for Newton Plaza, Inc., as amounts are considered immaterial.

HPT, Property One, and THAC are tax-exempt organizations under Section 501(c)(3) of the IRC, and no provision for income taxes is provided for them.

HOUSING AUTHORITY OF THE CITY OF TULSA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Prepaid Expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the financial statements. The cost of prepaid items is recorded as expenditure/expenses when consumed rather than when purchased.

Unearned Revenues

Unearned revenues consist of tenant rental revenue, Section 8 subsidies, and other revenue received in advance.

Compensated Absences

Vested vacation leave is recorded as an expense as the benefits accrue to employees.

Net Position

Net position is displayed in three components:

Net Investment in Capital Assets – Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets.

Restricted – Net Position whose use by the Authority is subject to externally imposed stipulations that can be fulfilled by actions of the Authority pursuant to those stipulations or that expire by the passage of time. This includes resources restricted for capital acquisition and debt service.

Unrestricted – Net position that is not subject to externally imposed stipulations. Unrestricted net position may be designated for specific purposes by action of management or the Authority board or may otherwise be limited by contractual agreements with outside parties.

Certain assets including cash may be classified as restricted net position on the statement of net position because their use is restricted for specific purposes. It is the Authority's policy to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Restricted net position at December 31, 2021 consists primarily of amounts restricted, as required by HUD, for housing assistance payments, under the Section 8 Housing Choice Voucher Program and amounts restricted for escrows, reserve for replacements, and other purposes, and amounts restricted under HPT's HOME Investment Program and other grants.

HOUSING AUTHORITY OF THE CITY OF TULSA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 2 CORRECTION OF PRIOR PERIOD ERROR

During 2021, the Authority recorded corrections of errors for notes receivable and developer fee balances. As only the current year is presented in these financial statements, prior period financial statements have not been restated. Instead, the correction has been recorded as an adjustment to the beginning net position for the year ended December 31, 2021.

The impact of the corrections are summarized as follows:

Beginning Net Position, as Previously Reported	\$ 68,725,381
Correction of an Error - Notes Receivable	4,027,438
Correction of an Error - Developer Fees	<u>1,133,952</u>
Beginning Net Position, as Restated	<u><u>\$ 73,886,771</u></u>

NOTE 3 CASH AND CASH EQUIVALENTS AND INVESTMENTS

Deposits

Certificates of deposit and other time deposits, considered investments by the Authority and its component units, are collateralized with securities held by the pledging financial institution's trust department or agent in the Authority's or component unit's name. Deposit balances of the Authority, as well as other investment balances, including restricted investments at December 31, 2021 are as follows:

Checking/Savings Accounts	\$ 20,433,177
Mutual Fund Accounts	3,587,704
U.S. Treasury Mutual Funds	<u>4,101,716</u>
Total Cash and Cash Equivalents and Investments	<u><u>\$ 28,122,597</u></u>

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the Authority's deposits will not be returned to it. FDIC limits during the period were \$250,000 per fiduciary account per financial institution. As of December 31, 2021, the bank balances were fully collateralized.

Credit Risk

This is the risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt. It is the Authority's policy to invest in those securities that are authorized by HUD. Such investments generally consist of obligations of the U.S. government and its agencies and instrumentalities, collateralized or insured certificates of deposit, or other bank deposits, and certain other commercial instruments. As of December 31, 2021, the Authority had investments in agency securities that were rated AAA and AAAM.

HOUSING AUTHORITY OF THE CITY OF TULSA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 3 CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Interest Rate Risk

As a means of limiting its exposure to fair value losses arising from rising interest rates, the Authority's investment policy limits its investment portfolio to maturities not to exceed five years at time of purchase.

As of December 31, 2021, the maturities of the Authority's restricted investments, are as follows:

	Carrying Amounts	Investment Maturities (In Years) Less than 1	1-5
Mutual Fund Accounts	\$ 3,587,704	\$ 3,587,704	\$ -
U.S. Treasury Mutual Funds	4,101,716	4,101,716	-
Total	<u>\$ 7,689,420</u>	<u>\$ 7,689,420</u>	<u>\$ -</u>

Restricted cash and investments consist of the following at December 31, 2021:

Reserve for Replacement	\$ 4,101,716
Housing Choice Voucher Program Reserves	1,444,294
Emergency Housing Voucher Reserves	219,368
Tenant Security Deposits	220,739
Other Restricted Cash	86,384
Total	<u>\$ 6,072,501</u>

Fair Value Measurements

The Authority categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted market prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. As of December 31, 2021, fair value of investments is as follows:

	12/31/2021	Fair Value Measurements Using		
		Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level:				
Mutual Fund Accounts	\$ 3,587,704	\$ 3,587,704	\$ -	\$ -
U.S. Treasury Mutual Funds	4,101,716	4,101,716	-	-
Total Investments by Fair Value Level	<u>\$ 7,689,420</u>	<u>\$ 7,689,420</u>	<u>\$ -</u>	<u>\$ -</u>

HOUSING AUTHORITY OF THE CITY OF TULSA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 4 RESERVES

Housing Choice Voucher – HUD Held Reserve

In 2011, HUD released PIH Notice 2011-67 (HA) Implementation of New Cash Management Requirements for the Housing Choice Voucher Program. HUD is required to control disbursements of funds to PHAs in such a way as to ensure that PHAs do not receive federal funds before they are needed. The process of disbursing only the funds required for current HAP costs resulted in the re-establishment of HUD-held program reserves, whereby excess HAP funds remain obligated but undisbursed at HUD rather than held by the PHAs. As of December 31, 2021, the Authority's HUD-Held Reserve totaled \$2,380,332. This amount is not reported in the financial statements.

Long-Term Financial Plans

In 2017, THA applied for a Choice Neighborhoods grant, through HUD, in the amount of \$30,000,000. THA received notice of receiving the grant in 2018. Work began in 2019 on a total redevelopment of the Eugene Fields community through this grant, which included a THA property, Riverview. THA applied for the Rental Assistance Demonstration program, through HUD, in 2017 and received approval notice to move forward with the program in August 2018. Planning and implementation of the program began in 2018 and will continue over the next few years. During this time, the Agency will also continue to acquire and develop more properties that will yield unrestricted profits in the years to come.

NOTE 5 ACCOUNTS RECEIVABLE – HUD AND OTHER GOVERNMENTAL ENTITIES

Accounts receivable from HUD and other governmental entities consisted of the following as of December 31, 2021:

Accounts Receivable	
Accounts Receivable - Tenants, Net of Allowance of \$63,490	\$ 620,160
Fraud Recovery, Net of Allowance of \$374,440	2,461
Accounts Receivable - Miscellaneous	3,436
Total	<u>\$ 626,172</u>

HOUSING AUTHORITY OF THE CITY OF TULSA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 6 NOTES RECEIVABLE

Notes receivable at December 31, 2021 consisted of the following:

Notes Receivable					
Program Due To	Description	Loan Date	Interest Rate	Due Date	Balance at 12/31/2021
COCC	Nogales LP - HOPE VI Program Income Loan	10/31/2005	4.83%	12/31/2035	\$ 85,449
COCC	Nogales LP - HOPE VI Loan	10/31/2005	4.83%	12/31/2035	434,552
COCC	Nogales LP - HOME Loan	10/31/2005	4.83%	12/31/2035	300,000
COCC	Nogales LP - CDBG Loan	10/31/2005	4.83%	12/31/2035	150,000
COCC	River West Phase I - CNI Loan	4/9/2020	5.00%	12/31/2056	3,137,380
COCC	River West Phase I - Zarrow Loan	4/9/2020	5.00%	12/31/2056	500,000
COCC	River West Phase II - CNI Loan	12/14/2020	2.75%	12/14/2060	2,933,747
COCC	River West Phase III - CNI Loan	6/4/2021	4.00%	6/4/2061	2,900,000
LIPH - AMP 5	Tulsa Housing Endeavors, LP - Sellers Note	7/1/2020	3.40%	7/1/2062	5,590,000
LIPH - AMP 10	Tulsa Housing Endeavors, LP - Sellers Note	7/1/2020	3.40%	7/1/2062	5,300,000
LIPH - AMP 5	Tulsa Housing Endeavors, LP - Site Reserve Loan	7/1/2020	3.40%	7/1/2062	994,500
LIPH - AMP 10	Tulsa Housing Endeavors, LP - Site Reserve Loan	7/1/2020	3.40%	7/1/2062	473,064
COMP	River West Phase II - Sponsor Loan	12/14/2020	2.75%	12/14/2060	700,000
COMP	River West Phase II - Sponsor Loan	12/14/2020	2.75%	12/14/2060	1,730,863
COMP	River West Phase III - Sponsor Loan	6/4/2021	4.00%	6/4/2061	1,421,412
COMP	River West Phase III - Sponsor Loan	6/4/2021	4.00%	6/4/2061	383,642
COMP	River West Phase I - Developer Fee	4/1/2020	0.00%	6/1/2032	740,393
COMP	River West Phase II - Developer Fee	12/1/2020	0.00%	12/1/2036	393,559
COMP	River West Phase III - Developer Fee	6/4/2021	0.00%	6/1/2036	360,667
COMP	Osage Apartments, LP - Developer Fee	12/1/2021	0.00%	6/1/2039	1,013,807
COMP	Tulsa Housing Endeavors, LP - Developer Fee	7/1/2020	0.00%	6/1/2032	3,876,864
Long-Term Notes Receivable					<u>\$ 33,419,899</u>

NOTE 7 CAPITAL ASSETS

Activity in property and equipment, for both the Authority and its discretely presented component unit, is as follows for the year ended December 31, 2021:

The Authority

	12/31/20	Additions	Disposals	Transfers	12/31/21
Land (Not Depreciated)	\$ 25,105,784	\$ -	\$ (323,328)	\$ (13,456,781)	\$ 11,325,675
Construction in Progress					
(Not Depreciated)	868,170	1,096,287	(59,175)	(1,905,282)	-
Buildings and Improvements	127,208,336	1,773,371	(21,320,113)	21,950,307	129,611,901
Furniture and Equipment	11,225,100	-	(589,881)	(5,731,654)	4,903,565
Total Depreciable Assets	138,433,436	1,773,371	(21,909,994)	16,218,653	134,515,466
Less: Accumulated Depreciation	(117,759,809)	(4,026,166)	17,620,400	(856,590)	(105,022,165)
Net Property and Equipment	<u>\$ 46,647,581</u>	<u>\$ (1,156,508)</u>	<u>\$ (4,672,097)</u>	<u>\$ -</u>	<u>\$ 40,818,976</u>

Discretely Presented Component Units

	12/31/20	Additions	Disposals	Transfers	12/31/21
Land (Not Depreciated)	\$ 463,247	\$ -	\$ -	\$ (463,247)	\$ -
Buildings and Improvements	2,744,049	56,881,330	-	463,247	60,088,626
Furniture and Equipment	35,127	1,216,718	-	-	1,251,845
Total Depreciable Assets	2,779,176	58,098,048	-	463,247	61,340,471
Less: Accumulated Depreciation	(2,008,023)	(1,239,701)	-	-	(3,247,724)
Net Property and Equipment	<u>\$ 1,234,400</u>	<u>\$ 56,858,347</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 58,092,747</u>

HOUSING AUTHORITY OF THE CITY OF TULSA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 8 LONG-TERM DEBT

Business-Type Activities

Inhofe Mortgage Note Payable

On April 10, 2007, the Authority entered into a mortgage with the Bank of Oklahoma in the amount of \$6,000,000 bearing interest at 6.5%. The note is due in monthly installments of \$38,300, including interest, with the final installment due April 2017. In April 2017, the Authority extended the mortgage with Bank of Oklahoma by 36 months with a beginning balance of \$5,085,361. The extended note is due in monthly installments of \$34,284, including interest at an interest rate of 5.18%. The final installment was due April 10, 2021. The note is collateralized by a mortgage on Inhofe Plaza Apartments, which was acquired by the Authority during the year ended June 30, 2007. This loan was paid in full during the year ended December 31, 2021.

Murdock Villa Notes Payable

On July 1, 2021, the Authority entered into a mortgage with M&T Realty Capital Corporation in the amount of \$5,800,000 bearing interest at 2.35%. The note is due in monthly installments of \$21,475, including interest, through August 1, 2041. Thereafter, consecutive monthly installments of principal and interest of \$17,842.28 shall be payable until the entire unpaid principal balance is fully paid. Any remaining principal and interest shall be due and payable on August 1, 2056. The outstanding balance as of December 31, 2021 was \$5,759,417.

Activity in debt is as follows for the year ended December 31, 2021:

Balance, Beginning of Year	\$ 4,498,417
Issuance of Long-Term Debt	5,800,000
Principal Repayments	<u>(4,539,000)</u>
Total	<u><u>\$ 5,759,417</u></u>

Discretely Presented Component Unit

Nogales Housing Partners, LP

HOPE VI Program Income Loan

Under the terms of a loan agreement with the Authority, the Authority agreed to loan the Partnership up to \$1,618,128 for construction financing. Advances under the loan bear interest at the greater of 4.83% or the long-term Applicable Federal Rate (AFR) at the time of each disbursement of funds under the loan agreement. Interest is compounded annually.

Annual payments equal to 50% of "Net Cash Flow," as that term is defined in the Partnership Agreement, are required, with remaining balances due December 31, 2035.

The source of these funds is program income from the Authority's HOPE VI grant program, and this loan is referred to as the Program Income Loan. Outstanding borrowings under the loan agreement are collateralized by a first mortgage on the Project. This loan was primarily a Construction Loan and has been repaid, except for the remaining balance at December 31, 2021 of \$85,449.

HOUSING AUTHORITY OF THE CITY OF TULSA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 8 LONG-TERM DEBT (CONTINUED)

Discretely Presented Component Unit (Continued)

Nogales Housing Partners, LP (Continued)

HOPE VI Loan

Under the terms of another loan agreement with the Authority, the Authority agreed to loan the Partnership up to \$434,552 for construction and permanent financing. Advances under the loan bear interest at the greater of 4.83% or the long-term AFR at the time of each disbursement of funds under the loan agreements. Interest is compounded annually. Annual payments equal to 50% of "Net Cash Flow," as that term is defined in the Partnership Agreement, are required, with remaining balances due December 31, 2035. The source of these funds is HOPE VI grant funds of the Authority, and this loan is referred to as the HOPE VI loan. Outstanding borrowings under the loan agreement are collateralized by a second Mortgage on the project.

Other Loans

Under the terms of the other loan agreements with the Authority, the Authority agreed to loan the Partnership \$450,000. Advances under the loans bear interest at the greater of 4.83% or the long-term AFR at the time of each disbursement of funds under the loan agreement. Interest is compounded annually. There are no payments due until maturity of the loans on December 31, 2035. The sources of these funds are federal grant funds of the Authority.

Outstanding borrowings under the loan agreements are collateralized by the third and fourth mortgages on the Project. These loans are described as the HOME loan and CDBG loan in the preceding schedule in note 5.

Under the terms of a loan agreement with the Bank of Oklahoma (BOK), BOK agreed to loan the Partnership \$117,000. Advances under this loan bear interest at the greater of 4.83% or the long-term AFR at the time of each disbursement of funds under the loan agreement. Interest is compounded annually. There are no payments due until maturity of the loans on December 31, 2035. Outstanding borrowings under the loan agreement are collateralized by a fifth mortgage on the Project.

HOUSING AUTHORITY OF THE CITY OF TULSA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 8 LONG-TERM DEBT (CONTINUED)

Tulsa Housing Endeavors I LP

HUD 221(d)(4) Loans

Under the terms of a loan agreement with Prudential Huntoon Paige Associates, LLC (Prudential), Prudential agreed to loan Tulsa Housing Endeavors I, LP (THE) for rehabilitation financing of Apache Manor and Sandy Park Apartments of up to \$10,330,800 and \$10,285,400, respectively. Advances under the loans bear interest at 2.99% at the time of each disbursement of funds under the loan agreement. The note shall be payable in monthly installments and will amortize on a 40-year schedule. Unpaid principal and accrued interests are due on maturity. The loans for Apache Manor and Sandy Park Apartments mature on February 1, 2062 and February 1, 2061, respectively. The source of these funds is from the sale of bonds in the aggregate amount of \$23,600,00 issued by Oklahoma housing Finance Agency. Outstanding borrowings under the loan agreement are collateralized by a first mortgage on THE. The outstanding balance as of December 31, 2021 was \$18,120,689.

Seller Loans

Under the terms of a loan agreement with the Authority, the Authority agreed to loan THE for the acquisition of land and existing structures to be rehabilitated. The Authority agreed to loan THE for Apache Manor and Sandy Park Apartments of \$5,590,000 and \$5,300,000, respectively. Advances under the loan bear interest at 3.40%, compounded annually, at the time of each disbursement of funds under the loan agreement. Payments of principal and accrued interest prior to maturity will consist of annual payments of available cash flow, as defined and in accordance with the Partnership Agreement. Unpaid principal and accrued interests on both loans are due on July 1, 2062. These loans are referred to as the Seller Loans. The outstanding balance as of December 31, 2021 was \$10,890,000.

Site Reserve Loans

Under the terms of a loan agreement with the Authority, the Authority agreed to loan THE for rehabilitation financing of Apache Manor and Sandy Park Apartments. The Authority agreed to loan THE for Apache Manor and Sandy Park Apartments of \$994,500 and \$473,064, respectively. Advances under the loan bear interest at 3.40%, compounded annually, at the time of each disbursement of funds under the loan agreement. Payments of principal and accrued interest prior to maturity will consist of annual payments of available cash flow, as defined and in accordance with the Partnership Agreement. Unpaid principal and accrued interests on both loans are due on July 1, 2062. These loans are referred to as the Site Reserve Loans. The outstanding balance as of December 31, 2021 was \$1,467,564.

Deferred Developer Fee

By agreements, Affordable Housing Property Solutions, Inc., an Oklahoma corporation owned by the Authority, (the Developer) has performed and will perform certain services for THE relating to the development of the Project. In consideration of these development services, the Partnership agreed to pay \$4,561,017 to the Developer. The Developer has earned the total developer fee, which is capitalized as part of property and equipment. As of December 31, 2021, \$3,963,891 remained payable.

HOUSING AUTHORITY OF THE CITY OF TULSA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 8 LONG-TERM DEBT (CONTINUED)

River West Phase I, LP

Construction Loan

The construction note, in the amount of \$11,200,000, bears interest at LIBOR plus 3.25%. Monthly payments of interest only are due beginning on the first day of the first full month after the first advance is made. The construction loan matures no later than October 9, 2022. The note is secured by a mortgage, deed to secure debt or deed of trust. The outstanding balance as of December 31, 2021 was \$10,958,077.

CNI Loan

Under the terms of a loan agreement with the Authority, the Authority agreed to loan River West Phase I, LP (RW1) up to \$3,174,000 for construction financing. Advances under the loan bear interest at 5.00% at the time of each disbursement of funds under the loan agreement. Unpaid principal and accrued interests are due on December 31, 2056. The source of these funds is program income from the Authority's Choice Neighborhood Initiative program, and this loan is referred to as the CNI Loan. Outstanding borrowings under the loan agreement are collateralized by a first mortgage on RW1. The outstanding balance as of December 31, 2021 was \$3,063,265.

Zarrow Loan

Under the terms of a loan agreement with the Authority, the Authority agreed to loan RW1 up to \$500,000 for construction financing. Advances under the loan bear interest at 5.00% at the time of each disbursement of funds under the loan agreement. Unpaid principal and accrued interests are due on December 31, 2056. The source of these funds is program income from the Authority's Anne and Henry Zarrow Foundation grant program, and this loan is referred to as the Zarrow Loan. Outstanding borrowings under the loan agreement are collateralized by a first mortgage on RW1. The outstanding balance as of December 31, 2021 was \$500,000.

Deferred Developer Fee

River West Phase I, LP (RW1) entered into a development agreement with Affordable Housing Property Solutions, Inc., an Oklahoma not for profit corporation, owned by the Authority, (the Developer) to perform certain services for RW1 relating to the development of RW1. In consideration of these development services, RW1 agreed to pay \$1,850,982 to the Developer. The Developer has earned the total developer fee, which is capitalized as part of property and equipment. As of December 31, 2021, \$703,904 remained payable.

HOUSING AUTHORITY OF THE CITY OF TULSA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 8 LONG-TERM DEBT (CONTINUED)

Future Maturities Schedule

Future debt service of long-term debt is as follows:

	Murdock		Nogales LP		Discretely Presented Component Units		River West I, GP LLC	
	Principal	Interest	Principal	Interest	Tulsa Housing Endeavors LP Principal	Interest	Principal	Interest
2022	\$ 123,675	\$ 134,262	\$ -	\$ -	\$ 568,775	\$ 543,429	\$ 123,433	\$ 332,026
2023	126,365	131,329	-	-	701,330	625,956	178,993	557,745
2024	129,367	128,328	-	-	722,576	604,710	188,292	583,500
2025	132,440	125,255	-	-	301,045	588,768	194,853	587,841
2026	135,586	122,109	-	-	304,411	579,797	200,979	593,162
2027-2031	727,799	560,673	-	-	1,666,192	2,754,849	1,103,964	3,059,506
2032-2036	818,448	470,024	1,087,001	1,097,206	1,934,512	2,486,529	1,292,895	3,255,901
2037-2041	920,388	368,084	-	-	2,246,041	2,175,000	4,969,416	2,842,443
2042-2046	1,035,024	253,447	-	-	2,607,738	1,813,303	1,035,024	3,152,894
2047-2051	1,163,939	124,533	-	-	3,027,682	1,393,360	1,163,939	3,825,043
2052-2056	446,386	10,248	-	-	3,515,252	905,789	4,093,347	4,733,036
2057-2061	-	-	-	-	4,081,340	339,701	-	-
2062-2066	-	-	-	-	12,765,250	36,945	680,111	-
Total	<u>\$ 5,759,417</u>	<u>\$ 2,428,292</u>	<u>\$ 1,087,001</u>	<u>\$ 1,097,206</u>	<u>\$ 34,442,144</u>	<u>\$ 14,848,136</u>	<u>\$ 15,225,246</u>	<u>\$ 23,523,096</u>

NOTE 9 OTHER NONCURRENT LIABILITIES

Other noncurrent liabilities and their activities consist of the following:

	Balance 12/31/2020	Increases	Decreases	Balance 12/31/2021	Current Portion of Balance
Compensated Absences	\$ 1,238,270	\$ 302,714	\$ (399,737)	\$ 1,141,247	\$ 170,389
FSS Escrow Liabilities	274,548	197,099	(25,554)	446,093	277,378
Total	<u>\$ 1,512,818</u>	<u>\$ 499,813</u>	<u>\$ (425,291)</u>	<u>\$ 1,587,340</u>	<u>\$ 447,767</u>

NOTE 10 RETIREMENT PLAN

GASB Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)* became effective in the year ended December 31, 2018 for the Authority. The Authority has no benefit plans as contemplated by GASB Statement No. 75.

The Authority sponsors a defined contribution plan covering all full-time employees who have six months of service and are age twelve or older through the Housing Authority of the City of Tulsa Deferred Income Retirement Plan. Participants may contribute to the plan in amounts not to exceed IRS limitations. The Authority automatically makes a contribution of 11% for each employee, unless the employee chose to be grandfathered into the old plan. In that case, the Authority makes matching contributions equal to the participant's contribution plus 2%, but only on participant contributions of at least 3% and up to 6%. Participants are fully vested in their contributions plus actual earnings thereon. Employer contributions are vested ratably over five years of credited service.

Participant and Authority contributions during the fiscal year ended December 31, 2021 totaled approximately \$694,358 and \$1,00,439, respectively.

HOUSING AUTHORITY OF THE CITY OF TULSA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 11 COMMITMENTS AND CONTINGENCIES

The Authority is a defendant in several claims and lawsuits; however, the Authority's management and legal counsel are of the opinion that the ultimate outcome of all such litigation will not have a material effect on the future operations or financial position of the Authority.

The activities of the Authority are currently funded in large part by the federal government and future operations of the Authority and its component unit are reliant on continuation of this funding from the federal government.

Amounts received or receivable from HUD and other government agencies are subject to audit and adjustment. Any disallowed expenses may constitute a liability of the Authority. The amount of expenses that may be disallowed, if any, cannot be determined at this time although the Authority expects such amounts to be immaterial.

HOUSING AUTHORITY OF THE CITY OF TULSA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 12 BLENDED COMPONENT UNIT FINANCIAL INFORMATION (CONTINUED)

The following combining financial information for the Authority and its blended component units is presented.

Combining Schedule of Net Position

	Authority	Nogales Reality	Affordable Housing Property Solutions	Parkview Terrace	Pioneer Plaza	East Central Village	LaFortune Tower	Housing Partners Tulsa	Tulsa Housing Management	Total
ASSETS										
CURRENT ASSETS										
Cash and Cash Equivalents	\$ 14,121,190	\$ 578,617	\$ 2,534,501	\$ 3,557,135	\$ 993,639	\$ 1,773,046	\$ 3,409,418	\$ 1,155,051	\$ -	\$ 28,122,597
Investments	-	-	-	-	-	-	-	-	-	-
Accounts Receivable, Net	377,482	-	2	135,637	44,167	44,956	23,928	-	-	626,172
Prepaid Expenses	103,835	-	-	14,132	13,589	7,578	10,617	-	-	149,751
Interprogram Due From	(2,503,379)	-	2,503,379	-	-	-	-	-	-	-
Total Current Assets	12,099,128	578,617	5,037,882	3,706,904	1,051,395	1,825,580	3,443,963	1,155,051	-	28,898,520
NONCURRENT ASSETS										
Notes Receivable	22,798,692	-	10,621,207	-	-	-	-	-	-	33,419,899
Capital Assets, Net	31,534,737	-	2,888,457	1,767,814	2,280,494	958,481	1,388,993	-	-	40,818,976
Total Noncurrent Assets	54,333,429	-	13,509,664	1,767,814	2,280,494	958,481	1,388,993	-	-	74,238,875
Total Assets	\$ 66,432,557	\$ 578,617	\$ 18,547,546	\$ 5,474,718	\$ 3,331,889	\$ 2,784,061	\$ 4,832,956	\$ 1,155,051	\$ -	\$ 103,137,395
LIABILITIES AND NET POSITION										
CURRENT LIABILITIES										
Accounts Payable	\$ 546,496	\$ -	\$ 98	\$ 28,121	\$ 30,180	\$ 96,597	\$ 38,676	\$ 2,686	\$ -	\$ 742,854
Accrued Liabilities	933,659	-	-	59,170	36,583	35,784	52,359	7,227	-	1,124,782
Accrued Salaries/Payroll Withholding	292,694	-	579	11,056	33,833	7,148	15,113	-	-	360,423
Accrued Compensated Absences, Current Portion	165,114	-	-	264	1,188	1,245	2,578	-	-	170,389
Unearned Revenues	162,940	-	-	21,133	18,493	14,872	9,716	-	-	227,154
Long-Term Debt, Current Portion	123,675	-	-	-	-	-	-	-	-	123,675
Tenant Security Deposits	134,587	-	-	17,946	27,826	10,757	29,623	-	-	220,739
Interprogram Due To	(1,933)	-	-	-	-	-	-	-	1,933	-
Other Current Liabilities	241,417	-	-	7,475	9,918	3,674	14,894	-	-	277,378
Total Current Liabilities	2,598,649	-	677	145,165	158,021	170,077	162,959	9,913	1,933	3,247,394
OTHER NONCURRENT LIABILITIES										
	6,745,258	-	-	1,503	6,771	7,091	14,692	-	-	6,775,315
Total Liabilities	9,343,907	-	677	146,668	164,792	177,168	177,651	9,913	1,933	10,022,709
NET POSITION										
Net Investment in Capital Assets	25,775,320	-	2,888,456	1,767,814	2,280,494	958,482	1,388,993	-	-	35,059,559
Restricted	2,591,327	-	-	1,116,301	281,117	362,160	1,046,103	-	-	5,397,008
Unrestricted	28,722,003	578,617	15,658,413	2,443,935	605,486	1,286,251	2,220,209	1,145,138	(1,933)	52,658,119
Total Net Position	57,088,650	578,617	18,546,869	5,328,050	3,167,097	2,606,893	4,655,305	1,145,138	(1,933)	93,114,686
Total Liabilities and Net Position	\$ 66,432,557	\$ 578,617	\$ 18,547,546	\$ 5,474,718	\$ 3,331,889	\$ 2,784,061	\$ 4,832,956	\$ 1,155,051	\$ -	\$ 103,137,395

HOUSING AUTHORITY OF THE CITY OF TULSA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 12 BLENDED COMPONENT UNIT FINANCIAL INFORMATION (CONTINUED)

Combining Schedule of Revenues, Expenses, and Changes in Net Position

	Authority	Nogales Reality	Affordable Housing Property Solutions	Parkview Terrace	Pioneer Plaza	East Central Village	LaFortune Tower	Housing Partners Tulsa	Tulsa Housing Management	Total
OPERATING REVENUES										
Direct HUD Contributions and Grants:										
Public Housing Operating Subsidies	\$ 8,444,676	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,444,676
Section 8 Grants and Subsidies:										
Vouchers	39,478,081	-	-	-	-	-	-	-	-	39,478,081
Multifamily Rental Assistance	3,162,494	-	-	-	-	-	-	-	-	3,162,494
Moderate Rehabilitation	378,527	-	-	-	-	-	-	-	-	378,527
Other	8,597,792	-	-	-	-	-	-	-	-	8,597,792
Other Governmental Grants and Subsidies	7,210	-	-	-	-	-	-	283,641	-	290,851
Dwelling Rent	(2,764,727)	-	-	1,900,530	1,498,336	1,072,370	1,464,950	-	-	3,171,459
Other	13,319,787	-	9,010,574	9,249	810,885	5,987	90,074	15,666	-	23,262,222
Total Operating Revenues	70,623,840	-	9,010,574	1,909,779	2,309,221	1,078,357	1,555,024	299,307	-	86,786,102
OPERATING EXPENSES										
Housing Assistance Payments	31,655,166	-	-	-	-	-	-	-	-	31,655,166
Ordinary Maintenance and Operations	5,662,942	-	-	448,793	465,254	417,255	477,144	(1)	-	7,471,387
Administration	14,166,145	560	15,335	54,539	129,255	52,959	82,051	151,903	802	14,653,549
Utilities	2,048,092	-	-	401,411	278,843	176,343	288,795	-	-	3,193,484
Protective Services	781,769	-	-	57,738	184,697	50,235	198,140	-	-	1,272,579
Tenant Services	1,375,844	-	1,144	26,046	3,611	27,142	25,007	215,159	-	1,673,953
General Expenses	4,220,905	-	-	137,024	1,074,462	65,786	175,082	(1,878)	-	5,671,381
Depreciation	2,822,958	-	-	261,657	389,213	233,272	319,066	-	-	4,026,166
Total Operating Expenses	62,733,821	560	16,479	1,387,208	2,525,335	1,022,992	1,565,285	365,183	802	69,617,665
OPERATING INCOME (LOSS)	7,890,019	(560)	8,994,095	522,571	(216,114)	55,365	(10,261)	(65,876)	(802)	17,168,437
NONOPERATING REVENUES (EXPENSES)	(745,365)	6	1,707,869	167	3	190	14	307	-	963,191
CHANGE IN NET POSITION BEFORE										
CAPITAL GRANTS	7,144,654	(554)	10,701,964	522,738	(216,111)	55,555	(10,247)	(65,569)	(802)	18,131,628
Capital Grants and Contributions	1,096,287	-	-	-	-	-	-	-	-	1,096,287
CHANGE IN NET POSITION	8,240,941	(554)	10,701,964	522,738	(216,111)	55,555	(10,247)	(65,569)	(802)	19,227,915
Net Position - Beginning of Year, As Restated	48,847,709	579,171	7,844,905	4,805,312	3,383,208	2,551,338	4,665,552	1,210,707	(1,131)	73,886,771
NET POSITION - END OF YEAR	<u>\$ 57,088,650</u>	<u>\$ 578,617</u>	<u>\$ 18,546,869</u>	<u>\$ 5,328,050</u>	<u>\$ 3,167,097</u>	<u>\$ 2,606,893</u>	<u>\$ 4,655,305</u>	<u>\$ 1,145,138</u>	<u>\$ (1,933)</u>	<u>\$ 93,114,686</u>

HOUSING AUTHORITY OF THE CITY OF TULSA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 12 BLENDED COMPONENT UNIT FINANCIAL INFORMATION (CONTINUED)

Combining Schedule of Cash Flows

	Authority	Nogales Reality	Affordable Housing Property Solutions	Parkview Terrace	Pioneer Plaza	East Central Village	LaFortune Tower	Housing Partners Tulsa	Tulsa Housing Management	Total
Net Cash Provided (Used) by Operating Activities	\$ 18,027,420	\$ (560)	\$ 6,488,610	\$ (1,212,891)	\$ (2,594,937)	\$ 55,809	\$ (25,223)	\$ (18,395)	\$ -	\$ 20,719,833
Net Cash Provided (Used) by Investing Activities	11,882,326	27,101	(10,619,712)	780,455	120,266	243,849	830,528	14,657	-	3,279,470
Net Cash Provided (Used) by Capital and Related Financing Activities	(27,349,501)	-	5,744,331	3,916,866	3,237,214	1,278,475	2,462,638	801,911	-	(9,908,066)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2,560,245	26,541	1,613,229	3,484,430	762,543	1,578,133	3,267,943	798,173	-	14,091,237
Cash and Cash Equivalents - Beginning of Year	11,560,945	552,076	921,272	72,705	231,096	194,913	141,475	356,878	-	14,031,360
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 14,121,190	\$ 578,617	\$ 2,534,501	\$ 3,557,135	\$ 993,639	\$ 1,773,046	\$ 3,409,418	\$ 1,155,051	\$ -	\$ 28,122,597

HOUSING AUTHORITY OF THE CITY OF TULSA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 13 DISCRETELY PRESENTED COMPONENT UNITS CONDENSED FINANCIAL INFORMATION

The Authority is the General Partner and holds a 0.01% to 1% interest in each of the following limited partnerships (see Note 1 and Note 8). Summarized partnership information as of and for the year ended December 31, 2021, is as follows:

ASSETS	Nogales Housing Partners, LP	Tulsa Housing Endeavors I LP	River West Phase I, LP	Total
CURRENT ASSETS				
Cash and Cash Equivalents	\$ 557,097	\$ 3,377,456	\$ 325,548	\$ 4,260,101
Accounts Receivable, Net	13,183	909,614	62,820	985,617
Prepaid Expenses	21,351	214,088	41,674	277,113
Total Current Assets	<u>591,631</u>	<u>4,501,158</u>	<u>430,042</u>	<u>5,522,831</u>
NONCURRENT ASSETS				
Capital Assets, Net	1,131,644	40,191,196	16,769,907	58,092,747
Other Assets	-	1,927,983	145,169	2,073,152
Total Noncurrent Assets	<u>1,131,644</u>	<u>42,119,179</u>	<u>16,915,076</u>	<u>60,165,899</u>
Total Assets	<u><u>\$ 1,723,275</u></u>	<u><u>\$ 46,620,337</u></u>	<u><u>\$ 17,345,118</u></u>	<u><u>\$ 65,688,730</u></u>
LIABILITIES AND NET POSITION				
CURRENT LIABILITIES				
Accounts Payable	\$ 7,420	\$ 2,062,039	\$ 1,487,785	\$ 3,557,244
Accrued Liabilities	11,744	55,823	-	67,567
Accrued Salaries/Payroll Withholding	-	36,034	-	36,034
Accrued Compensated Absences, Current Portion	-	6,255	-	6,255
Unearned Revenues	1,637	11,214	19,085	31,936
Total Current Liabilities	<u>20,801</u>	<u>2,171,365</u>	<u>1,506,870</u>	<u>3,699,036</u>
NONCURRENT LIABILITIES				
Long-Term Debt, Less Current Portion	2,289,704	35,047,553	15,225,246	52,562,503
Noncurrent Liabilities - Other	-	3,979	-	3,979
Total Noncurrent Liabilities	<u>2,289,704</u>	<u>35,051,532</u>	<u>15,225,246</u>	<u>52,566,482</u>
Total Liabilities	<u>2,310,505</u>	<u>37,222,897</u>	<u>16,732,116</u>	<u>56,265,518</u>
NET POSITION				
Net Investment in Capital Assets	44,643	5,749,052	1,544,661	7,338,356
Restricted	161,273	1,083,856	129,965	1,375,094
Unrestricted	(793,146)	2,564,532	(1,061,624)	709,762
Total Net Position	<u>(587,230)</u>	<u>9,397,440</u>	<u>613,002</u>	<u>9,423,212</u>
Total Liabilities and Net Position	<u><u>\$ 1,723,275</u></u>	<u><u>\$ 46,620,337</u></u>	<u><u>\$ 17,345,118</u></u>	<u><u>\$ 65,688,730</u></u>

HOUSING AUTHORITY OF THE CITY OF TULSA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 13 DISCRETELY PRESENTED COMPONENT UNITS CONDENSED FINANCIAL INFORMATION (CONTINUED)

	Nogales Housing Partners, LP	Tulsa Housing Endeavors I LP	River West Phase I, LP	Total
OPERATING REVENUES				
Direct HUD Contributions and Grants:				
Public Housing Operating Subsidies	\$ 69,443	\$ -	\$ -	\$ 69,443
Section 8 Grants and Subsidies:				
Other	-	-	-	-
Other Governmental Grants and Subsidies	-	28,923	-	28,923
Dwelling Rent	238,417	2,956,770	404,968	3,600,155
Total Operating Revenues	307,860	2,985,693	404,968	3,698,521
OPERATING EXPENSES				
Ordinary Maintenance and Operations	62,691	345,284	24,632	432,607
Administration	27,667	646,594	147,908	822,169
Utilities	33,178	339,174	11,276	383,628
Protective Services	-	134,195	-	134,195
Tenant Services	16,205	-	-	16,205
General Expenses	54,012	567,012	106,724	727,748
Depreciation	102,756	776,705	360,240	1,239,701
Casualty Losses - Noncapitalized	-	-	-	-
Total Operating Expenses	296,509	2,808,964	650,780	3,756,253
OPERATING INCOME (LOSS)	11,351	176,729	(245,812)	(57,732)
NONOPERATING REVENUES (EXPENSES)	(185,542)	(929,415)	(513,549)	(1,628,506)
CHANGE IN NET POSITION BEFORE CAPITAL GRANTS	(174,191)	(752,686)	(759,361)	(1,686,238)
Capital Grants and Contributions	-	10,150,126	1,372,363	11,522,489
CHANGE IN NET POSITION	(174,191)	9,397,440	613,002	9,836,251
Net Position - Beginning of Year	(413,039)	-	-	(413,039)
NET POSITION - END OF YEAR	<u>\$ (587,230)</u>	<u>\$ 9,397,440</u>	<u>\$ 613,002</u>	<u>\$ 9,423,212</u>

NOTE 14 SUBSEQUENT EVENTS

There have been a significant number of subsequent events that have taken place since December 31, 2021, at the Authority.

In 2022, the Authority was awarded a substantial \$50,000,000 FY 2021 Choice Neighborhoods Implementation Grant with would provide significant community development initiatives. The Meadows Apartments were sold, and the remaining 152 homes of the Scattered Sites were also sold. Also, substantial rehab began for Osage Apartments.

HOUSING AUTHORITY OF THE CITY OF TULSA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 14 SUBSEQUENT EVENTS CONTINUED

In 2023, Towne Square Apartments were sold. Mohawk Manor Apartments and Seminole Hills Apartments both closed on RAD conversions from Public Housing to Section 8 Project Based Vouchers. Comanche Park Apartments completed demolition as part of the Authority's FY 2021 Choice Neighborhoods Implementation Grant, paving the way for future development. Additionally, Sunset Apartments were acquired and demolished, the organization was awarded an additional \$5,000,000 in Choice Neighborhoods funding for the FY 2017 Choice Neighborhoods Implementation Grant, supporting ongoing community revitalization efforts. Also, Pioneer Plaza began substantial rehab and was converted to a LIHTC entity.

In 2024, the Authority completed the renovation of Osage Apartments.

In 2025, the Authority completed development of phase I of 36 North, Phoenix apartments and began the development process for Hilltop Apartments. Also, the renovation of Seminole Hills, Mohawk Park and Pioneer was completed. Additionally, the Authority assumed management of Osage Apartments from The Michaels Organization on June 3, 2025.

SUPPLEMENTARY INFORMATION

HOUSING AUTHORITY OF THE CITY OF TULSA

ENTITY-WIDE BALANCE SHEET SUMMARY

DECEMBER 31, 2021

Line Item #	Accounts Description	Business Activities	Central Office Cost Center	Community Dev Block Grant 14.218	Low Rent Public Hsg 14.850	PH Cares	Moderate Rehab 14.856	Section 8 Rental Assistance 14.195	HOME 14.239	HCAP 14.169	ROSS 14.870	Emergency Housing Voucher 14.EHV	PHI Family Self-Sufficiency Program 14.896	Housing Choice Vouchers 14.871	Choice Neighborhood Implementation 14.889	Blended Component Unit	Elimination	Total	Discretely Presented Component Unit
ASSETS																			
CURRENT ASSETS																			
Cash:																			
111	Unrestricted	\$ 863,927	\$ -	\$ -	\$ 7,370,639	\$ -	\$ 1,198,383	\$ 1,853,369	\$ -	\$ -	\$ -	\$ 32,616	\$ -	\$ (378,412)	\$ -	\$ 11,109,574	\$ -	\$ 22,050,096	\$ 2,822,740
113	Other Restricted	-	-	-	-	-	-	1,382,419	-	-	-	219,368	-	1,444,294	-	2,805,681	-	5,851,762	1,375,094
114	Tenant Security Deposits	-	-	-	68,067	-	-	66,520	-	-	-	-	-	-	-	86,152	-	220,739	62,267
115	Cash - Restricted for Payment of Current Liability	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total Cash	863,927	-	-	7,438,706	-	1,198,383	3,302,308	-	-	-	251,984	-	1,065,882	-	14,001,407	-	28,122,597	4,260,101
Accounts and Notes Receivable:																			
122	Accounts Receivable - HUD	-	-	-	-	-	115	-	-	-	-	-	-	-	-	-	-	115	-
124	Accounts Receivable - Other Government	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	11,886
125	Accounts Receivable - Miscellaneous	-	-	-	3,436	-	-	-	-	-	-	-	-	-	-	-	-	3,436	-
126	Accounts Receivable - Tenants Rents	-	-	-	259,868	-	-	155,952	-	-	-	-	-	-	-	267,830	-	683,650	1,012,626
126.1	Allowance for Doubtful Accounts - Tenants	-	-	-	(28,225)	-	-	(16,125)	-	-	-	-	-	-	-	(19,140)	-	(63,490)	(39,454)
128	Accounts Receivable - Fraud Recovery	-	-	-	1,430	-	-	4,496	-	-	-	-	-	-	370,975	-	-	376,901	-
128.1	Allowance for Doubtful Accounts - Fraud	-	-	-	(836)	-	-	(2,629)	-	-	-	-	-	-	(370,975)	-	-	(374,440)	-
129	Accrued Interest Receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	559
	Total Receivables, Net	-	-	-	235,673	-	115	141,694	-	-	-	-	-	-	-	248,690	-	626,172	985,617
131	Investments - Unrestricted	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
132	Investments - Restricted	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
142	Prepaid Expenses and Other Assets	-	19,943	-	68,989	-	-	14,903	-	-	-	-	-	-	-	45,916	-	149,751	277,113
143	Inventories	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
143.1	Allowance for Obsolete Inventories	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
144	Interprogram Due from	4,623,292	-	-	-	-	-	-	-	-	-	-	-	-	-	2,503,379	(7,126,671)	-	-
145	Assets Held for Sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total Other Current Assets	4,623,292	19,943	-	68,989	-	-	14,903	-	-	-	-	-	-	-	2,549,295	(7,126,671)	149,751	277,113
	Total Current Assets	5,487,219	19,943	-	7,743,368	-	1,198,498	3,458,905	-	-	-	251,984	-	1,065,882	-	16,799,392	(7,126,671)	28,898,520	5,522,831
NONCURRENT ASSETS																			
Capital Assets:																			
161	Land	13,580	3,371,335	-	4,263,716	-	-	27,150	-	-	-	-	-	-	-	3,649,894	-	11,325,675	-
162	Buildings	468,590	7,939,911	-	62,489,098	-	-	18,780,614	-	-	-	-	-	102,002	-	39,831,686	-	129,611,901	60,088,626
163	Furniture and Equipment, Dwellings	-	-	-	419,546	-	-	485,020	-	-	-	-	-	-	-	961,138	-	1,865,704	-
164	Furniture and Equipment, Administration	-	1,952,628	-	611,772	-	210	10,000	-	-	328,567	-	-	134,684	-	328,567	-	3,037,861	1,251,845
166	Accumulated Depreciation	(432,223)	(8,075,256)	-	(50,801,682)	-	(210)	(10,006,840)	-	-	-	-	-	(218,908)	-	(35,487,046)	-	(105,022,165)	(3,247,724)
167	Construction in Progress	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total Capital Assets, Net	49,947	5,188,618	-	16,982,450	-	-	9,295,944	-	-	-	-	-	17,778	-	9,284,239	-	40,818,976	58,092,747
171	Notes Receivable - Noncurrent	-	10,441,128	-	12,357,564	-	-	-	-	-	-	-	-	-	-	10,621,207	-	33,419,899	-
174	Other Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,073,152
178	Investment in Joint Ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total Noncurrent Assets	49,947	15,629,746	-	29,340,014	-	-	9,295,944	-	-	-	-	-	17,778	-	19,905,446	-	74,238,875	60,165,899
	Total Assets	\$ 5,537,166	\$ 15,649,689	\$ -	\$ 37,083,382	\$ -	\$ 1,198,498	\$ 12,754,849	\$ -	\$ -	\$ -	\$ 251,984	\$ -	\$ 1,083,660	\$ -	\$ 36,704,838	\$ (7,126,671)	\$ 103,137,395	\$ 65,688,730

HOUSING AUTHORITY OF THE CITY OF TULSA
ENTITY-WIDE BALANCE SHEET SUMMARY (CONTINUED)
DECEMBER 31, 2021

Line Item #	Accounts Description	Business Activities	Central Office Cost Center	Community Dev Block Grant 14.218	Low Rent Public Hsng 14.850	PH Cares	Moderate Rehab 14.856	Section 8 Rental Assistance 14.195	HOME 14.239	HCAP 14.169	ROSS 14.870	Emergency Housing Voucher 14.EHV	PHI Family Self-Sufficiency Program 14.896	Housing Choice Vouchers 14.871	Choice Neighborhood Implementation 14.889	Blended Component Unit	Elimination	Total	Discretely Presented Component Unit
LIABILITIES AND NET POSITION																			
CURRENT LIABILITIES																			
312	Accounts Payable < 90 Days	\$ -	\$ -	\$ -	\$ 309,939	\$ -	\$ 17	\$ 111,068	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 125,472	\$ -	\$ 196,358	\$ -	\$ 742,854	\$ 195,337
313	Accounts Payable > 90 Days Past Due	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
321	Accrued Salaries/Payroll Withholding	-	125,357	-	52,921	-	-	23,749	-	-	-	-	-	90,667	-	67,729	-	360,423	36,034
322	Accrued Compensated Absences	-	111,287	-	14,331	-	-	4,401	-	-	-	-	-	35,095	-	5,275	-	170,389	6,255
325	Accrued Interest Payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
331	Accounts Payable - HUD PHA Programs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
333	Accounts Payable - Other Government	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
341	Tenant Security Deposits	-	-	-	68,067	-	-	66,520	-	-	-	-	-	-	-	86,152	-	220,739	62,267
342	Unearned Revenue	-	-	-	46,068	-	-	24,122	-	-	-	92,750	-	-	-	64,214	-	227,154	31,936
343	Current Portion of Long-Term Debt - Capital Projects	-	-	-	-	-	-	123,675	-	-	-	-	-	-	-	-	-	123,675	-
345	Other Current Liabilities	-	(1)	-	36,895	-	-	11,234	-	-	-	-	-	193,289	-	35,961	-	277,378	3,299,640
346	Accrued Liabilities - Other	2,577	581,465	-	238,009	-	-	103,692	-	-	-	-	-	7,916	-	191,123	-	1,124,782	67,567
347	Interprogram (Due to)	-	6,340,517	-	-	-	-	-	-	-	-	-	-	784,221	-	1,933	(7,126,671)	-	-
	Total Current Liabilities	2,577	7,158,625	-	766,230	-	17	468,461	-	-	-	92,750	-	1,236,660	-	648,745	(7,126,671)	3,247,394	3,699,036
NONCURRENT LIABILITIES																			
351	Long-Term Debt, Net of Current - Capital Projects	-	-	-	-	-	-	5,635,742	-	-	-	-	-	-	-	-	-	5,635,742	50,754,391
353	Noncurrent Liabilities - Other	-	-	-	-	-	-	-	-	-	-	-	-	168,715	-	-	-	168,715	1,808,112
354	Accrued Compensated Absences - Long Term	-	634,103	-	81,656	-	-	25,076	-	-	-	-	-	199,966	-	30,057	-	970,858	3,979
	Total Noncurrent Liabilities	-	634,103	-	81,656	-	-	5,660,818	-	-	-	-	-	368,681	-	30,057	-	6,775,315	52,566,482
	Total Liabilities	2,577	7,792,728	-	847,886	-	17	6,129,279	-	-	-	92,750	-	1,605,341	-	678,802	(7,126,671)	10,022,709	56,265,518
NET POSITION																			
508.4	Net Investment in Capital Assets	49,947	5,188,618	-	16,982,450	-	-	3,536,527	-	-	-	-	-	17,778	-	9,284,239	-	35,059,559	7,338,356
511.4	Restricted	-	-	-	-	-	-	1,382,419	-	-	-	126,618	-	1,082,290	-	2,805,681	-	5,397,008	1,375,094
512.4	Unrestricted	5,484,642	2,668,343	-	19,253,046	-	1,198,481	1,706,624	-	-	-	32,616	-	(1,621,749)	-	23,936,116	-	52,658,119	709,762
	Total Net Position	5,534,589	7,856,961	-	36,235,496	-	1,198,481	6,625,570	-	-	-	159,234	-	(521,681)	-	36,026,036	-	93,114,686	9,423,212
	Total Liabilities and Net Position	\$ 5,537,166	\$ 15,649,689	\$ -	\$ 37,083,382	\$ -	\$ 1,198,498	\$ 12,754,849	\$ -	\$ -	\$ -	\$ 251,984	\$ -	\$ 1,083,660	\$ -	\$ 36,704,838	\$ (7,126,671)	\$ 103,137,395	\$ 65,688,730

HOUSING AUTHORITY OF THE CITY OF TULSA

ENTITY-WIDE REVENUE AND EXPENSE SUMMARY

YEAR ENDED DECEMBER 31, 2021

Line Item #	Accounts Description	Business Activities	Central Office Cost Center	Community Dev Block Grant 14.218	Low Rent Public Hsg 14.850	PH Cares	Moderate Rehab 14.856	Section 8 Rental Assistance 14.195	HOME 14.239	HCAP 14.169	ROSS 14.870	Emergency Housing Voucher 14.EHV	PHI Family Self-Sufficiency Program 14.896	Housing Choice Vouchers 14.871	Choice Neighborhood Implementation 14.889	Blended Component Unit	Elimination	Total	Discretely Presented Component Unit
REVENUE																			
70300	Net Tenant Rental Revenue	\$ -	\$ -	\$ -	\$ 616,907	\$ -	\$ -	\$ 997,045	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,875,206	\$ (4,528,888)	\$ 2,960,270	\$ 3,566,545
70400	Tenant Revenue - Other	-	-	-	74,269	-	-	75,940	-	-	-	-	-	-	-	60,980	-	211,189	8,621
70500	Total Tenant Revenue	-	-	-	691,176	-	-	1,072,985	-	-	-	-	-	-	-	5,936,186	(4,528,888)	3,171,459	3,575,166
70600	HUD PHA Operating Grants	-	-	78,912	8,302,350	142,326	378,527	3,162,494	3,744	17,603	102,754	177,582	93,162	39,300,499	8,301,617	-	-	60,061,570	69,443
70610	Capital Grants	-	-	-	1,096,287	-	-	-	-	-	-	-	-	-	-	-	-	1,096,287	11,522,489
70710	Management Fee	-	1,758,330	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
70720	Asset Management Fee	-	117,960	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,758,330)	-
70730	Bookkeeping Fee	-	473,078	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(117,960)	-
70740	Front Line Service Fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(473,078)	-
70750	Other Fees	-	487,035	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(310,087)	-
70800	Other Government Grants	-	7,210	-	-	-	-	-	-	-	-	-	-	-	-	-	-	176,948	-
71100	Investment Income - Unrestricted	89	18,539	-	-	-	17	5,763	-	-	-	-	-	72,392	-	283,641	-	290,851	28,923
71400	Fraud Recovery	-	-	-	-	-	-	-	-	-	-	-	-	25,983	-	-	-	100,039	1,328
71500	Other Revenue	4,215,112	8,623,835	-	138,981	-	-	31,025	-	-	-	-	-	107,903	-	-	-	25,983	-
71600	Gain or Loss on Sale of Capital Assets	-	-	-	2,624,465	-	-	-	-	-	-	-	-	-	-	-	-	9,942,435	24,989
72000	Investment Income - Restricted	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	23,059,291	-
	Total Revenue	4,215,201	11,485,987	78,912	13,053,259	142,326	378,544	4,272,267	3,744	17,603	102,754	177,582	93,162	39,506,777	8,301,617	16,165,501	(7,188,343)	90,806,893	15,222,338
EXPENSES																			
Administrative:																			
91100	Administrative Salaries	-	4,450,526	78,912	460,260	142,326	-	267,332	3,744	17,603	-	-	-	1,882,442	394,276	409,669	-	8,107,090	53,600
91200	Auditing Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
91300	Management Fee	-	-	-	830,220	-	4,968	273,061	-	-	-	2,906	-	629,616	-	17,560	-	1	-
91310	Bookkeeping Fee	-	-	-	76,253	-	3,105	-	-	-	-	210	-	393,510	-	-	-	(1,758,330)	-
91400	Advertising and Marketing	-	87,673	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(473,078)	-
91500	Employee Benefit Contributions - Administrative	-	1,986,018	-	(39,764)	-	(14)	22,316	-	-	-	-	-	541	-	2,174	-	90,388	91,795
91600	Office Expenses	6,542	1,267,642	-	360,273	-	662	344,204	-	-	825	-	-	751,398	128,472	(105,886)	-	2,742,540	9,958
91700	Legal Expense	5,388	111,243	-	62,499	-	-	34,797	-	-	-	-	-	119,745	794,334	100,625	-	2,994,852	-
91800	Travel	-	2,056	-	1,521	-	-	1,326	-	-	-	-	-	5,840	-	36,599	-	256,366	10,564
91900	Other	-	344,014	-	22,329	-	-	13,623	-	-	-	-	-	5,020	-	5,020	-	9,923	800
	Total Administrative	11,930	8,249,172	78,912	1,773,591	142,326	8,721	956,659	3,744	17,603	825	3,116	-	50,780	-	21,643	-	452,389	628,241
92000	Asset Management Fee	-	-	-	117,960	-	-	-	-	-	-	-	-	3,833,872	1,317,082	487,404	(2,231,408)	14,653,549	794,958
	Total Asset Management Fee	-	-	-	117,960	-	-	-	-	-	-	-	-	-	-	-	-	(117,960)	27,211
Tenant Services:																			
92100	Salaries	-	37,103	-	96,567	-	-	20,098	-	-	78,438	-	74,040	9,552	-	66,106	-	381,904	-
92200	Relocation Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	957,543	-
92300	Employee Benefit Contributions	-	4,006	-	16,133	-	-	3,751	-	-	23,491	-	19,122	-	-	11,588	-	78,091	-
92400	Other	30,000	6,000	-	-	-	-	-	-	-	-	-	-	-	-	220,415	-	256,415	16,205
	Total Tenant Services	30,000	47,109	-	112,700	-	-	23,849	-	-	101,929	-	93,162	9,552	957,543	298,109	-	1,673,953	16,205
Utilities:																			
93100	Water	1	2,246	-	214,163	-	-	118,096	-	-	-	-	-	-	-	192,827	-	527,333	46,881
93200	Electricity	-	30,502	-	285,232	-	-	300,021	-	-	-	-	-	-	-	327,749	-	943,504	107,900
93300	Gas	-	6,452	-	156,502	-	-	74,105	-	-	-	-	-	-	-	124,718	-	361,777	94,320
93400	Fuel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
93600	Sewer	-	2,852	-	507,787	-	-	293,601	-	-	-	-	-	-	-	411,967	-	1,216,207	103,971
93800	Other Utilities Expense	633	8,779	-	26,516	-	289	8,343	-	-	-	-	-	11,972	-	88,131	-	144,663	30,556
	Total Utilities	634	50,831	-	1,190,200	-	289	794,166	-	-	-	-	-	11,972	-	1,145,392	-	3,193,484	383,628
Ordinary Maintenance and Operations:																			
94100	Labor	-	337,121	-	1,084,806	-	-	410,344	-	-	-	-	-	5,160	-	696,533	(189,344)	2,344,620	199,972
94200	Materials and Other	-	107,592	-	676,352	-	-	210,575	-	-	-	-	-	2,480	-	223,216	-	1,220,215	1,082
94300	Contracts	-	273,401	-	1,654,792	-	-	805,072	-	-	-	-	-	1,503	-	715,704	(120,743)	3,329,729	14,081
94500	Employee Benefits Contribution	-	84,649	-	213,133	-	-	92,831	-	-	-	-	-	13,218	-	172,992	-	576,823	217,472
	Total Ordinary Maintenance and Operations	-	802,763	-	3,629,083	-	-	1,518,822	-	-	-	-	-	22,361	-	1,808,445	(310,087)	7,471,387	432,607

HOUSING AUTHORITY OF THE CITY OF TULSA

ENTITY-WIDE REVENUE AND EXPENSE SUMMARY (CONTINUED)

YEAR ENDED DECEMBER 31, 2021

Line Item #	Accounts Description	Business Activities	Central Office Cost Center	Community Dev Block Grant 14.218	Low Rent Public Hsg 14.850	PH Cares	Moderate Rehab 14.856	Section 8 Rental Assistance 14.195	HOME 14.239	HCAP 14.169	ROSS 14.870	Emergency Housing Voucher 14.EHV	PHI Family Self-Sufficiency Program 14.896	Housing Choice Vouchers 14.871	Choice Neighborhood Implementation 14.889	Blended Component Unit	Elimination	Total	Discretely Presented Component Unit
EXPENSES (CONTINUED)																			
Protective Services:																			
95100	Labor	\$ -	\$ -	\$ -	\$ 34,786	\$ -	\$ -	\$ 19,251	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,087	\$ -	\$ 81,124	\$ -
95200	Other Contract Costs	-	33,588	-	355,995	-	-	317,415	-	-	-	-	-	233	-	451,094	-	1,158,325	97,411
95300	Other	-	-	-	1,896	-	-	-	-	-	-	-	-	-	-	3,182	-	5,078	36,784
95500	Employee Benefit Contributions - Protective Services	-	-	-	12,132	-	-	6,473	-	-	-	-	-	-	-	9,447	-	28,052	-
95000	Total Protective Services	-	33,588	-	404,809	-	-	343,139	-	-	-	-	-	233	-	490,810	-	1,272,579	134,195
Insurance Premiums:																			
96110	Property Insurance	-	13,678	-	303,590	-	19	73,245	-	-	-	-	-	-	-	183,625	-	574,157	63,194
96120	Liability Insurance	-	48,612	-	73,808	-	2,953	33,306	-	-	-	-	-	2,866	-	37,060	-	198,605	23,370
96130	Workmen's Compensation	-	196,464	-	72,370	-	-	29,091	-	-	-	-	-	54,465	-	49,516	-	401,906	23,904
96140	All Other Insurance	-	50,741	-	9,732	-	-	6,529	-	-	-	-	-	163	-	6,704	-	73,869	392,751
96100	Total Insurance Premiums	-	309,495	-	459,500	-	2,972	142,171	-	-	-	-	-	57,494	-	276,905	-	1,248,537	503,219
General Expenses:																			
96200	Other General Expenses	10,000	59,928	-	1,427,571	-	-	62,214	-	-	-	-	-	640,984	308,400	25,833	-	2,534,930	190,017
96210	Compensated Absences	-	145,362	-	22,098	-	34	5,996	-	-	-	-	-	143,606	-	(14,382)	-	302,714	-
96300	Payments in Lieu of Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
96600	Bad Debt - Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
96400	Bad Debt - Tenant Rents	-	-	-	138,322	-	-	151,611	-	-	-	-	-	-	-	75,515	-	365,448	34,512
	Total General Expenses	10,000	205,290	-	1,587,991	-	34	219,821	-	-	-	-	-	784,590	308,400	86,966	-	3,203,092	224,529
96710	Interest of Mortgage or Bonds Payable	-	-	-	-	-	-	119,485	-	-	-	-	-	-	-	-	-	119,485	1,629,834
96700	Total Interest Expense	-	-	-	-	-	-	119,485	-	-	-	-	-	-	-	-	-	119,485	1,629,834
	Total Operating Expenses	52,564	9,698,248	78,912	9,275,834	142,326	12,016	4,118,112	3,744	17,603	102,754	3,116	93,162	4,720,074	2,583,025	4,594,031	(2,659,455)	32,836,066	4,146,386
EXCESS OF OPERATING REVENUE OVER OPERATING EXPENSES																			
		4,162,637	1,787,739	-	3,777,425	-	366,528	154,155	-	-	-	174,466	-	34,786,703	5,718,592	11,571,470	(4,528,888)	57,970,827	11,075,952
Other Financing Sources (Uses):																			
97100	Extraordinary Maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
97200	Casualty Losses - Noncapitalized	-	-	-	59,854	-	-	73,293	-	-	-	-	-	-	-	1,086,605	-	1,219,752	-
97300	Housing Assistance Payments	-	-	-	-	-	334,088	-	-	-	-	15,232	-	35,798,422	-	-	(4,528,888)	31,618,854	-
97350	HAP Portability - in	-	-	-	-	-	-	-	-	-	-	-	-	36,312	-	-	-	36,312	-
97400	Depreciation Expense	1,949	275,647	-	1,761,487	-	-	782,690	-	-	-	-	-	1,185	-	1,203,208	-	4,026,166	1,239,701
	Total Expenses	54,513	9,973,895	78,912	11,097,175	142,326	346,104	4,974,095	3,744	17,603	102,754	18,348	93,162	40,555,993	2,583,025	6,883,844	(7,188,343)	69,737,150	5,386,087
10010	Operating Transfer In	-	-	-	880,513	-	-	-	-	-	-	-	-	-	-	-	(880,513)	-	-
10020	Operating Transfer Out	-	-	-	(880,513)	-	-	-	-	-	-	-	-	-	-	-	880,513	-	-
10080	Special Items (Net Gain/Loss)	-	-	-	(4,836,666)	-	-	2,994,838	-	-	-	-	-	-	-	-	-	(1,841,828)	-
10091	Inter Program Excess Cash Transfer In	-	-	-	2,438,597	-	-	-	-	-	-	-	-	-	-	-	(2,438,597)	-	-
10092	Inter Program Excess Cash Transfer Out	-	-	-	(2,438,597)	-	-	-	-	-	-	-	-	-	-	-	2,438,597	-	-
10093	Transfers between Program and Project - In	-	2,509,795	-	-	-	-	-	-	-	-	-	-	-	-	4,215,112	-	6,724,907	-
10094	Transfers between Program and Project - Out	(4,215,112)	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,509,795)	-	(6,724,907)	-
	Total Other Financing Sources (Uses)	(4,215,112)	2,509,795	-	(4,836,666)	-	-	2,994,838	-	-	-	-	-	-	-	1,705,317	-	(1,841,828)	-
EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENSES																			
		\$ (54,424)	\$ 4,021,887	\$ -	\$ (2,880,582)	\$ -	\$ 32,440	\$ 2,293,010	\$ -	\$ -	\$ -	\$ 159,234	\$ -	\$ (1,049,216)	\$ 5,718,592	\$ 10,986,974	\$ -	\$ 19,227,915	\$ 9,836,251
Memo Account Information																			
11020	Required Annual Debt Principal Payments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,111	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,111	\$ -
11030	Beginning Equity	2,633,770	6,363,434	-	48,699,159	-	531,601	5,922,803	-	-	-	-	-	527,535	-	4,027,079	-	68,725,381	(413,039)
11040	Prior Period Adjustments, Equity Transfers and Correction	2,955,243	(2,548,360)	-	(9,583,081)	-	634,440	(1,590,243)	-	-	-	-	-	-	(5,718,592)	21,011,983	-	5,161,390	-
11170	Administrative Fee Equity	-	-	-	-	-	-	-	-	-	-	-	-	(1,621,749)	-	-	-	(1,621,749)	-
11180	Housing Assistance Payments Equity	-	-	-	-	-	-	-	-	-	-	-	-	1,100,068	-	-	-	1,100,068	-
11190	Unit Months Available	-	-	-	16,461	-	492	6,792	-	-	-	53	-	58,536	-	9,204	-	91,538	336
11210	Unit Months Leased	-	-	-	14,167	-	414	6,443	-	-	-	28	-	52,468	-	4,297	-	77,817	333

SINGLE AUDIT REPORT



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Commissioners
Housing Authority of the City of Tulsa
Tulsa, Oklahoma

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities, and the aggregate discretely presented component units of the Housing Authority of the City of Tulsa, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Housing Authority of the City of Tulsa's basic financial statements, and have issued our report thereon dated January 14, 2026.

The financial statements of Nogales Housing Partners, LP, Tulsa Housing Endeavors I LP, and River West Phase I, LP (the aggregate discretely presented component units) were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with those aggregate discretely presented component units.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Housing Authority of the City of Tulsa's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Housing Authority of the City of Tulsa's internal control. Accordingly, we do not express an opinion on the effectiveness of Housing Authority of the City of Tulsa's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified.

We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2021-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Housing Authority of the City of Tulsa's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Housing Authority of the City of Tulsa's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Housing Authority of the City of Tulsa's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Housing Authority of the City of Tulsa's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

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



CliftonLarsonAllen LLP

Baltimore, Maryland
January 14, 2026



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

Board of Commissioners
Housing Authority of the City of Tulsa
Tulsa, Oklahoma

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Housing Authority of the City of Tulsa's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Housing Authority of the City of Tulsa's major federal programs for the year ended December 31, 2021. Housing Authority of the City of Tulsa's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Housing Authority of the City of Tulsa complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Housing Authority of the City of Tulsa and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Housing Authority of the City of Tulsa's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Housing Authority of the City of Tulsa's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Housing Authority of the City of Tulsa's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Housing Authority of the City of Tulsa's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Housing Authority of the City of Tulsa's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Housing Authority of the City of Tulsa's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Housing Authority of the City of Tulsa's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2021-002, 2021-003, 2021-004 and 2021-005. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on Housing Authority of the City of Tulsa's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. Housing Authority of the City of Tulsa's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2021-002, 2021-003, 2021-004 and 2021-005, to be significant deficiencies.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on Housing Authority of the City of Tulsa's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. Housing Authority of the City of Tulsa's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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



CliftonLarsonAllen LLP

Baltimore, Maryland
January 14, 2026

HOUSING AUTHORITY OF THE CITY OF TULSA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2021

Federal Grantor/Pass through Grantor/ Program or Cluster Type	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
Department of Housing and Urban				
Development Direct Programs				
Housing Choice Voucher Program	14.871	-	\$ -	\$ 40,555,993
COVID-19 Emergency Housing Vouchers	14.EHV	-	-	18,348
Total Housing Choice Voucher Program			-	40,574,341
Public and Indian Housing	14.850	-	-	7,227,958
COVID-19 Public and Indian Housing CARES Act Funding	14.PHC	-	-	142,326
Total Public and Indian Housing			-	7,370,284
Public Housing Capital Fund	14.872	-	-	2,313,005
Section 8 Project Based Cluster:				
Section 8 Housing Assistance Payments	14.195	-	-	4,974,095
Section 8 Moderate Rehabilitation	14.856	-	-	346,104
Total Section 8 Project Based Cluster			-	5,320,199
Resident Opportunity and Supportive Services	14.870	-	-	102,754
Housing Counseling Program	14.169	-	-	17,603
Community Development Block Grant	14.218	-	-	78,912
Choice Neighborhood Initiative	14.889	-	-	8,301,617
Total Expenditures of Federal Awards			\$ -	\$ 64,078,715

See accompanying Notes to Schedule of Expenditures of Federal Awards.

HOUSING AUTHORITY OF THE CITY OF TULSA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
DECEMBER 31, 2021

NOTE 1 BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal awards activity of the Authority under programs of the federal government for the year ended December 31, 2021. The information in this schedule is presented in accordance with the requirements of 2 CFR 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 Authority, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Authority.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 3 SUB-RECIPIENTS

The Authority provided no federal awards to sub-recipients during the fiscal year ended December 31, 2021.

NOTE 4 NONCASH FEDERAL ASSISTANCE

The Authority did not receive any noncash federal assistance for the year ended December 31, 2021.

The Authority has no loans, loan guarantees, or federally restricted endowment funds required to be disclosed for the fiscal year ended December 31, 2021.

NOTE 5 INDIRECT COST RATE

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

**HOUSING AUTHORITY OF THE CITY OF TULSA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2021**

Section I – Summary of Auditors’ Results

Financial Statements

- | | | |
|--|-----------------------|--------------------------------|
| 1. Type of auditors’ report issued: | Unmodified | |
| 2. Internal control over financial reporting: | | |
| • Material weakness(es) identified? | <u> X </u> yes | <u> </u> no |
| • Significant deficiency(ies) identified? | <u> </u> yes | <u> X </u> none reported |
| 3. Noncompliance material to financial statements noted? | <u> X </u> yes | <u> </u> no |

Federal Awards

- | | | |
|---|-----------------------|---------------------------------|
| 1. Internal control over major federal programs: | | |
| • Material weakness(es) identified? | <u> </u> yes | <u> X </u> no |
| • Significant deficiency(ies) identified? | <u> X </u> yes | <u> </u> none reported |
| 2. Type of auditors’ report issued on compliance for major federal programs: | | |
| | Unmodified | |
| 3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? | <u> X </u> yes | <u> </u> no |

Identification of Major Federal Programs

Assistance Listing Number(s)	Name of Federal Program or Cluster
14.871	Housing Choice Voucher Program
14.856/14.195	Section 8 Project-Based Cluster

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 1,922,361

Auditee qualified as low-risk auditee?

 yes X no

HOUSING AUTHORITY OF THE CITY OF TULSA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021

Section II – Financial Statement Findings

2021 – 001

Type of Finding: Material Weakness in Internal Control Over Financial Reporting

Condition: The Authority did not submit the December 31, 2021 audited financial statements to the Real Estate Assessment Center (REAC) or the Federal Audit Clearinghouse (FAC) by the extended due date of March 31, 2023. In addition, during our testing of Notes/Developer Fees Receivable during the current year, we noted several material transactions that were not recorded in the prior year.

Criteria or Specific Requirement: In accordance with HUD's Uniform Financial Reporting Standards rule, a PHA is required to annually submit its audited financial statements, prepared in accordance with generally accepted accounting principles (GAAP), in the electronic format specified by HUD. The audited submission is due 9 months after a PHA's year-end (24 CFR section 5.801). Recipients of Federal Funds must submit the Single Audit reporting package, as required by the U.S. Office of Management and Budget (OMB) Subpart F 2 CFR § 200.501 – Audit Requirements, 30 days after report issuance or 9 months after year-end. HUD and OMB each extended the due dates of their respective required submissions by six months due to COVID-19.

Effect: There was a significant delay in the issuance of the audited financial statements which prevented the timely submission of the reporting packages required by HUD and OMB. In addition, a prior period adjustment was necessary to correct the error. The correction of the error resulted in a restatement of the prior year's beginning net position to include the unrecorded transactions.

Cause: The unrecorded transactions as well as the delay in submission occurred during a period of significant operational transition. The Authority implemented new housing and financial management software systems at the same time the organization was experiencing staffing shortages in the finance department due to the COVID-19 pandemic, remote work conditions, and broader labor market challenges. The increased complexity of closing financial statements during the first year of system conversion, combined with limited staffing capacity and remote operating conditions, contributed to delays in the preparation, reconciliation, and audit review processes. These circumstances slowed the completion of the audited financial statements and, in turn, delayed submission to REAC and the Federal Audit Clearinghouse.

Repeat Finding: Yes. See prior year finding 2020-001.

Recommendation: The Authority should evaluate its financial reporting processes and controls, including the leveraging of expertise of its internal staff, to ensure that financial statements can be accurately prepared, and timely submitted to REAC and FAC in accordance with reporting deadlines.

HOUSING AUTHORITY OF THE CITY OF TULSA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021

Section II – Financial Statement Findings (Continued)

Views of Responsible Officials and Planned Corrective Actions: The Authority concurs with this finding. The fiscal year 2021 audit period coincided with the implementation of new housing and financial software platforms, which required substantial data conversion, testing, reconciliation, and staff training. At the same time, the Authority was responding to the operational impacts of the COVID-19 pandemic, including reductions in on-site staffing, remote work conditions, and recruitment challenges within the finance labor market. These overlapping circumstances extended the time required to prepare supporting schedules and complete audit testing, which contributed to the delayed issuance of the audited financial statements and subsequent submission to REAC and the Federal Audit Clearinghouse. The Authority notes that these delays reflected capacity and system transition challenges, not financial reporting inaccuracies or concerns regarding the integrity of financial data. The Authority has since strengthened its staffing structure and reporting processes to ensure timely future submissions.

Section III – Findings and Questioned Costs – Major Federal Programs

Finding 2021-002

Federal Agency:	U.S. Department of Housing and Urban Development
Federal Program Title:	Housing Choice Voucher Program
Assistance Listing Number:	14.871
Award Period:	1/1/2021-12/31/2021
Type of Finding:	Significant Deficiency in Internal Control Over Compliance, Other Matters

Criteria or Specific Requirement: Under 24 CFR § 982.516, Public Housing Agencies are required to conduct a reexamination of family income and composition at least annually. The PHA must make appropriate adjustments to the housing assistance payment (HAP) based on the updated information. Timely recertification is essential to ensure that HAP amounts are accurate and that program funds are used in accordance with federal requirements.

Condition: During our testing we noted instances where the Authority did not follow the internal controls in place to ensure that HAP amounts are accurate and to ensure compliance with annual reexamination requirements.

Questioned Costs: \$6,553

Context: In 5 of the 40 files tested, the Housing Authority did not complete required annual reexaminations in a timely manner. In addition, the 5 of 40 files that did not complete annual recertification timely, had a HAP per the HUD-50058 that did not agree to the HAP register. As a result, housing assistance payments were made based on outdated information, leading to overpayments.

HOUSING AUTHORITY OF THE CITY OF TULSA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Cause: The timing delays in annual reexaminations occurred during the height of the COVID-19 public health emergency, when the Authority was operating remotely under federal health guidance and prioritizing housing stability for vulnerable families. During this period, HUD issued temporary flexibilities and strongly encouraged PHAs not to terminate assistance due to delayed documentation or recertification hardships. Consistent with this national directive, the Authority focused on maintaining assistance for households experiencing pandemic-related employment, medical, transportation, and childcare challenges. These extraordinary operating conditions, combined with increased caseload needs and remote processing, resulted in several reexaminations being completed later than normally required, as well as incorrect HAP payments being made.

Effect: The Authority is not in compliance with HUD regulations.

Repeat Finding: No

Recommendation: We recommend that the Authority should review their reexamination policies to ensure that all reexaminations are performed timely and that all necessary documentation is maintained for each reexamination.

Views of Responsible Officials: The Authority concurs with this finding. During the audit period, operations were significantly impacted by the COVID-19 public health emergency. From March 2020 through July 2021, the Housing Authority was operating under remote conditions, and several federally issued COVID relief measures temporarily altered standard enforcement practices across the Housing Choice Voucher program. Notably, during this period Congress issued a federal eviction moratorium, and HUD provided guidance discouraging termination of assistance for late recertification and documentation delays when caused by pandemic-related hardships. Consistent with this guidance, the Authority did not terminate voucher participants for late reexaminations and made every effort to maintain housing stability for families. Additionally, the Authority's administrative offices remained physically closed to the public through July 2021 to protect program participants and staff. During this time, the volume of remote processing increased substantially, which contributed to delays in receipt and verification of documentation needed to complete annual reexaminations. While these actions were taken in good faith to align with federal directives and support vulnerable households during the pandemic, the Authority acknowledges that several reexaminations were not completed timely, resulting in housing assistance payments based on outdated, and incorrect information.

**HOUSING AUTHORITY OF THE CITY OF TULSA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021**

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Finding 2021-003

Federal Agency:	U.S. Department of Housing and Urban Development
Federal Program Title:	Section 8 Project Based Cluster
Assistance Listing Number:	14.195 & 14.856
Award Period:	1/1/2021-12/31/2021
Type of Finding:	Significant Deficiency in Internal Control Over Compliance, Other Matters

Criteria or Specific Requirement: In accordance with HUD regulations under 24 CFR Sections 880.609, 881.601, 882.410, 882.808(e), 883.701, 884.109, 886.112, and 886.312, Section 8 project-based properties are required to annually adjust contract rent, which may include special adjustments when necessary.

Condition: During our testing, we noted instances where the Authority did not follow the internal controls in place to ensure compliance with contract rent increase requirements.

Questioned Costs: \$5,685

Content: Testing of property files found exceptions with one of the four building rent files as noted below:

- For one of the four building rents tested, CLA noted that the new contract rents were not implemented.

Cause: The delay in implementing the contract rent increase occurred during a period of significant operational disruption caused by the COVID-19 pandemic. During 2021, the Authority's administrative offices were closed to the public, many staff were working remotely, and documentation flow and approval processes were modified to maintain continuity of service. At the same time, the Authority was completing a major software system conversion and experiencing staff turnover within the Section 8 Project-Based program. As responsibilities were being reassigned and new staff were being trained under pandemic conditions, the tracking and verification process for contract rent adjustments was temporarily interrupted, resulting in the delayed implementation of the approved rent change for one property.

Effect: The Authority is not ensuring the proper and timely accounting of contract rent changes and the Authority is not in compliance with HUD regulations.

Repeat Finding: No

Recommendation: We recommend that management review their procedures to ensure that contract rent changes are implemented and evidenced timely and accurately and establish a method that ensures compliance.

**HOUSING AUTHORITY OF THE CITY OF TULSA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021**

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Views of Responsible Officials: The Authority concurs with this finding. During the audit period, program operations were impacted by both pandemic-era staffing disruptions and a major software conversion. The Section 8 Project-Based program experienced significant staff turnover during 2021, and the transition of portfolio management responsibilities to newly trained staff led to delays in processing certain contract rent adjustments. Specifically, for one of the four property's contract rent files tested, the approved contract rent increase was implemented 4 months later than the effective date. This resulted in a loss of \$5,685 in reimbursement to the property. Once identified, the rent adjustment was corrected prospectively and has remained accurate since the correction. It is important to note that this issue was isolated to a single property, and no systemic errors in contract rent calculation were identified during the remaining sample testing. The Authority's standard rent adjustment process otherwise complied with HUD regulations.

Finding 2021-004

Federal Agency:	U.S. Department of Housing and Urban Development
Federal Program Title:	Section 8 Project Based Cluster
Assistance Listing Number:	14.195 & 14.856
Award Period:	1/1/2021-12/31/2021
Type of Finding:	Significant Deficiency in Internal Control Over Compliance, Other Matters

Criteria or Specific Requirement: In accordance with 24 CFR section 5.653, applicants for Section 8 Project-Based Assistance must meet all eligibility requirements to receive housing assistance. Additionally, in accordance with 880.603, 881.601, 882.515, 884.218, 886.124, and 886.324, reexaminations of family income and composition must occur on at least an annual basis. 24 CFR sections 880.603, 882.808, 833.701, 884.214, 886.119, and 886.318 state that tenant income and other key values, including medical expenses, need to be verified as part of eligibility determination. Accurate calculations of tenant rent payments must be made, in accordance with 24 CFR section 5.613. Further, tenant utility allowances must be properly applied within tenant rent calculations, in accordance with 24 CFR sections 5.603, 880.610, 881.601, 882.510, 882.808(k), 883.701, 884.220, 886.126, and 886.326.

Condition: During our testing, we noted instances where the Authority did not follow the internal controls in place to ensure compliance with eligibility and examination requirements.

Questioned Costs: \$4,164

HOUSING AUTHORITY OF THE CITY OF TULSA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Content: A sample of 40 participants were selected for testing out of a total 607 available units. Based on testing of 40 tenant file samples, we observed the following:

- 1 of 40 items selected could not be tested, as the Authority could not locate the tenant file information.
- 1 of 40 items selected lacked sufficient backup to support reported medical expenses. As a result, the rent payment was not properly calculated.
- 1 of 40 items selected did not have a recertification performed annually.

Cause: The Authority underwent a major software system conversion during the audit period, and certain tenant file data did not migrate completely or accurately, resulting in missing documentation in a limited number of historical files. At the same time, operations were impacted by COVID-19 public health restrictions, including prolonged remote work and office closure through July 2021, which delayed the receipt and verification of tenant documentation and reexamination processing. These operational disruptions were compounded by significant staff turnover and onboarding of new staff during the pandemic, which reduced capacity to consistently apply internal controls and ensure timely file maintenance and recertification.

As a result of these issues, the Authority did not sufficiently monitor controls to ensure proper storage and collection of tenant information and files. Further, staff inexperience and clerical errors caused failures to ensure the tenant information was recorded accurately, and the Authority did not sufficiently monitor controls to ensure all examinations were performed timely.

Effect: The Authority is not providing accurate data to HUD to ensure the proper accounting of tenant information and the Authority is not in compliance with HUD regulations.

Repeat Finding: No

Recommendation: We recommend that management review their procedures for retrieving tenant information and establish a method that ensures compliance. We recommend that the Authority should review their examination policies to ensure that all examinations are performed timely.

**HOUSING AUTHORITY OF THE CITY OF TULSA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021**

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Views of Responsible Officials: The Authority concurs with this finding. During the period under audit, program administration was affected by both the COVID-19 public health emergency and a software system conversion. The Authority's administrative offices remained closed to the public through July 2021, and remote work conditions created delays in obtaining and verifying documentation needed for eligibility reviews, medical expense verification, and annual reexaminations. Additionally, during this time, the Authority transitioned to a new housing management software system, and certain tenant file records did not migrate completely, contributing to incomplete documentation within one of the sampled files. These challenges were compounded by staff turnover during the pandemic, which required onboarding and training of new personnel under nonstandard operating conditions.

It is important to note that the exceptions identified were limited in scope relative to the total portfolio tested. For 37 of the 40 files reviewed, eligibility determinations, reexamination processing, and rent calculations were completed correctly, indicating that the Authority's policies and procedures are fundamentally sound; however, execution was impacted during this extraordinary period.

Finding 2021-005

Federal Agency:	U.S. Department of Housing and Urban Development
Federal Program Title:	Section 8 Project Based Cluster
Assistance Listing Number:	14.195 & 14.856
Award Period:	1/1/2021-12/31/2021
Type of Finding:	Significant Deficiency in Internal Control Over Compliance, Other Matters

Criteria or Specific Requirement: An amount as required by HUD or the state agency for 24 CFR Part 883 projects, as applicable, shall be deposited monthly in the replacement reserve fund in accordance with the Regulatory Agreement or HAP contract (24 CFR sections 880.601, 880.602, 881.601 and 883.701).

Condition: During our testing, we noted instances where the Authority did not make the required deposits to their replacement reserve accounts.

Questioned Costs: \$2,593

Content: During our review of four replacement reserve accounts, we noted that two of the Projects did not make correct required deposit amounts to their replacement reserve accounts.

Cause: The incorrect replacement reserve deposits occurred during a period in which the Authority was transitioning to a new software system and adjusting financial workflows affected by the COVID-19 pandemic. Certain reserve deposit schedules and automated payment settings did not migrate fully or accurately during the system conversion. At the same time, staffing turnover within the finance and asset management departments required new staff to assume responsibilities for which training and historical context were still in progress. These combined circumstances resulted in two properties temporarily depositing incorrect monthly replacement reserve amounts.

Effect: The Authority is not in compliance with the replacement reserve requirements.

**HOUSING AUTHORITY OF THE CITY OF TULSA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021**

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

Repeat Finding: No

Recommendation: We recommend that management review their procedures for reviewing and monitoring the required deposit amounts to ensure that each Project deposits the correct amount each month.

Views of Responsible Officials: The Authority concurs with this finding. During the audit period, the Authority was implementing a new financial and housing management software system while also responding to the operational impacts of the COVID-19 pandemic, including remote work conditions and staffing transitions. As automated workflows and financial schedules were being re-established in the new system, replacement reserve contribution amounts for two properties were not initially updated to reflect the correct required monthly deposits.

Once identified, the Authority adjusted the monthly reserves to the correct levels and verified that all properties are now in compliance with the required reserve schedules. No issues were found with the remaining reserve accounts reviewed.

