

Agency	San Marcos Housing Authority
Program	Resident Services Coordination
San Marcos Service Address	1201 Thorpe Lane, 820 Sturgeon Street
Requested	\$20,000
Recommended	\$15,000

Application Completeness Check for HSAB	San Marcos Housing Authority Resident Services Coordination
Questions	
Are all questions answered?	Yes
Is the application signed? (this is a certification)	Yes
Does the program have measurable outcomes?	Yes
Is the agency a Human Services Agency?	Yes
Is the agency overseen by a Board of Directors?	Yes
Required Attachments	
BUDGETS	
1. Agency budget for current fiscal year	Yes
2. Agency budget proposed for next fiscal year	under development
3. Program budget for current fiscal year	Yes
4. Program budget proposed for next fiscal year	under development
5. Budget showing the exact uses of the HSAB funding	OK - single use
BOARD OF DIRECTORS INFORMATION	
6. Board of Directors membership roster	Yes
7. Board of Directors Meeting Attendance Record for current year	Yes
8. Board of Directors City of Residence	Yes
9. Board of Directors membership criteria	Yes
ORGANIZATION INFORMATION	
10. Organizational chart with names and titles of staff	Yes
11. Current IRS Form 990, pages 1 and 2 (not required for churches)	NA
12. Non-discrimination policy statement	Yes
Preferred Attachments - 3 Letters of Support	
Letters of support from members of the San Marcos Community	Yes
Attachments if Applicable	
Latest audit or CPA signed review, if applicable	Yes
Policies and Procedures for the proposed Program, if available	
Note: We are not requiring Texas Secretary of State registration	

City of San Marcos Human Services Grants
FY 2025 Application

I. SUMMARY INFORMATION

Please spell out organization name and program name completely, without acronyms.

Applicant Organization: San Marcos Housing Authority

Contact Name: Nancy Morales Telephone: 512-842-8998

Contact E-Mail Address: nancy@smpha.org Website: Smpha.org

Mailing Address: 1201 Thorpe Lane, San Marcos TX 78666

San Marcos Service Address for this Program: 1201 Thorpe Lane, San Marcos TX 78666 & 820 Sturgeon Street SM, TX

Who is authorized to execute program documents? (Name, Title) Nancy Morales, Resident Services Manager

Program Name: SMHA Resident Services-Service Coordination

Amount of Funds Requested: \$20,000

What percentage of the cost of this program is requested as funding through this application? 20%

II. QUESTIONS

All questions must be answered. Please type your answers.

OVERVIEW

1. What is the agency's or organization's mission?

The San Marcos Housing Authority (SMHA) provides decent, safe, and affordable housing for about 606 low-income households in the San Marcos area through the Public Housing and Housing Choice Voucher Programs. The mission of SHHA Resident Services is to provide a wide variety of direct services and referrals to families and individuals receiving housing assistance. Each Resident Services facility includes a meeting room, computer and printer access, a teen room, a kitchen, and an office.

2. Briefly summarize the program for which funding is being requested and the services it provides.

Our Resident Services Department manages several initiatives, all of which are united in the overall goals of improving the quality of life for public housing residents, reducing dependence on the welfare system, and empowering our residents to take charge of their lives and of their environment. The strategies we employ to reach these goals are coordinated within 4 complementary initiatives: Elderly/Disabled Services, Youth Development Services, Self-Sufficiency, and Resident Organization. The best outcome is for a family to no longer need government assistance for housing and other basic needs or at least to make it possible for their children to achieve this outcome.

COMMUNITY NEED AND JUSTIFICATION - 20 POINTS

1. Describe in detail the need for this program in San Marcos.

The residents of the San Marcos Housing Authority are the primary group who will benefit. This includes low-income families, youth, and elderly/disabled residents. Service coordinators perform an initial needs assessment for all new residents and inform them of programs and services available to them. They facilitate activities open to all residents at our Resident Services centers, such as the after-school program, the youth summer program, job fairs, family nights, teen nights, health checks, recreation events, socials for our elderly/disabled residents and a variety of other adult education activities. They support the resident organizations at each site. The service coordinator provides case management, on-going needs assessments, and peer counseling. Service coordinators provide limited transportation assistance when no other community resource is available.

2. Has the need for this program been increasing in recent years?

Although there is a need for more housing, we have not increased our unit numbers. There are a large number of youth in our family households. We have 385 youth that live in public housing. We have seen our numbers increase at our after-school programs. Our coordinators track services that each household is provided. There is an increase in help with basic essentials. Our numbers of events have increased at our sites.

3. Client Information

Definitions:

Direct Client - individuals or families immediately affected or personally served by the helping agency.

In 2022 we provided 342 events and 2,911 attended these events. In 2023 we provided 428 events and 4,337 attended. The Resident Services Department has helped every single household that lives in public housing. We have provided food, basic essential items that are needed, utility assistance, mentoring, clothing, shoes, items needed for youth at school and have tried to make a positive experience for our residents.

Questions:

a. Describe the direct clients for this program.

Primarily adult and elderly/disabled heads of households, as well as school-age children at the Allen Woods Homes and the CM Allen Homes. Services are also provided to residents of the Porter Homes, our scattered-site homes, and Springtown Villa.

b. How is the program marketed to direct clients? How do you find these clients?

All new residents are contacted shortly after they move in to assess their needs and inform them of the services available to them. A quality-of-life assessment is completed for elderly/disabled residents upon move in and annually in order to identify service needs. We communicate with all residents via our monthly newsletter. We also utilize various electronic communications, printed flyers, signs, and door to door outreach as appropriate. We are currently working on providing a social media outlet to our current residents.

c. Expected total annual unduplicated direct clients who are City of San Marcos residents: 278

IMPLEMENTATION - 15 POINTS

1. How exactly will these funds be used?

These funds will be used for salaries.

2. What specific, measurable outcomes or results do you hope to achieve with this program?

We track outcomes such as increases in earned income, new full-time jobs, and improved living conditions/quality of life. The best outcome is for a family to no longer need government assistance for housing and other basic needs. We also track how many elderly residents we helped to live independently/age in place. We track activities such as initial needs assessments, on-going case management, enrollment in educational & vocational training programs, and participation in financial literacy & life skills programs. Doing this helps achieve our goal of improving the quality of life for public housing residents, reduce dependence on welfare, and empower our residents to take charge of their lives and their environment.

3. List the title of each position for which funding is requested and the activities associated with those positions.

The requested funds will be used to provide partial support for two Service Coordinators who oversee program activities at the Allen Woods Homes and at the CM Allen Homes. They spend 40 hours per week on the resident services program. These employees work to connect residents to services available in the community. They recruit and supervise resident and student volunteers to assist with SMHA programs and activities. They advise and support the resident organization at each site. They plan, coordinate, and facilitate the afterschool and summer programs. They are skilled at leveraging our partnerships with the community and blend the various components of a multi-faceted program into an effective operation. We have one paid staff member at each site, and they are the glue that holds the program together. We have a lot of volunteer support from the community, but the program cannot run on volunteer staff alone.

4. If funding is not available at the requested amount, what is the minimum Human Services Grant funding needed to be able to run this program?

Program fund-raisers could be utilized but that takes up valuable staff time and is not very cost effective. Unfortunately, we would have to cut back on some services to kids like the popular summer outings. As a last resort, we would have to cut staff hours, possibly to as low as 32 hours per week but such methods make it hard to retain or recruit qualified personnel.

IMPACT AND COST EFFECTIVENESS - 25 POINTS

1. Programs can provide value by deeply impacting the lives of a few, with effects that may ripple through generations, or by providing smaller but meaningful impact to a larger group. Describe in detail the impact this program will have on the identified need and on San Marcos residents.

There is a need for our families that live in public housing. We have had a survey done with our elderly population and a survey completed with our youth and their parents. I have had many youth come to me and tell me they are in need of basic essentials. Our sites and staff find ways to provide these basic essentials to our residents. For those that don't tell us we will identify and provide what is needed based off of the intake that is completed with each household. We have really focused on providing positive youth development at our sites. I know since I have been here, I have developed a lot of positive relationships with our residents.

This is the second year we have gotten donations from Chipotle. When they open a new store I, along with another staff member, go and pick up food and distribute it to our residents. One of our teens told me after school he prayed because they didn't have any food, he didn't know what they were going to eat. It was already getting late, and he prayed again that his sister and mother didn't go to bed hungry. He told me, about ten minutes later, I knocked on his door and had given them plenty of food from chipotle. He told me he will always be grateful. There are many other smaller meaningful incidents with our residents that I have been able to experience. When we help with those basic essentials like food, clothing, household items etc. then we can work on the bigger picture, employment, childcare, barriers and helping get the household self-sufficient. I truly believe our centers provide a safe, positive place for our residents especially our youth. Our resident services team could be that only positive encouraging person that they may have. Our focus has been bringing our community together at each site.

2. Discuss the amount of overhead compared to program costs.

Our overhead is covered by housing authority. Program costs are for the coordinator positions and supplies for the program.

3. Provide a brief description of other funding sources, volunteers, or in-kind donations that are expected to be used with this program.

We get federal funding for Resident Opportunities and Self Sufficiency programs. We received FEMA Emergency Food and Shelter Program which we use for utility assistance. This year was the first year we received funds to provide a hygiene closet from Superior Health plans. We also partnered with The Core Four and they provided funds for our youth services program. We also rely heavily on interns and volunteers from Texas State University. We usually have 1 – 5 full-time and/or part-time interns each semester and, on any given school day, at least 15 student volunteers from various programs (social work, sociology, psychology, family & consumer

sciences, developmental & adult education, fine arts, health administration, and health & human performance, etc.).

4. What has your organization done in the past two years to raise different funding for this program?

We continue to network and try to get community partners to come and provide services to our community. I was able to get Superior to provide a hygiene closet at our site this year; it is for any San Marcos Resident not just housing authority residents. We do raffle tickets to raise money to purchase items needed. Springtown has a raffle for their community at least four times a year. The Housing Authority has pursued public/private partnerships with private developments in an effort to generate additional revenue. This is an ongoing process and has produced some results.

COMMUNITY SUPPORT – 10 POINTS

1. Please submit 3-5 letters of reference that indicate strong local support for the program and the agency's ability to implement it as described in the application.

Attached in the attachments.

2. How is the Board of Directors selected?

Five commissioners, including one who must be a resident of public housing or a participant in the Housing Choice Voucher program, are appointed by the San Marcos City Council and serve staggered, two-year terms with a maximum of two consecutive terms.

3. How often does the Board meet?

Commissioners meet on the fourth Tuesday of each month at 6:30pm

4. What actions do Board members take to support the programs of the agency or organization?

The SMHA commissioners help to steer us towards additional resources via public/private partnerships that not only help provide more affordable housing in our community, but also have the potential to generate additional income for the Housing Authority that can be put back into improving the quality of our current housing stock. We are also hopeful that these same activities will become an ongoing, additional source of income to help us better serve our low-income residents.

5. How many volunteers does your agency or organization have and how many hours do they spend on the program requesting funding?

In 2022, 173 volunteers served a total of 4,238 hours. In 2023, 391 volunteers served a total of 3,323 hours. Our volunteers do not spend hours on our program requesting funds. Our coordinators will spend some time asking for donations of items for events. Our coat event last year I spent about 8 hours requesting funds to donate to purchasing new jackets for 100 of our youth.

COUNCIL PRIORITIES - 30 POINTS

1. How long has this program served San Marcos residents? (10 points if at least 2 years)

This program has served San Marcos residents for 34 years.

2. Does the agency have an office in San Marcos? (10 points if yes)

Our agency has offices at all four sites. Our main office is located at 1201 Thorpe Lane, San Marcos, Tx.

3. Describe how this funding creates an increase in services or an increase in the number of people served. (10 points)

This funding creates an increase in services because our coordinators are able to work with each household individually. Each household has different needs. By completing the assessment and providing case management this leads to building positive relationships. Building community lays out the foundation for the relationship between the coordinator and the resident. We as an agency have provided more events and more activities than ever before. Our resident services department's main goal is to provide support to all housing authority residents and for individuals that live in the surrounding area. At our CM Allen location, we have San Marcos residents that don't live in housing come to our KAD site for assistance. It is critical to have your support

to be able to continue providing the services and resources to our low-income population. This allows for a better outcome for our community.

II. FUNDING RESTRICTIONS

By signing this application I certify the following to be true:

1. All Human Services Grant funding will be spent on San Marcos residents, except for school-based programs, in which case it may be spent within the San Marcos Consolidated Independent School District boundary.
2. Funding requested is not more than 50% of the total funding for the agency.
3. Funding will not be used to fund more than 20% of a full-time position.
4. Agency has been in existence for at least 2 years. (This can include serving communities other than San Marcos.)

SUBMITTED AND APPROVED BY:

Lana Wagner
Signature

7-26-2024
Date

Lana Wagner
Printed Name

Executive Director
Title



HUMAN SERVICES ADVISORY BOARD GRANT 2023 FINAL PERFORMANCE REPORT

Agency Name: SMHA Resident Services

Program Name: Resident Services Coordination

Program Year: 2023

Reporting Period: January – December, 2023 (preferred deadline January 31, 2024)

NOTE ON DEADLINE: This report must be received by October 24, 2024, or your organization's application for 2025 funding for this program will not be considered.

PROGRAM STATUS

Please provide a brief written description of actions taken this period and how they helped achieve your program goals.

The residents of the San Marcos Housing Authority are the primary group that benefited from services that we provide. This includes low-income families, youth, and elderly/disabled residents. Our Service coordinators perform an initial needs assessment for all new residents and inform them of programs and services available to them. This allows Coordinators to access and determine what needs each household could benefit from. Service Coordinators facilitate activities at our Resident Service centers, such as the after-school program, the youth summer program, job fairs, family nights, teen nights, nutrition classes, health checks, recreation events, socials for our elderly/disabled residents and a variety of other adult education activities. The Service coordinators support the resident organizations at each site.

We have had 423 events for our residents from January-December 2023. A total of 3,494 individuals participated during the reporting period. These activities have shown improvement with our residents. With our elderly/disabled population we have increased our quality of life/satisfaction measurement. This also helps with decreasing social isolation and loneliness for that population.

Our youth program has shown improvement in emotional and social skills for our youth. We continue to involve and engage our youth in positive development and prevention. We partner with other community agencies to promote this. Our Coordinators continue to take our youth to community events. They continue to implement needs assessments with our youth.

Our goal as an agency is to improve the quality of life for public housing residents, reduce dependence on welfare and empower residents to take charge of their lives and their environments. With the assistance of your Human Services grant we meet this need with ongoing case management, peer counseling, needs assessments and provision of services.

PROGRAM BENEFICIARIES

For the program that received HSAB funding, please report either number of unduplicated individuals served, or number of unduplicated households served.

Check one: ☐ Unduplicated Individuals ☒ Unduplicated Households

	Jan – Dec, 2023
Total # Served	288
# San Marcos Residents Served	288
% San Marcos Residents	100%

PROGRAM EXPENDITURES

For the final report of the year, please provide a bulleted list that briefly summarizes what the HSAB funding was spent on.

- Twenty percent of salary for two Resident Service Coordinators.
-
-
-
-
-
-

Certification:

I certify that to the best of my knowledge and belief the information reported in this Quarterly Performance Report is factual and accurate.

Lana Wagner
Signature

1-30-2024
Date

Lana Wagner
Printed name

Executive Director
Title

AGENCY BUDGET – FY 2024

Attached is our budget for the current year.

San Marcos Housing Authority
Low Rent Program
October 1, 2023-September 30, 2024
FY2024
Budget Proposal

1

<u>Acct#'s</u>		<u>Monthly Budget</u>	<u>Approved Year-To-Date Budget</u>	
		<u>Fy2023</u>	<u>Fy2023</u>	
	Revenues			
3110	Dwelling Rental Revenue	122,913	1,474,950	
3190	Non-Dwelling Rentals Revenue	1,200	14,400	
3420.2	Tenant Rentals-FSS Payments	-9,446	-113,350	
3450 -3110.8	Income-Fraud Recovery	250	3,000	
3610	Interest Income	733	8,800	
3690	Other Income - Tenant	3,460	41,522	
3690.1	Other Income	12,500	150,000	
	Total Tenant/Other Revenue	131,610	1,579,322	
3401	Revenues-HUD PHA Grant (88%)	95,250	1,143,000	
	Net Revenues	226,860		\$2,722,322
	Administrative Expenses			
4110	Administrative Salaries	22,385	268,625	
		0		
4130	Legal Expenses	417	5,000	
4140	Training	458	5,500	
4150	Travel	167	2,000	
4170	Accounting Fee	917	11,000	
4171	Auditing Fee	500	6,000	
4182	Employee Benefits (42%)	9,946	119,350	
4190	Sundry			
		0		
4190.08	Advertising	108	1,300	
4190.11	Publications	42	500	
4190.12	Membership Dues/Fees	250	3,000	

4190.13	Phone/Internet/Cell Phone	1,268	15,218	
4190.15	Coll Agent Fees&Court Cost	417	5,000	
4190.16	Fiscal Agent Fees	0		
4190.17	Forms & Office Supplies	817	9,800	
4190.18	Other Operating Admin. Expenses	3,533	42,400	
4190.19	Admin Contracts	2,375	28,500	
4190.6	Other Adm Expenses	0		
210	<u>Total Administrative Expenses</u>	<u>43,599</u>		<u>\$523,193</u>
	<u>Tenant Services</u>			
4210	Salaries	3,652	43,828	
4220	Recreation, Publications & Other Svc.	0		
4222	Benefits contribution	1,638	19,650	
4230	Contract Cost, Training & Other	1,000	12,000	
4290	Resident Participation	568	6,820	
250	<u>Total Tenant Services</u>	<u>6,858</u>		<u>\$82,298</u>
	<u>Utilities</u>			
4310	Water	15,925	191,100	
4320	Electricity	2,625	31,500	
4330	Gas	1,458	17,500	
4340	Fuel			
4350	Labor			
4390	Sewer/Drainage	16,667	200,000	
320	<u>Total Utilities Expense</u>	<u>36,675</u>		<u>\$440,100</u>
	<u>Ordinary Maintenance & Operations</u>			
4410	Labor	18,252	219,021	
4420	Materials	18,333	220,000	
4430	Contracts:			
4430.01	Extermination	500	6,000	
		0	0	
4430.08	Auto/Truck Repair/Maint	601	7,210	
4430.09	Inspections	583	7,000	
4430.1	Cleaning units	667	8,000	

4430.13	Other	5,405	64,859	
4430.17	Heating/AC	4,197	50,368	
4430.19	Landscaping/Grounds	13,213	158,556	
4430.20	Unit Trun Around	37,500	450,000	
4430.21	Electrical Contracts	2,100	25,200	
4430.22	Plumbing	4,292	51,500	
4430.23	Janitorial Contract	167	2,000	
4431	Garbage & Trash Removal	4,083	49,000	
4433	Ord Maint & Oper Emp Benefits(41%)	7,167	86,000	
360	<u>Total Ordinary Maintenance & Oper.</u>	<u>117,060</u>		<u>\$1,404,714</u>
	<u>Protective Services</u>			
4460	Labor			
4470	Materials			
4480	Contract Costs	0		
	<u>Total Protective Services</u>	<u>0</u>		<u>\$0</u>
	<u>General Expenses</u>			
4510	Insurance			
4510.01	F&EC/Property	11,751	141,011	
4510.02	OL&T/Comprehensive-Gen Liability	167	2,000	
4610.03	Automoblie	354	4,250	
4510.04	Workers Comp	917	11,000	
4510.09	Fidelity Bond	303	3,640	
4510.10-15	Insurance - Other-Flood-(NFIP)	2,196	26,350	
4520	Payments in Lieu of Taxes	0		
4530	Compensated Absences	583	7,000	
4570	Collection Losses	1,250	15,000	
4590	Other General Expense	0		
	<u>Total General Expenses</u>	<u>17,521</u>		<u>\$210,251</u>
	<u>Extraordinary Maintenance</u>			
4610.2	Extraordinary Maintenance	417	5,000	
5100	Depreciation Expense			
7520	Replacement of Nonexpendable Equip	1,250	15,000	
7540	Property Betterments & Additions	0		
	<u>Total Non Routine Expenditures</u>	<u>1,667</u>		<u>\$20,000</u>

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AGENCY BUDGET - FY 2025

The agency budget for next fiscal year is still being developed at this time. It will be available sometime in September 2024.

PROGRAM BUDGET – FY 2024

Attached is our budget for the current year.

SMHA Resident Services
Approved Budget- FY 2024

EXPENSES	
PERSONNEL:	
Program Manager	
Service Coordinators (2 FTEs)	
Assistant Manager	
KAD/PODER Monitor (part-time)	
Interns (1 to 3 each semester) & Volunteers (varies each semester)	
TENANT SERVICES SALARIES	282,625
EMPLOYEE BENEFITS	105,147
MILEAGE REIMBURSEMENTS	1,500
TOTAL PERSONNEL COSTS	389,272
OTHER COSTS	
Vehicle Purchase (7520.02)	0
Training (4140)	800
Telecommunications (4190.13)	800
Administrative Supplies	950
Administrative Contracts (4190.19)	750
Office Equipment & Furnishings (7540)	625
Community Space Equipment & Furnishings (7540)	0
Accounting Fees (4170)	455
Audit Fees (4171)	136
TOTAL ADMINISTRATIVE COSTS	4,516
TENANT SERVICES	
Springtown Villa Resident Services Center Ops. (4220.01)	200
Emergency Fund (4220.02)	1,500
Kid's Café (4220.12, 4220.13 & 4220.20)	0
Computer Lab Maintenance (4220.08)	225
Printing/Copying/Postage 4220.03)	1,090
Youth Activities (4220.04)	1,800
Vehicle Operation & Maintenance (4220.06)	1,250
AW Resident Services Ops. (4220.09)	1,500
CMA Resident Services Ops. (4220.10)	1,500
Volunteers (incl. Interns stipend & banquet) (4220.09)	300
Resident Training (4220.14)	275
Chap. Res. Services Center Ops. (4220.17)	223
Other Tenant Services & Contingency (4220.19)	1,000
TOTAL TENANT SERVICES COSTS	10,863
TOTAL EXPENSES	404,651

REVENUE	
SMHA	
Springtown Villa	49,126
Low Income Housing	68,247
SMHA Total	117,373
FEDERAL	
HUD Family Self-Sufficiency Program	156,072
HUD Resident Opportunities & Self Sufficiency Program	71,956
FEMA Emergency Food & Shelter Program	18,000
FEDERAL Total	246,028
NON-FEDERAL	
City of San Marcos	0
United Way of Hays County	6,250
Program Income & Misc. Fundraising	15,000
Other	20,000
NON-FEDERAL Total	41,250
TOTAL REVENUE	\$404,651
TOTAL EXPENSES	\$404,651
BUDGET SURPLUS/(DEFICIT)	0

PROGRAM BUDGET - FY 2025

The program budget is still being developed at this time.

Budget showing proposed uses of HSAB Funding

We will use the funds for Coordinators salaries.

SMHA Board of Commissioners – July 2024

NAME	TITLE	PHONE	EMAIL	ADDRESS
Tamara Thompson	Board Member	254-253-1712	tameralthompson@gmail.com	San Marcos, TX 78666
Ashley Schwandt	Vice Chairperson	512-787-8177	a.schwandt02@gmail.com	San Marcos, TX 78666
Adriana Castillo	Commissioner	956-777-9070	Adriana_castillo@privamedicalgroup.com	San Marcos, Tx 78666
Samantha Huls	Chairperson	830-302-9809	Samantha.r.huls@gmail.com	San Marcos, TX 78666
Ramika Alexis-Adams	Commissioner	512-787-0364	realtorramika@gmail.com	San Marcos, TX 78666
Lana Wagner	Secretary/Executive Director	512-353-5059	Lana@smpha.org	San Marcos, TX 78666

SMHA Board of Commissioners Attendance Record

Please see the attached records of meetings and attendance.

March, 2023 thru February, 2024

[illegible]

[illegible]

Board of Directors Membership Criteria

Boards & Commissions

San Marcos City government offers a number of ways for its citizens to become actively involved in government business. In addition to the opportunity citizens have to express their thoughts at City Council meetings and public hearings, San Marcos citizens also may apply to serve on one of many boards and commissions.

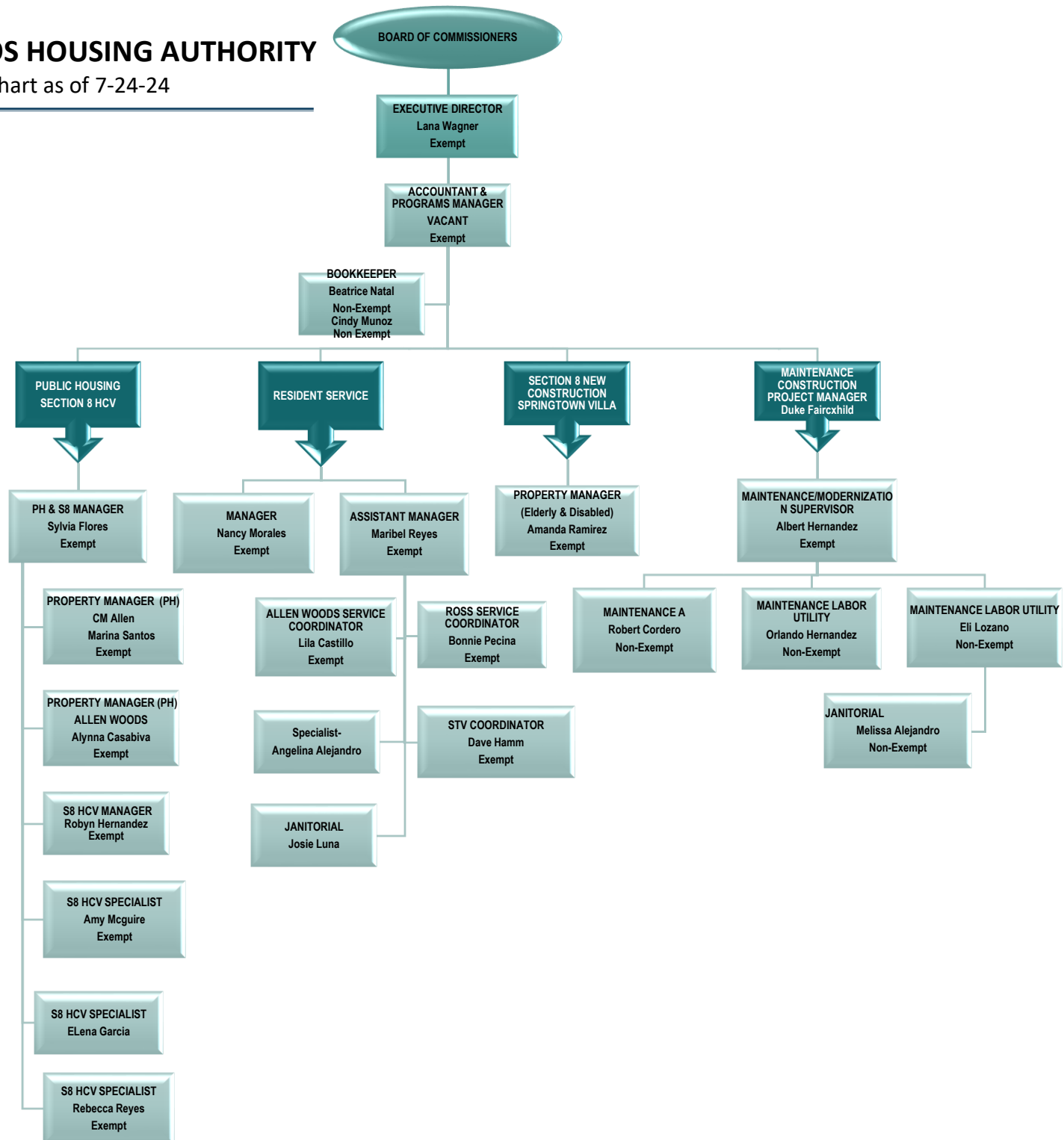
Membership on these panels is open to all San Marcos citizens. Unless otherwise noted, the only requirement for service is that the applicant be a city resident. Members of these citizen panels serve without monetary compensation. The City Council appoints the members.

The City Council also appoints members to serve on temporary Committees.

Source: <http://sanmarcostx.gov/148/Boards-Commissions>

SAN MARCOS HOUSING AUTHORITY

Organizational Chart as of 7-24-24



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IRS FORM 990

The San Marcos Housing Authority is not required to file IRS Form 990.

Non-discrimination Policy Statement

CHAPTER 1. Nondiscrimination and Privacy Requirements

In making decisions concerning admissions and occupancy of dwelling units, the PHA must comply with requirements against discrimination contained in Civil Rights legislation enacted in the 1960's and subsequently legislation concerning the disabled, familial status and the aged. The following outlines the PHA's general policy concerning the requirements and specific actions to be taken in the admission and occupancy process.

A. General Policy

1. The San Marcos Housing Authority, San Marcos, Texas, will not discriminate against any person or family because of race, color, creed, age, sex, religion, disability, national origin, actual or perceived sexual orientation or gender identity, marital status or familial status in any phase of the occupancy process. The occupancy process includes, but is not limited to, application processing, leasing, transfers, delivery of management and maintenance services, access to common facilities, treatment of residents, and termination of tenancy.
2. The PHA shall not deny admission to an applicant or participant who is or has been a victim of domestic violence, sexual assault or stalking, if the applicant otherwise qualifies for admission or assistance.
3. There will be no intimidation or retaliatory actions by the PHA or its staff against any applicant or resident because of participation in civil rights activities, or for having asserted any civil rights under statute, regulations, or requirements pursuant thereto.
4. The race, color, or national origin of the residents of the dwelling units or of the staff will not be a factor in the assignment of managers and other staffs responsible for the administration of the public housing program.
5. The PHA will abide by the nondiscrimination requirements of 24 CFR 960.203:
 - a) Title VI of the Civil Rights Act of 1964 (42 U.S.C. 200d), which prohibits discrimination based on race, color, or national origin in programs receiving Federal financial assistance. (24 CFR part 1)
 - b) The Fair Housing Act of 1988 (42 U.S.C. 3601-3619), also prohibits discrimination in housing practices based on disability in residential real estate related transactions. (24 CFR parts 100, 108, 109, 110)
 - c) Executive Order 11-63 on Equal Opportunity Housing. (24 CFR part 107)
 - d) Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), which prohibits discrimination based on disability in programs receiving Federal financial assistance. (24 CFR part 8)
 - e) The Age Discrimination Act of 1975 (42 U.S.C. 6101-6107), which prohibits discrimination based on age in programs receiving Federal financial assistance (24 CFR part 146)
 - f) Title II of the Americans with Disabilities Act. (42 U.S.C. 12101-12213)
 - g) Executive Order 131666 requiring agencies and grantees to take affirmative steps to communicate with people who need services or information in a language other than English. (Improving Access to Services for Persons with Limited English Proficiency [LEP])
 - h) Obligation to Affirmatively Further Fair Housing (24 CFR §903.7(o))

B. Specific Actions

1. The PHA will not, on the grounds of race, color, creed, sex, religion, age disability, national origin, actual or perceived sexual orientation or gender identity, marital status or familial status:
 - a) Deny a person or family admission to housing;
 - b) Provide housing which is different than that provided to others, except for elderly and/or disabled where accessibility features may be required;
 - c) Subject a person to segregation or separate treatment;
 - d) Restrict a person's access to any benefit enjoyed by others in connection with housing programs;
 - e) Treat a person differently in determining eligibility or other requirements for admission;
 - f) Deny any person access to the same level of services provided to others;
 - g) Deny a person the opportunity to participate in a planning or advisory group that is an integral part of the housing programs.
2. It will not intimidate, threaten or take any retaliatory action against any applicant or resident because of a person's participation in civil rights activities or assertions of civil rights.
3. It will not deny physically disabled persons an opportunity to apply for housing due to inaccessible application offices. Accessibility to the main office is available.
4. It will not assign employees in a way that would result in discrimination against applicants or residents.
5. It will make sure that all employees of the PHA, especially those who are involved in the admissions process, are familiar with discrimination and nondiscrimination requirements.
6. It will prominently display a fair housing poster at:
 - a) Each office where applications are taken; and
 - b) Each management office, except single-family dwellings.
7. It will maintain information on the race, ethnicity (Hispanic or non-Hispanic), sex and age of the head of the household of all applicants and residents.
8. It will not discriminate in the rental of, or otherwise make unavailable or deny, a dwelling to any renter because of a disability of:
 - a) That renter;
 - b) A person residing in or intending to reside in that dwelling after it is rented, or made available; or
 - c) Any person associated with that person.
9. It will not discriminate against any person in the terms, conditions or privileges of the rental of a dwelling, or in the provision of services or facilities in connection with such dwelling, because of a disability of:
 - a) That renter; a person residing in or intending to reside in that dwelling after it is rented, or made available; or
 - b) Any person associated with that person.

10. It will not make inquiry to determine whether an applicant for a dwelling, a person intending to reside in that dwelling after it is rented or made available, or any person associated with that person, has a disability, or make an inquiry as to the nature of severity of a disability of such a person. Furthermore, the PHA will not inquire whether an applicant or resident is "capable of living independently". However, this paragraph does not prohibit the PHA from making the following inquiries, provided that these inquiries are made of all applicants, whether or not they have disabilities.
 - a) Inquiry into an applicant's ability to meet the requirements of tenancy;
 - b) Inquiry to determine whether an applicant is qualified for a dwelling available only to persons with disabilities or persons with a particular type of disability;
 - c) Inquiry to determine whether an applicant for a dwelling is qualified for a priority available to persons with particular type of disability should such priority be a part of the PHA's policy;
 - d) Inquiry to determine whether an applicant for a dwelling is a current illegal abuser or addict of a controlled substance, except that such persons who claim eligibility as disabled due to drug or alcohol abuse alone are not eligible for housing; or
 - e) Inquiry to determine whether an applicant has been convicted of the illegal manufacture or distribution of a controlled substance, or of any violent crime.
11. The PHA will not require that a dwelling be made available to an individual whose tenancy would constitute a direct threat to the health or safety of other individuals, or whose tenancy would result in substantial physical damage to the property of others. *Chapter 7. Applicant Screening and Denial of Admission*, of this policy, will describe in detail how such individuals will be identified prior to occupancy.
12. The PHA reviews its policies and procedures, at least annually, to assure compliance with all civil rights requirements.

C. Service Policy/Reasonable Accommodations

1. The PHA's policies and practices are designed to provide assurances that all persons with disabilities will be provided reasonable accommodations so that they may fully access and utilize the housing programs and related services.
2. The PHA will identify and eliminate situations and/or procedures that create barriers to equal housing opportunity for all. In accordance with Section 504, and the Fair Housing Amendments Act of 1988, the PHA will make structural modifications to its housing and non-housing facilities and make reasonable accommodations or combinations of structural modifications and reasonable accommodations, provided that the modifications can be accomplished without undue financial and/or administrative burden. If providing a requested modification results in a fundamental alteration in the nature of the program or an undue financial/administrative burden, the PHA need not provide that accommodation. However, the PHA is required to provide any other accommodation that would not result in undue financial and/or administrative burden or fundamental alteration of the program.
3. Requests for reasonable accommodation from persons with disabilities may be presented to an employee of the PHA. The request may be written, verbal or presented in another understandable manner. The employee receiving the request will deliver the request to the occupancy staff person assigned to the applicant/resident or other designated staff who are authorized to process that request and seek verification of the need for the accommodation. The accommodation will be granted upon receipt of third-party

verification that the accommodation meets the need presented by the disability and does not result in substantial alteration of the program or create an undue financial or administrative burden on the PHA. Should the request be denied, an applicant may request an informal meeting to appeal the decision and a resident may request a hearing under the PHA's Grievance Procedures.

4. Reasonable accommodations will be made for persons with a disability who require an advocate, accessible offices, or alternative locations for making application, including their home or a service agency. A designee will be allowed to provide some information, but only with the permission of the person with the disability.
5. All PHA mailings will be made available in an accessible format upon request as a reasonable accommodation.
6. In response to a request for a reasonable accommodation, a housing provider may request reliable disability-related information that (1) is necessary to verify that the person meets the Act's definition of disability (i.e., has a physical or mental impairment that substantially limits one or more major life activities, (2) describes the needed accommodation, and (3) shows the relationship between the person's disability and the need for the requested accommodation.
 - a) A doctor or other medical professional, a peer support group, a non-medical service agency, or a reliable third party who is in a position to know about the individual's disability may also provide verification of a disability. In most cases, an individual's medical records or detailed information about the nature of a person's disability is not necessary for this inquiry.
 - b) Once a housing provider has established that a person meets the Act's definition of disability, the provider's request for documentation should seek only the information that is necessary to evaluate if the reasonable accommodation is needed because of a disability. Such information must be kept confidential and must not be shared with other persons unless they need the information to make or assess a decision to grant or deny a reasonable accommodation request or unless disclosure is required by law (e.g. a court-issued subpoena requiring disclosure). (Department of Justice and HUD joint statement, May 17, 2004).
7. The PHA will make a reasonable effort to provide accessibility to an individual with a long-term but temporary disability that limits their mobility or other major life activities. In such cases, their lease will specify that they will be required to relocate to another unit when the need for the accessibility features is no longer required. The temporary nature of the disability and the approximate length of time of the disability will be verified through a qualified health or services professional.
8. The PHA will not permit these policies to be subverted to do personal or political favors. The PHA will not offer units in an order different from that prescribed by this policy, since doing so violates the policy, Federal law, and the civil rights of the other families on the waiting list.
9. The PHA will also provide reasonable accommodation in order to ensure equal access to the programs during the admissions phase. These accommodations may include but are not limited to:
 - a) Mail application to the applicant
 - b) Accept applications on behalf of disabled applicants from social service agencies which serve the disabled

D. Translation of Documents

In determining whether it is feasible to translate documents into other languages or Braille for the blind, the PHA will consider the following factors:

1. The number of applicants and residents who do not speak English and speak another language, or need Braille for adequate understanding.
2. The cost per client of translating the documents into another language or into Braille.
3. The availability of translation and/or interpreter services in the PHA's jurisdiction.
4. Documents intended for use by applicants and residents will be made available in formats accessible to those with vision or hearing impairments. Equally important, the documents will be simply and clearly written to enable applicants with learning or cognitive disabilities to understand as much as possible. It is also understood that many of the public housing related concepts may need to be explained more than once to applicants/residents. Sign language interpreters may be provided for hearing-impaired applicants/residents if requested as a reasonable accommodation. For applicants/residents the intake/occupancy staff will read and explain orally anything they would normally hand to an applicant/resident to be read or filled out. Staff will assist in completing forms and other required documents for persons unable to write.
5. At a minimum, the PHA will prepare the following information in a clearly written accessible format:
 - a) Marketing and informational material;
 - b) Application process information;
 - c) The application;
 - d) All form letters and notices to the applicant/resident;
 - e) The PHA's general policy regarding reasonable accommodation;
 - f) New resident orientation materials;
 - g) The lease and any applicable house rules;
 - h) Guidance/instructions on care of the housing unit;
 - i) Information on opening, closing and updating the waiting list;
 - j) All information related to applicant/resident rights (informal/formal hearings grievance procedures, etc.).

E. Privacy Policy

1. It is the PHA's policy to guard the privacy of individual applicants and residents in accordance with the Privacy Act of 1974, and to ensure the protection of those individuals' records maintained by the PHA. The PHA does not allow the disclosure of any personal abuse/treatment or criminal background contained in any of their records to any person or agency without express written consent of the affected individual, or as required by law or regulation. However, this privacy policy in no way limits the PHA's right or ability to determine the applicant's suitability for tenancy or evaluate the resident's suitability for continued occupancy.

2. As required by the Violence Against Women Act (VAWA), the PHA shall notify applicants and tenants assisted under public housing of the U.S. Housing Act of 1937 of their rights and the VAWA, including their right to confidentiality and the limits thereof.
3. The PHA shall retain in confidence all information pursuant to Violence Against Women Act including the fact that an individual is a victim of domestic violence, dating violence, sexual assault, or stalking.
4. The information shall neither be entered into any shared database nor be provided to any related entity, except:
 - a) To the extent that disclosure is requested or consented to in writing by the individual; or
 - b) Required for use in an eviction proceeding of an abuser, stalker or perpetrator of domestic violence; or
 - c) Is otherwise required by applicable law

F. Violence Against Women Reauthorization Act of 2013 (VAWA)

The PHA shall provide each applicant and resident assisted under public housing of the U.S. Housing Act of 1937 the Notice of Occupancy Rights and certification form.

1. The Notice of Occupancy Rights explains the VAWA protections including the rights to confidentiality and any VAWA protection limitations.
2. The certification form is to be completed by the victim to document an incident of a VAWA crime, that:
 - a) States that the applicant or resident is a victim of domestic violence, dating violence, sexual assault, or stalking
 - b) States that the incident of domestic violence, dating violence, sexual assault, or stalking that is the ground for protection, meets the applicable definition for such incident; and
 - c) Includes the name of the individual who committed the domestic violence, dating violence, sexual assault, or stalking, if the name is known and safe to provide.
3. The PHA shall provide the Notice of Occupancy Rights and the certification form to the applicant or resident no later than at each of the following times:
 - a) At the time the applicant is denied assistance or admission.
 - b) At the time the individual is provided assistance or admission.
 - c) With any notification of eviction or notification of termination of assistance; and
 - d) During the 12-month period following December 16, 2016, either during the annual reexamination or lease renewal process. If there will be no reexamination or lease renewal for the resident during the first year after the rule takes effect, the PHA shall provide the Notice of Occupancy Rights and the certification form through other means.
4. The PHA shall retain in strictest confidence all information pursuant to VAWA including the fact that an individual is a victim of domestic violence, dating violence, sexual assault or stalking.

5. The PHA shall not allow any individual administering assistance on behalf of the PHA, in the employ of the PHA, or any persons within the PHA's employ (e.g., contractors) to have access to VAWA confidential information unless explicitly authorized by the PHA that specifically call for these individuals to have access to the information under applicable Federal, State, or local law;
6. The PHA shall not enter the VAWA confidential information into any shared database or disclose the information to any other entity or individual, except to the extent that the disclosure is:
 - a) Requested or consented to in writing by the individual in a time-limited release;
 - b) Required for use in an eviction proceeding or hearing regarding termination of assistance; or
 - c) Otherwise required by applicable law;

In accordance with Executive Order 13166 (Improving Access to Services for Persons with Limited English Proficiency), the PHA shall make available The Notice of Occupancy Rights and the certification form in multiple languages.

G. Code of Conduct

In accordance with the Annual Contributions Contract, Section 19, Conflict of Interest, the PHA has established a written code of conduct for conducting business in accordance with core values and ethical standards. (See also PHA's Conduct Standards Policy.)

1. Neither the PHA, nor any of its contractors or subcontractors, may enter into any contract or arrangement in connection with tenant-based programs in which the following class of persons has any interest, direct or indirect, during tenure or for one year thereafter.
 - a) Any present or former member or officer of the PHA, or any member of the officer's immediate family; exempted is any present or former resident commissioner who does not serve on the governing body of a resident corporation, and who otherwise does not occupy a policy-making position with the resident corporation.
 - b) Any employee of the PHA, any contractor or subcontractor, any agent of the PHA, who formulates policy or who influences decisions with respect to the PHA's programs;
 - c) Any public official, member of a local governing body, or state or local legislator, or any members of such individuals' immediate family who exercises, function, or has responsibilities with respect to the PHA's programs;
 - d) Any member of the Congress of the United States; and
 - e) Any member of the classes described in paragraph 1 of this section must disclose their interest or prospective interest to the PHA and HUD.
2. The PHA's Code of Ethics Policy prohibits solicitation or acceptance of gifts or gratuities, in excess of nominal value, by any officer or employee of the PHA, any contractor or subcontractor, or agent of the PHA.

The PHA shall adhere to the Code of Conduct and shall sanction and/or terminate an officer, employee, or agent of violations consistent with applicable state or local law.

The conflict of interest prohibition under this section may be waived by the HUD field office for good cause.

**REPORT ON AUDIT OF
BASIC FINANCIAL STATEMENTS
AND
SUPPLEMENTARY INFORMATION
SAN MARCOS HOUSING AUTHORITY
September 30, 2023**

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SAN MARCOS HOUSING AUTHORITY
September 30, 2023

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Independent Auditor's Report

To the Board of Commissioners and Executive Director
San Marcos Housing Authority
San Marcos, Texas

Report on the Audit of the Financial Statements

Opinion

I have audited the financial statements of the business-type activities of the San Marcos Housing Authority (the PHA), which comprise the statement of net position as of September 30, 2023, and the related statements of revenues, expenses and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements, which collectively comprise the PHA's basic financial statements.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the business-type activities of the San Marcos Housing Authority as of September 30, 2023, and the respective changes in its financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

I conducted my 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. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of the PHA and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

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.

Independent Auditor's Report - Continued

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 PHA'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.

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 auditor's report that includes my opinion. 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, I:

- 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 the PHA'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 my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Housing Authority's ability to continue as a going concern for a reasonable period of time.

I am 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 I identified during the audit.

Independent Auditor's Report - Continued

Required Supplementary Information

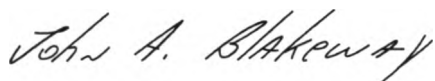
Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 6 through 12 and the schedules of changes in pension liability and other post-employment benefit liabilities and related ratios on pages 37 through 44 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

My audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information as listed in the table of contents and the schedule of expenditures of federal awards as required by the Uniform Guidance is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated June 15, 2024 on my consideration of the PHA's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the PHA's internal control over financial reporting and compliance.



John A. Blakeway CPA

Kennedale, Texas
June 15, 2024

San Marcos Housing Authority

San Marcos, TX

Management's Discussion and Analysis

September 30, 2023

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

Financial Highlights

The most significant changes on the 2023 financial statements were in assets, expendable fund balance, Federal Grants & Subsidy revenue, other income, routine maintenance expense, and Housing Assistance Payments (HAP).

Authorities participating in a defined benefit plan are subject to GASB 68 in which they are required to report an allocated share of net unfunded pension liability. Deferred outflow of resources represents a consumption of net position which are applicable to a future reporting period and have a positive effect, like assets. Deferred inflow of resources is an acquisition of net assets which are applicable to a future reporting period and have a negative effect, like liabilities.

Overview of the Financial Statements

The annual report includes a Management Discussion and Analysis report, the Basic Financial Statements, the Notes to the Financial Statements, and the Financial Data Schedule (FDS) as referenced in the section of Supplemental Information Required by HUD. The financial statements are presented as fund level financial statements because the Housing Authority only has proprietary funds.

The financial statements report information using accounting methods like those used by private sector companies. These statements offer short-term and long-term financial information about the Housing Authority's activities. The Statement of Net Position includes assets and liabilities plus provides information about the nature and amounts of investments in resources (assets) and obligations to creditors (liabilities). It also provides the basis for evaluating capital structure to include assessing liquidity and financial flexibility.

For accounting purposes, the Housing Authority is classified as an enterprise fund. Enterprise funds account for activities like those found in the private business sector where the determination of net position is necessary or useful to sound financial administration. Enterprise funds are reported using the full accrual method of accounting in which assets and liabilities, associated with the operation of these funds, are included on the balance sheet. Their focus is on income measurement which, together with the maintenance of equity, is an important financial indicator. Our discussion and analysis provides an overview of the financial activities and performance for year-end September 30, 2023.

San Marcos Housing Authority
San Marcos, TX
Management's Discussion and Analysis - Continued
September 30, 2023

All the current year's revenues and expenses are accounted for in the Statement of Revenues, Expenses, and Changes in Fund Net Position. This statement measures the ability of management to meet budgets, maintain property (meets HUD specifications and inspections), and determines whether the Housing Authority has successfully recovered costs through its rental fees and other charges. It can also be used to measure profitability and credit worthiness.

The Statement of Cash Flows reports cash receipts, cash payments, and net changes in cash resulting from operating, investing, and financing activities. It also provides answers to such questions as the source, expenditures, and change in cash during the reporting period.

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

The section Supplemental Information Required by HUD contains the Financial Data Schedule (FDS). HUD has established Uniform Financial Reporting Standards that require the Housing Authority to submit financial information electronically to HUD using the FDS format.

Financial Analysis

One of the most important questions concerning finances is the following: "Is the Housing Authority as a whole better or worse because of the achievements of the reported fiscal year?" The purpose of the information presented in this Management's Discussion and Analysis is to assist the reader in answering this question.

The basic financial statements are the Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Fund Net Position. The Statement of Net Position provides a summary of assets and liabilities as of the close of business on September 30, 2023. The Statement of Revenues, Expenses, and Changes in Fund Net Position summarize the revenues, and sources of those revenues generated, and the expenses incurred in operating the Housing Authority for the year-ended September 30, 2023.

San Marcos Housing Authority's primary programs are a low-rent program that provides housing for qualified tenants, capital fund program for improvements to its low rent properties, a New Construction/Substantial Rehabilitation Section 8 Program which provides rental assistance in connection with the development of newly constructed or substantially rehabilitated privately owned rental housing financed with any type of construction or permanent financing, a Section 8 Housing Choice Voucher program that provides rental assistance to qualified individuals living in private housing, and a blended component unit program (San Marcos Reinvestment).

San Marcos Housing Authority
San Marcos, TX
Management's Discussion and Analysis - Continued
September 30, 2023

The following analysis focuses on the net position and the change in net position not the individual programs.

Net Position				
September 30,				
	<u>2023</u>	<u>2022</u>	<u>Change</u>	<u>% of Change</u>
Current Assets	\$ 4,164,780	\$ 4,685,453	\$ (520,673)	-11.11%
Noncurrent Assets	183,271	132,305	50,966	38.52%
Capital Assets, Net	<u>9,728,785</u>	<u>9,001,790</u>	<u>726,995</u>	<u>8.08%</u>
Total Assets	<u>14,076,836</u>	<u>13,819,548</u>	<u>257,288</u>	<u>1.86%</u>
Deferred Outflow of Resources	<u>58,280</u>	<u>36,133</u>	<u>22,147</u>	<u>61.29%</u>
Current Liabilities	215,636	261,629	(45,993)	-17.58%
Noncurrent Liabilities	<u>243,448</u>	<u>177,073</u>	<u>66,375</u>	<u>37.48%</u>
	<u>459,084</u>	<u>438,702</u>	<u>20,382</u>	<u>4.65%</u>
Deferred Inflow of Resources	<u>13,613</u>	<u>14,700</u>	<u>(1,087)</u>	<u>-7.39%</u>
Net Position:				
Investment in Capital Assets	9,728,785	9,001,790	726,995	8.08%
Restricted Net Position	43,745	73,219	(29,474)	-40.25%
Unrestricted Net Position	<u>3,889,924</u>	<u>4,327,270</u>	<u>(437,346)</u>	<u>-10.11%</u>
Total Net Position	<u>\$ 13,662,454</u>	<u>\$ 13,402,279</u>	<u>\$ 260,175</u>	<u>1.94%</u>

Capital Assets				
(Net of Accumulated Depreciation)				
September 30,				
	<u>2023</u>	<u>2022</u>	<u>Change</u>	<u>% of Change</u>
Land	\$ 1,809,391	\$ 1,809,391	\$ 0	0.00%
Buildings	23,242,915	23,242,915	0	0.00%
Furniture & Equipment - Dwell	939,584	939,584	0	0.00%
Furniture & Equipment - Admin	665,336	581,090	84,246	14.50%
Leasehold Improvements	640,156	640,156	0	0.00%
Construction in progress	<u>2,907,689</u>	<u>1,818,574</u>	<u>1,089,115</u>	<u>59.89%</u>
Subtotal	30,205,071	29,031,710	1,173,361	4.04%
Accumulated Depreciation	<u>(20,476,286)</u>	<u>(20,029,920)</u>	<u>(446,366)</u>	<u>2.23%</u>
Net Capital Assets	<u>\$ 9,728,785</u>	<u>\$ 9,001,790</u>	<u>\$ 726,995</u>	<u>8.08%</u>

San Marcos Housing Authority
San Marcos, TX
Management's Discussion and Analysis - Continued
September 30, 2023

Net Position

Total assets consist of current and capital assets. Current assets are resources that are reasonably expected, based on plans and intentions, to be converted into cash or its equivalent during the current operating cycle. Capital assets are long-term tangible assets obtained because of past transactions, events, or circumstances and include buildings, equipment, and improvements to buildings and land.

Total liabilities consist of current and noncurrent payables. Current liabilities are current debts that are owed and due within 12 months. It is expected that current liabilities will consume current financial resources to satisfy debt. Noncurrent liabilities are debts that are owed but not due within 12 months. It is not expected that these liabilities will consume current financial resources to satisfy the debt.

Total assets increased due to capital additions. Total liabilities increased due Family Self-Sufficiency (FSS) Escrow payables and accrued pension liabilities (unfunded portion of promised retirement benefits). Changes in deferred resources (the Authority's defined pension plan) are governed by the state's retirement system guidelines.

Total Net Position

As of September 30, 2023, the Housing Authority had \$13,662,454 invested in total net position. Of this amount, \$3,889,924 of unrestricted net position may be used to meet the Authority's future ongoing expenses and obligations. Restricted net position of \$43,745 was available for Family Self Sufficiency (FSS) forfeitures escrow. The remainder of \$9,728,785 represents the investment in capital assets of land, buildings, furnishings, leasehold improvements, equipment, and construction in progress.

Debt

The Authority had no long-term obligations such as notes or bonds payable.

San Marcos Housing Authority
San Marcos, TX
Management's Discussion and Analysis - Continued
September 30, 2023

Changes in Net Position

For the Year Ended September 30

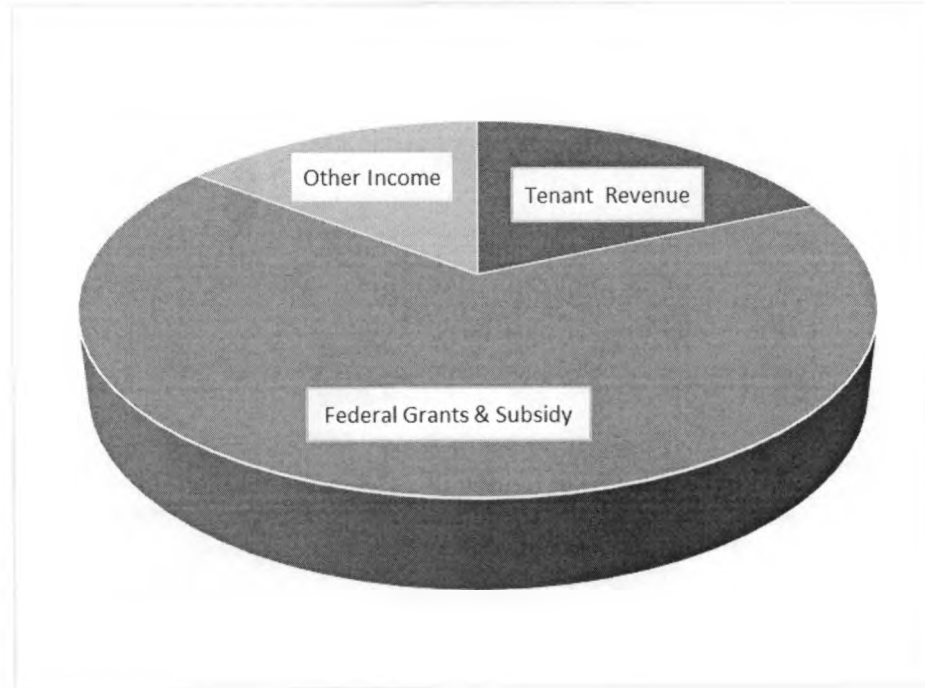
	<u>2023</u>	<u>2022</u>	<u>Change</u>	<u>% of Change</u>
Revenue:				
Tenant Revenue	\$ 1,496,919	\$ 1,380,742	\$ 116,177	8.41%
Federal Grants & Subsidy	5,248,283	4,998,480	249,803	5.00%
Investment	45,438	9,160	36,278	396.05%
Other Income	765,103	1,091,695	(326,592)	-29.92%
Total Revenue	<u>7,555,743</u>	<u>7,480,077</u>	<u>75,666</u>	<u>1.01%</u>
Expenses:				
Administrative	997,784	925,263	72,521	7.84%
Tenant Services	363,348	370,242	(6,894)	-1.86%
Utilities	482,527	474,491	8,036	1.69%
Routine Maintenance	1,862,071	1,260,199	601,872	47.76%
Protective Services	8,338	7,998	340	4.25%
General	207,735	182,212	25,523	14.01%
Nonroutine	20,845	24,190	(3,345)	-13.83%
Housing Assistance Payments	2,907,819	2,498,952	408,867	16.36%
Depreciation	446,366	566,785	(120,419)	-21.25%
Total Operating Expenses	<u>7,296,833</u>	<u>6,310,332</u>	<u>986,501</u>	<u>15.63%</u>
Increase (Decrease) in Net Position	<u>\$ 258,910</u>	<u>\$ 1,169,745</u>	<u>\$ (910,835)</u>	<u>-77.87%</u>

Changes in Net Position

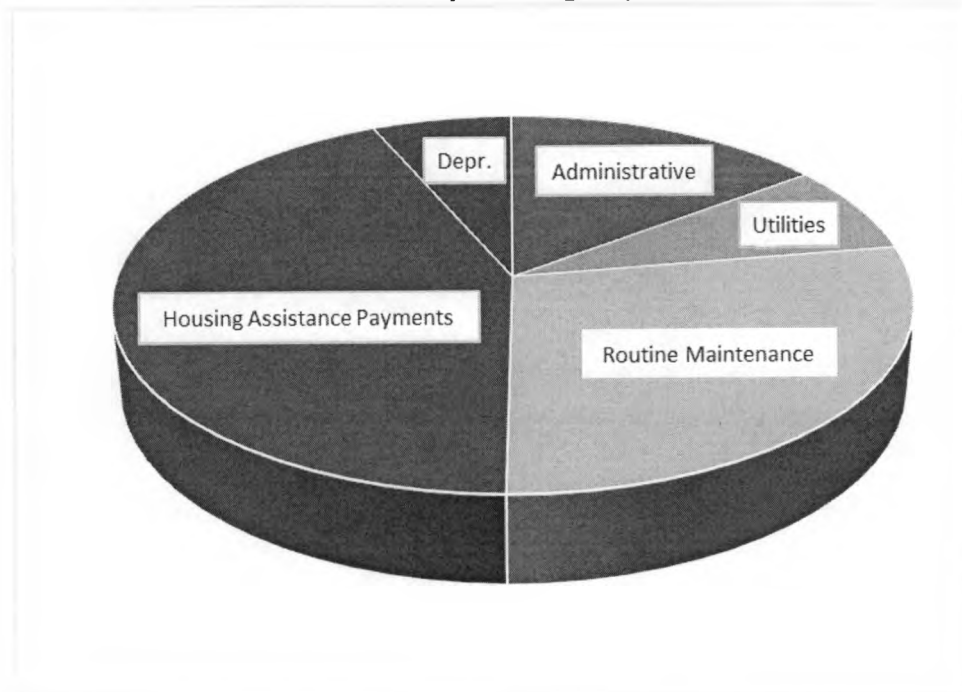
Total revenue remained materially consistent as compared to prior year revenue. Total operating expenses increased due to maintenance labor, materials, contract costs (landscaping/grounds, unit turnaround), and Housing Assistance Payments (HAP). Changes in Housing Assistance Payments rent expense are generally due to the number of Section 8 applicants assisted with housing needs and costs per unit leased. The net effect was a decrease in changes in net position.

San Marcos Housing Authority
San Marcos, TX
Management's Discussion and Analysis - Continued
September 30, 2023

2023 Total Revenue



2023 Total Operating Expenses



San Marcos Housing Authority
San Marcos, TX
Management's Discussion and Analysis - Continued
September 30, 2023

Economic Factors

The Housing Authority is primarily dependent upon HUD for the funding of operations. The entity is affected by both federal budgetary decisions and by local economic conditions.

Contacting the Housing Authority's Financial Management

Our financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the Authority's finances and to show accountability for money it receives. If you have questions or need further clarification regarding the financial statement contact Lana Wagner, Executive Director, San Marcos Housing Authority, 1201 Thorpe Lane, San Marcos, TX, 78666, telephone number

STATEMENT OF NET POSITION
SAN MARCOS HOUSING AUTHORITY
September 30, 2023

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 2,478,370
Cash and cash equivalents - restricted for HAP	4,964
Cash and cash equivalents - restricted for FSS escrow forfeitures	43,745
Receivables - net of allowance	323,207
Investments	1,283,368
Deferred charges and other assets	31,126
TOTAL CURRENT ASSETS	4,164,780

NONCURRENT ASSETS

Cash and cash equivalents - restricted for FSS escrow	182,122
Cash and cash equivalents - restricted for loan escrow	1,149
Capital assets - net of accumulated depreciation	9,728,785
TOTAL NONCURRENT ASSETS	9,912,056
TOTAL ASSETS	14,076,836

DEFERRED OUTFLOWS OF RESOURCES - Pension	57,681
DEFERRED OUTFLOWS OF RESOURCES - OPEB	599

LIABILITIES AND NET POSITION

CURRENT LIABILITIES

Bank overdraft	10,344
Accrued wages and taxes	4,565
Security deposits	117,951
Deferred credits and other liabilities	82,776
TOTAL CURRENT LIABILITIES	215,636

NONCURRENT LIABILITIES

Other long-term liabilities	243,413
TOTAL NONCURRENT LIABILITIES	243,413
TOTAL LIABILITIES	459,049

DEFERRED INFLOWS OF RESOURCES - Pension	6,345
DEFERRED INFLOWS OF RESOURCES - OPEB	7,268

NET POSITION

Net investment in capital assets	9,728,785
Restricted	43,745
Unrestricted	3,889,924
TOTAL NET POSITION	\$ 13,662,454

See Notes to Financial Statements

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
SAN MARCOS HOUSING AUTHORITY
Year Ended September 30, 2023

OPERATING REVENUES

Tenant revenue	\$ 1,496,919
Other income	791,429
TOTAL OPERATING REVENUE	<u>2,288,348</u>

OPERATING EXPENSES

Administrative	997,784
Tenant services	363,348
Utilities	482,527
Maintenance & operation	1,862,071
Protective services	8,338
General	207,735
Housing assistance payments	2,907,819
Depreciation	446,366
Other expenses	20,845
TOTAL OPERATING EXPENSES	<u>7,296,833</u>

OPERATING INCOME (LOSS)	<u>(5,008,485)</u>
--------------------------------	--------------------

NONOPERATING REVENUES (EXPENSES)

HUD PHA grants - Nonoperating	4,059,629
Other government grants	29,276
Interest income	45,438
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>4,134,343</u>

INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(874,142)
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CAPITAL CONTRIBUTIONS

HUD PHA grants - Capital	1,133,052
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OPERATING TRANSFERS IN (OUT)	<u>0</u>
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CHANGES IN NET POSITION	258,910
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TOTAL NET POSITION - BEGINNING	13,402,279
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Prior year adjustments	1,265
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TOTAL NET POSITION - ENDING	<u>\$ 13,662,454</u>
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See Notes to Financial Statements.

STATEMENT OF CASH FLOWS
SAN MARCOS HOUSING AUTHORITY
Year Ended September 30, 2023

Cash Flow From Operating Activities:

Receipts from tenants	\$ 1,516,849
Other receipts	851,337
Payments to suppliers	(2,522,882)
Payments to landlords	(2,907,819)
Payments to employees	<u>(1,410,995)</u>
	(4,473,510)

Cash Flow From Capital and Related

Financing Activities:

- Fixed asset additions	(1,173,361)
- Capital grants	956,319
- Prior year adjustment	<u>1,265</u>
	(215,777)

Cash Flow From Noncapital

Financing Activities:

- Operating grants	<u>3,902,100</u>
	3,902,100

Cash Flow From Investing Activities:

- Interest	45,440
- Investments - net	<u>(773,073)</u>
	(727,633)

Net Increase in Cash and

Cash Equivalents

(1,514,820)

Cash and Cash Equivalents

At Beginning of Year

4,225,170

At End of Year

\$ 2,710,350

See Notes to Financial Statements.

STATEMENT OF CASH FLOWS - CONTINUED
SAN MARCOS HOUSING AUTHORITY
Year Ended September 30, 2023

Reconciliation of Operating Income (Loss)
to Net Cash Provided (Used) by Operating
Activities:

Operating income (loss)	\$ (5,008,485)
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Adjustments to Reconcile Operating Income (Loss)
to Net Cash Flows From Operating
Activities:

Depreciation	446,366
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Changes in Assets and Liabilities:

(Increase) decrease in assets:

Receivables - net	311
Inventories	0
Deferred charges	(7,836)
Other assets	2,892

Increase (decrease) in liabilities:

Bank overdraft	10,344
Accounts payable	(47,976)
Accrued wages & taxes	7,495
Compensated absences	36
Security deposits	6,128
Deferred revenue	32,524
Other liabilities	107,925

Changes in Deferred Outflows and Inflows of Resources

Decrease (increase) in deferred outflows	(22,147)
Increase (decrease) in deferred inflows	<u>(1,087)</u>

Net Cash Provided (Used) by
Operating Activities

\$ <u><u>(4,473,510)</u></u>

See Notes to Financial Statements.

NOTES TO FINANCIAL STATEMENTS
SAN MARCOS HOUSING AUTHORITY
September 30, 2023

NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization – The Housing Authority (PHA) is a non-profit governmental organization which was organized under the laws of the State to provide housing for qualified individuals in accordance with the rules and regulations prescribed by HUD. The Mayor of the City of San Marcos appoints the PHA's Board of Commissioners. The PHA is not financially accountable to the City and the City does not provide financial assistance to the PHA.

Reporting Entity - The PHA's financial statements include all of the housing authority's operations. The criteria for including organizations as component units within the PHA's reporting entity, as set forth in *Section 2100* of the Governmental Accounting Standards Board's (GASB) *Codification of Government Accounting and Financial Reporting Standards*, include whether:

1. The organization is legally separate (can be sued in their own name).
2. The PHA holds the corporate powers of the organization.
3. The PHA appoints a voting majority of the organization's board.
4. The organization has the potential to impose a financial benefit/burden on the PHA.
5. There is fiscal dependency by the organization on the PHA.

Based on these criteria, the San Marcos Reinvestment Corporation and SMHA Lantana GP, LLC are component units of the PHA. The operations of these entities are reported in these financial statements using the blended presentation. The component units are reported as if it were part of the primary government because its sole purpose is to work in conjunction with the PHA to provide housing for low and moderate income individuals. The component units are shown in the financial data schedules in the component unit column.

Basis of Presentation - Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The PHA's activities are business-type in nature and does not engage in any governmental type activities. As a result, Government-wide financial statements which distinguish between governmental and business-type activities are not required.

For financial reporting purposes, all activities of the PHA are accounted for in one housing enterprise (proprietary) fund. Fund financial statements are considered to be separate accounting entities. A fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses.

NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

The PHA has the following activities:

Low-Rent Public Housing Program - Under the Low-Rent Program, the PHA rents units that it owns to low- income households. The Low Rent Program is operated under an annual contribution contract (ACC) with HUD, and HUD provides an Operating Subsidy that enables the PHA to provide housing at a rent that is based upon a percentage of the household income.

Section 8 Housing Choice Voucher Program - Under the Housing Choice Voucher Program, the PHA administers contracts with independent landlords that own properties. The PHA subsidizes a family's rent through a Housing Assistance Payment made to the landlord. The program is administered under an Annual Contributions Contract (ACC) with HUD. HUD provides Annual Contributions Funding to enable the PHA to structure a lease that sets the participants' rent at a percentage of household income.

Mariposa Apartments - This is a commercial activity in which the Authority has executed a 99-year agreement to lease a parcel of land, owned by the PHA, to a private commercial development firm (Hunter Road Affordable Housing, Ltd.). The land lease was entered into on August 1, 2004. The development provided the PHA with a 10-year prepayment fee at the time of executing the lease agreement. This prepayment fee was used by the PHA to pay for the land leased to Hunter Road Affordable Housing, Ltd.

Public Housing Program (CFP) - Under this program HUD provides to the PHA with funding for capital and management activities, including modernization and development of public housing development and for management improvements to assure that they continue to be available to low-income housing residents.

Section 8 New Construction - Springtown Villa - Under this program, the PHA constructed a housing project for elderly and handicapped persons. The program is administered through an Annual Contribution Contract with HUD to subsidize rent for elderly and handicapped persons.

San Marcos Reinvestment Corporation (Component Unit) - Develops single-family residential homes for low income housing. The PHA manages & owns 100% of the San Marcos Reinvestment Corporation, a nonprofit organization. The cash and investments of the San Marcos Reinvestment Corporation are combined with the PHA's.

Resident Services Program - The PHA maintains this program for the purpose of providing services to residents living in public housing.

NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Measurement Focus and Basis of Accounting - Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Proprietary (business-type) funds utilize an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets, financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.

Operating income reported in the enterprise (proprietary) fund financial statements includes revenues and expenses related to the primary, continuing operation of the fund. Principal operating revenues are charges to tenants for providing housing services. Principal operating expenses consists of the costs of providing housing services to tenants including depreciation on capital assets. Other revenues and expenses are classified as non-operating in the financial statements. Grants that subsidize operations are classified as non-operating.

Basis of Accounting - All proprietary funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Cash and Investments - The proprietary fund types consider all highly liquid investments with maturities of three months or less at the time of acquisition to be cash equivalents. Liquid investments with maturities of more than three months are carried as investments. The PHA invests in instruments whose values are not subject to market fluctuations and are carried at cost plus accrued interest.

Inventories – Inventories are recorded at the lower of cost or market on a first-in, first-out basis.

Compensated Absences - Employees are granted vacation and sick leave benefits depending on tenure with the PHA. Generally, after one year of service, employees are entitled to their accrued vacation leave upon termination. These amounts are charged to expense and a corresponding liability is established when earned.

NOTES TO FINANCIAL STATEMENTS - CONTINUED
SAN MARCOS HOUSING AUTHORITY
September 30, 2023

NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Fixed Assets and Depreciation - Land, structures and equipment are stated at historical cost. Individual assets that exceed a Board approved threshold limit are capitalized and depreciated while smaller assets are expensed as consumable supplies. Depreciation is computed using the straight-line method. Estimated useful lives, in years, for depreciable assets are as follows:

Site improvements	10 to 25 years
Buildings	25 years
Building improvements	10 to 25 years
Nondwelling structures	25 years
Equipment	5 to 10 years

NOTE B - DEPOSITS AND INVESTMENTS

The PHA's funds are required to be deposited and invested under the terms of a depository agreement which requires deposits over FDIC limits to be secured with securities held by the financial institution. Investments are carried at cost and consist of certificates of deposit that do not fluctuate in value.

Custodial risk is the risk that in the event of a bank failure, the PHA's deposits may not be returned to it. The PHA's depository agreement requires the PHA's depository to pledge collateral against deposits in excess of FDIC insurance coverage limits.

Interest rate risk is exposure to market value losses arising from increasing interest rates. The PHA invests in certificates of deposit that do not have an interest rate risk.

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The PHA mitigates credit risk by investing in fully insured or collateralized certificates of deposits or demand deposits.

Concentration of credit risk is the risk of loss attributed to the magnitude of investment in a single issuer. The PHA does not have a concentration of credit risk as investments are limited to certificates of deposit that are covered by FDIC insurance or collateralized by pledged securities.

NOTES TO FINANCIAL STATEMENTS - CONTINUED
SAN MARCOS HOUSING AUTHORITY
September 30, 2023

NOTE B - DEPOSITS AND INVESTMENTS - CONTINUED

The PHA's deposits are categorized at year end to give an indication of the level of risk assumed by the PHA at year end. These categories are described as follows:

Category 1 – Insured or collateralized.

Category 2 – Uncollateralized.

Total Deposits and Investments (Book Value)	Category 1	Category 2
<u>\$ 3,993,718</u>	<u>\$ 3,993,718</u>	<u>\$ 0</u>

At year end, all bank balances were either insured and/or collateralized.

NOTE C – RESTRICTED CASH/INVESTMENTS

Restricted cash of \$ 1,149 is a loan escrow account, \$ 182,122 is restricted for payment of family self- sufficiency escrow balances, \$ 4,964 is restricted for housing assistance payments, and \$ 43,745 is restricted for family self-sufficiency forfeitures.

NOTE D – ACCOUNTS RECEIVABLE

At year end, accounts receivable consisted of the following:

Accounts receivable - PHA projects	\$ 3,243
Accounts receivable - HUD	279,948
Accounts receivable - Miscellaneous	95
Accounts receivable - Tenants	42,701
Allowance for doubtful accounts - Tenants	(3,136)
Accounts receivable - Fraud recovery	30
Allowance for doubtful accounts - Fraud recovery	(30)
Accrued interest receivable	356
	<u>\$ 323,207</u>

NOTES TO FINANCIAL STATEMENTS - CONTINUED
SAN MARCOS HOUSING AUTHORITY
September 30, 2023

NOTE E – CAPITAL ASSETS

Land, structures and equipment reported in the PHA's proprietary funds are as follows:

<u>Classification</u>	<u>Beginning Balance 10/01/22</u>	<u>Additions & Transfers</u>	<u>Dispositions</u>	<u>Ending Balance 09/30/23</u>
<u>Capital Assets, Not Being</u>				
<u>Depreciated</u>				
Land	\$ 1,809,391	\$ 0	\$ 0	\$ 1,809,391
Construction in Progress	1,818,574	1,089,115	0	2,907,689
	<u>3,627,965</u>	<u>1,089,115</u>	<u>0</u>	<u>4,717,080</u>
<u>Capital Assets, Being</u>				
<u>Depreciated</u>				
Infrastructure	0	0	0	0
Buildings and Improvements	23,883,071	0	0	23,883,071
Furniture and Equipment	1,520,674	84,246	0	1,604,920
	<u>25,403,745</u>	<u>84,246</u>	<u>0</u>	<u>25,487,991</u>
Total	\$ <u>29,031,710</u>	\$ <u>1,173,361</u>	\$ <u>0</u>	\$ <u>30,205,071</u>
Less Accumulated Depreciation	\$ <u>(20,029,920)</u>	\$ (446,366)	0	\$ <u>(20,476,286)</u>
Net Book Value	\$ <u><u>9,001,790</u></u>			\$ <u><u>9,728,785</u></u>

NOTE F -- ESTIMATES

Generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTES TO FINANCIAL STATEMENTS - CONTINUED
SAN MARCOS HOUSING AUTHORITY
September 30, 2023

NOTE G – NONCURRENT LIABILITIES

At year end, noncurrent liabilities consisted of the following:

Accrued compensated absences - Noncurrent	\$	41,087
Noncurrent liabilities - FSS escrow		187,086
Accrued Pension and OPEB Liabilities		15,240
	\$	<u>243,413</u>

Changes in noncurrent liabilities are as follows:

	Beginning Balance 10/01/22	Additions	Deductions	Ending Balance 09/30/23	Amount Due Within One Year
Accrued compensated absences - Noncurrent	\$ 41,054	\$ 0	\$ 33	\$ 41,087	\$ 4,565
Noncurrent liabilities - FSS escrow	128,274	58,812		187,086	0
Accrued pension and OPEB liabilities	7,745	7,495	0	15,240	0
	<u>\$ 177,073</u>	<u>\$ 66,307</u>	<u>\$ 33</u>	<u>\$ 243,413</u>	<u>\$ 4,565</u>

NOTE H – DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the Statement of Net Position includes a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then.

In addition to liabilities, the Statement of Net Position includes a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an addition to net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

NOTES TO FINANCIAL STATEMENTS - CONTINUED
SAN MARCOS HOUSING AUTHORITY
September 30, 2023

NOTE I – DEFINED BENEFIT PENSION PLAN

Plan Description

The PHA provides pension, disability, and death benefits for all of its full-time employees through a nontraditional defined benefit plan in the state-wide Texas PHA and District Retirement System (TCDRS). The Board of Trustees of TCDRS is responsible for administration of the statewide agent multiple-employer public employee retirement system. TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis.

This CAFR is available online at <https://www.tcdrs.org/TCDRS%20Publications/2014CAFR.pdf>.

The plan provisions are adopted by the governing body of the PHA, within the options available in the Texas state statutes governing TCDRS. Members can retire at age 60 and above with 8 or more years of service, with 30 years of service regardless of age, or when the sum of their age and years of service equals 75 or more. Members are vested after 8 years of service but must leave their accumulated contributions in the plan to receive any employer-financed benefit. Members who withdraw their personal contributions in a lump sum are not entitled to any amount contributed by their employer.

Benefits Provided

Benefit amounts are determined by the sum of the employee's contributions to the plan, with interest, and employer-financed monetary credits. The level of these monetary credits is adopted by the governing body of the employer within the actuarial constraints imposed by the TCDRS Act so that the resulting benefits can be expected to be adequately financed by the employer's commitment to contribute. At retirement, death or disability, the benefit is calculated by converting the sum of the employee's accumulated contributions and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

Employees Covered by Benefit Terms

At the December 31, 2022 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	2
Inactive employees entitled to but not yet receiving benefits	0
Active employees	19
Total	<u>21</u>

NOTES TO FINANCIAL STATEMENTS - CONTINUED
SAN MARCOS HOUSING AUTHORITY
September 30, 2023

NOTE I – DEFINED BENEFIT PENSION PLAN - CONTINUED

Funding Policy

As an agent, multiple-employer plan, each participating employer in TCDRS funds its plan independently. A combination of three elements funds each employer's plan as described below.

1. Employee Deposits

The governing body of the employers has the option of adopting a deposit rate in the plan for employees of 4%, 5%, 6%, or 7% of compensation. The PHA had an adopted deposit rate for employees of 5% in effect for the year ended September 30, 2023.

2. Employer Contributions

Participating employers are required to contribute at actuarially determined rates to ensure adequate funding for each employer's plan. Employer contribution rates are determined annually and approved by the TCDRS Board of Trustees. The PHA had required employer deposits rates in effect for the year ended September 30, 2023 of 5.2%.

3. Investment Income

Income on invested employee and employer contributions funds a large part of the benefits that employees earn.

Pursuant to state law, employers participating in the system must pay 100% of their actuarially determined required contributions on an annual basis.

Net Pension Liability

The PHA's Net Pension Liability (NPL) was measured as of December 31, 2022, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

NOTES TO FINANCIAL STATEMENTS - CONTINUED
SAN MARCOS HOUSING AUTHORITY
September 30, 2023

NOTE I – DEFINED BENEFIT PENSION PLAN - CONTINUED

Actuarial assumptions:

The Total Pension Liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Overall payroll growth	.00% per year
Investment Rate of Return	7.50%, net of pension plan investment expense, including inflation

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected return, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Geometric Real Rate of Return (Expected minus Inflation)
US Equities	11.50%	4.95%
Global Equities	2.50%	4.95%
International Equities - Developed	5.00%	4.95%
International Equities - Emerging	6.00%	4.95%
Investment-Grade Bonds	3.00%	2.40%
Strategic Credit	9.00%	3.39%
Direct Lending	16.00%	6.95%
Distressed Debt	4.00%	7.60%
REIT Equities	2.00%	4.15%
Master Limited Partnerships (MLPs)	2.00%	5.30%
Private Real Estate Partnerships	6.00%	5.70%
Private Equity	25.00%	7.95%
Hedge Funds	6.00%	2.90%
Cash Equivalents	2.00%	0.20%
Total	100.00%	

NOTES TO FINANCIAL STATEMENTS - CONTINUED
SAN MARCOS HOUSING AUTHORITY
September 30, 2023

NOTE I – DEFINED BENEFIT PENSION PLAN - CONTINUED

Discount Rate

The discount rate used to measure the Total Pension Liability was 7.60%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

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

The following presents the net pension liability of the PHA, calculated using the discount rate of 7.60%, as well as what the PHA's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.60%) or 1-percentage-point higher (8.60%) than the current rate:

	1% Decrease 6.60%	Current Discount Rate 7.60%	1% Increase 8.60%
Total pension liability	\$ 275,683	\$ 238,286	\$ 207,579
Fiduciary net position	232,166	232,166	232,166
Net pension liability/(asset)	\$ 43,517	\$ 6,120	\$ (24,587)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TCDRS financial report. That report may be obtained on the Internet at www.tcdrs.org.

NOTES TO FINANCIAL STATEMENTS - CONTINUED
SAN MARCOS HOUSING AUTHORITY
September 30, 2023

NOTE I – DEFINED BENEFIT PENSION PLAN – CONTINUED

Changes in the Net Pension Liability

A detail of the changes in the Net Pension Liability (Asset) of the PHA is as follows:

	Increases (Decreases)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance at December 31, 2021	\$ 161,054	\$ 163,946	\$ (2,892)
Changes for the year			
Service cost	74,963	0	74,963
Interest on total pension liability	17,618	0	17,618
Effect of plan changes	0	0	0
Effect of economic/demographic gains or losses	(6,802)	0	(6,802)
Effect of assumptions changes or inputs	0	0	0
Refund of contributions	(8,547)	(8,547)	0
Benefit payments	0	0	0
Administrative expenses	0	(136)	136
Member contributions	0	40,413	(40,413)
Net investment income	0	(15,899)	15,899
Employer contributions	0	41,869	(41,869)
Other changes	0	10,519	(10,519)
Net changes	77,232	68,219	9,013
Balance at December 31, 2022	\$ 238,286	\$ 232,165	\$ 6,121

NOTES TO FINANCIAL STATEMENTS - CONTINUED
SAN MARCOS HOUSING AUTHORITY
September 30, 2023

NOTE I – DEFINED BENEFIT PENSION PLAN – CONTINUED

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended September 30, 2023, the PHA recognized pension expense of \$ 30,054.

At September 30, 2023, the PHA reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 2,461	\$ 5,952
Changes in actuarial assumptions	3,453	393
Differences between projected and actual investment earnings	17,078	0
Contributions subsequent to the measurement date	34,689	0
Total	\$ 57,681	\$ 6,345

\$ 34,689 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

	Deferred Outflows/(Inflows) of Resources
Year ended December 31:	
2023	\$ 3,868
2024	3,869
2025	3,349
2026	6,404
2027	97
Thereafter	(940)
Total	\$ 16,647

NOTES TO FINANCIAL STATEMENTS - CONTINUED
SAN MARCOS HOUSING AUTHORITY
September 30, 2023

NOTE J – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

Plan Description

Texas County & District Retirement System ("TCDRS") administers a defined benefit group-term life insurance plan known as the TCDRS Group Term Life Program (GTL). This is a voluntary program in which participating member PHAs may elect to provide group-term life insurance coverage for their active members, including or not including retirees.

The PHA contributes to the GTL at a contractually required rate as determined by an annual actuarial valuation. The funding policy for the GTL program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year. The intent is not to pre-fund retiree term life insurance during employees' entire careers.

Benefits Provided

All full and part-time non-temporary employees participate in the plan, regardless of the number of hours they work in a year and are eligible for the TCDRS pension plan. Only employers that have elected participation in the retiree Group Term Life program are included in the OPEB plan.

The plan provides a \$5,000 post-retirement death benefit to beneficiaries of service retirees and disability retirees of employers that have elected participation in the retiree GTL program.

The OPEB benefit is a fixed \$5,000 lump-sum benefit. No future increases are assumed in the \$5,000 benefit amounts.

Benefit terms are established under the TCDRS Act. Participation in the retiree GTL program is optional and the employer may elect to opt out of coverage as of January 1 each year.

Employees Covered by Benefit Terms

Number of:

Inactive employees currently receiving benefits	0
Inactive employees entitled to but not yet receiving benefits	0
Active employees	19
	<hr/>
	19
	<hr/>

The PHA's contributions to the GTL for the year ended September 30, 2023 were \$2,263, and were equal to the required contributions.

NOTES TO FINANCIAL STATEMENTS - CONTINUED
SAN MARCOS HOUSING AUTHORITY
September 30, 2023

NOTE J – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

Total OPEB Liability

The PHA's total OPEB liability of \$9,118 was measured as of December 31, 2022, and was determined by an actuarial valuation as of that date.

	<u>2022</u>
Total OPED Liability	
Service Cost	\$ 5,824
Interest (on the Total OPED Liability)	280
Changes of benefit terms	0
Effect of economic/demographic experience	(1,295)
Change of assumptions	(3,436)
Benefit payments, including refunds of employee contributions	<u>0</u>
Net Change in total OPED Liability	1,373
Total OPED Liability - Beginning	<u>7,745</u>
Total OPED Liability – Ending (a)	<u><u>\$ 9,118</u></u>

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the PHA, as well as what the PHA's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.72 percent) or 1-percentage-point higher (4.72 percent) than the current discount rate.

	<u>1% Decrease in</u> <u>Discount Rate (2.72%)</u>	<u>Current</u> <u>Discount Rate (3.72%)</u>	<u>1% Increase in</u> <u>Discount Rate (4.72%)</u>
Total OPEB Liability \$	<u>10,979</u>	<u>\$ 9,118</u>	<u>\$ 7,712</u>

NOTES TO FINANCIAL STATEMENTS - CONTINUED
SAN MARCOS HOUSING AUTHORITY
September 30, 2023

NOTE J – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

Summary of Actuarial Assumptions and Other Inputs

Valuation Timing	Actuarially determined contribution rates are calculated on a calendar year basis as of December 31, two years prior to the end of the fiscal year in which the contributions are reported.
Actuarial Cost Method	Entry Age Normal
Amortization Method	Straight-Line amortization over Expected Working Life
Investment Rate of Return (Discount Rate)	3.72% 20Year Bond GO Index published by bondbuyer.com as of December 30, 2022
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68.
Mortality rates - service retirees	135% of Pub-2010 General Employees Amount-Weighted Mortality Table for males and 120% Pub-2010 General Employees Amount Weighted Mortality Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.
Mortality rates - disabled retirees	160% of Pub-2010 General Disabled Retirees Amount Weighted Mortality Table for males and 125% of Pub-2010 General Disabled Retirees Amount Weighted Mortality Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.

NOTES TO FINANCIAL STATEMENTS - CONTINUED
SAN MARCOS HOUSING AUTHORITY
September 30, 2023

NOTE J – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended September 30, 2023, the PHA recognized OPEB expense of \$5,167.

At September 30, 2023, the PHA reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 0	\$ 4,214
Changes in actuarial assumptions and other inputs	599	3,054
Contributions subsequent to the measurement date	0	0
Total	<u>\$ 599</u>	<u>\$ 7,268</u>

Amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in pension expense as follows:

	<u>Outflows (Inflows) of Resources</u>
Year ended December 31:	
2023	\$ (937)
2024	(937)
2025	(937)
2026	(937)
2027	(937)
Thereafter	(1,984)
Total	<u>\$ (6,669)</u>

NOTES TO FINANCIAL STATEMENTS - CONTINUED
SAN MARCOS HOUSING AUTHORITY
September 30, 2023

NOTE K -- BUDGET PROCESS

The PHA prepares budgets for all HUD programs. These budgets are approved by the Board of Commissioners and by HUD, if necessary. Appropriations for operating funds lapse at the end of the fiscal year. Capital fund budgets carry over until the project is completed.

NOTE L-- FEDERAL GRANTS

In the normal course of operations, the PHA receives grant funds from various governmental agencies. These grant programs are subject to audit by agents of the granting agency. The purpose of which is to ensure compliance with the provisions of the granting agency. Any liability for reimbursement which may arise as the result of these audits is not believed to be material.

NOTE M – RISK MANAGEMENT

The PHA is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; employee's health and life; and natural disasters. The PHA manages these various risks of loss through the purchase of insurance. Management believes such coverage is sufficient to preclude any material losses to the PHA.

The PHA participates in the Texas Municipal League Intergovernmental Risk Pool which provides protection for risks of loss. Premiums are paid to the Pool that retains the risk of loss beyond the PHA's policy deductibles. Deductible amounts are not material to the financial statements.

NOTE N – CURRENT VULNERABILITY DUE TO CERTAIN CONCENTRATIONS

The Housing Authority's operations are concentrated in low income rental programs funded primarily through HUD. These programs operate in a heavily regulated environment. Funding levels, administrative directives, rules and regulations are subject to change by an act of congress or by an administrative change mandated by HUD. Such changes may occur with little notice and could result in inadequate funding to cover operating costs.

NOTE O – CONSTRUCTION CONTRACTS

Periodically, the PHA enters into construction contracts for repairs and improvements to its units. These costs are funded through Capital Fund Program grants. These construction contracts do not require the expenditure of current assets or the issuance of debt as grant funds are requisitioned to cover expenditures being made.

NOTES TO FINANCIAL STATEMENTS - CONTINUED
SAN MARCOS HOUSING AUTHORITY
September 30, 2023

NOTE P – OTHER POST EMPLOYMENT BENEFITS

The PHA does not pay any post employment benefits and no unfunded actuarial accrued liabilities are required under GASB #45.

NOTE Q – ECONOMIC DEPENDENCY

The PHA receives a substantial portion of its revenue from Federal subsidies and grants. Since appropriations are determined at the federal level, decreases in the amounts funded could have an adverse effect on the PHA

NOTE R – CONTINGENCIES

The PHA operates in a highly complex and changing regulatory environment. The regulatory requirements are subject to change and interpretation. As a result, the PHA's grant programs are subject to reviews and audits by grantor agencies who determine compliance with various rules and regulations. These reviews and audits could result in ineligible expenditures and requests for repayment. Based on prior reviews and audits, management believes that any noncompliance would not be material to the financial statements.

NOTE S – CONTRACTUAL LAND LEASE OBLIGATIONS PAYABLE

Mariposa Apartments

During 2004, the PHA entered into an agreement for development of a 180-unit apartment complex "Mariposa Apartments" (housing project). As part of that agreement dated August 1, 2004, land for the housing project was bought and deeded to the PHA. In return, the PHA executed a 99-year ground lease agreement with the owner of the housing project (Hunter Road Affordable Housing, Ltd.). The ground lease agreement provided for a \$1,034,500 rent prepayment for the first 10 years of the lease term. The ground lease further stipulated that annual rent after the tenth year is to be \$82,760 per year and will be deferred and non-payable as long as the project owner is not in default of any liability, responsibility or obligation related to the housing project. The agreement further stipulates that under Texas state law, the PHA represented it was entitled to receive real estate property tax exemptions from various local and state taxing authorities. As part of the agreement a lien attaches to the land which secures the payment of the bonds used by the project owner for construction of the housing project. Title to land and improvements reverts to the PHA at the end of the lease period.

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND REALTED RATIOS
(Last 10 Years will ultimately be displayed)
SAN MARCOS HOUSING AUTHORITY
For the Year Ended September 30, 2023

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Total Pension Liability			
Service Cost	\$ 74,963	\$ 72,046	\$ 67,942
Interest (on the Total Pension Liability)	17,618	11,366	5,441
Effect of plan changes			
Effect of assumption changes or inputs	0	(549)	5,181
Effect of economic/demographic (gains) or losses	(6,802)	1,873	1,685
Benefit payments/refunds of contributions	(8,547)	(2,359)	(1,572)
Net Change in total Pension Liability	<u>77,232</u>	<u>82,377</u>	<u>78,677</u>
Total Pension Liability - Beginning	<u>161,054</u>	<u>78,677</u>	<u>0</u>
Total Pension Liability – Ending (a)	<u>\$ 238,286</u>	<u>\$ 161,054</u>	<u>\$ 78,677</u>
Plan Fiduciary Net Position			
Employer contributions	\$ 41,869	\$ 33,011	\$ 31,391
Member contributions	40,414	39,113	37,193
Investment income net of investment expenses	(15,899)	23,192	137
Benefit payments, including refunds of employee contributions	(8,547)	(2,359)	(1,572)
Administrative expense	(136)	(89)	(50)
Other	10,518	1,996	1,983
Net Change in Plan Fiduciary Net Position		<u>94,864</u>	<u>69,082</u>
Plan Fiduciary Net Position - Beginning	<u>163,946</u>	<u>69,082</u>	<u>0</u>
Plan Fiduciary Net Position – Ending (b)	<u>\$ 232,165</u>	<u>\$ 163,946</u>	<u>\$ 69,082</u>
Net Pension Liability (Asset) – Ending (a)-(b)	<u>\$ 6,121</u>	<u>\$ (2,892)</u>	<u>\$ 9,595</u>
Plan Fiduciary Net Positon as a Percentage of Total Pension Liability	97.43%	101.80%	87.80%
Covered Employee Payroll	808,280	782,255	743,868
Net Pension Liability as a Percentage of Covered Payroll	0.76%	-0.37%	1.29%

Note to Schedule – GASB 68 requires 10 fiscal years of data to be provided in this schedule. The plan’s actuary has provided the current year results. Additional years will be built prospectively, as the information becomes available over a 10 year period.

See Notes to Financial Statements.

SCHEDULE OF CONTRIBUTIONS
(Last 10 Years will ultimately be displayed)
SAN MARCOS HOUSING AUTHORITY
For the Year Ended September 30, 2023

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Actuarily Determined Contribution	\$ 41,869	\$ 33,011	\$ 31,391
Contributions in relation to the			
actuarially determined contributions	<u>41,869</u>	<u>33,011</u>	<u>31,391</u>
Contributions deficiency (excess)	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>
Covered employee payroll	\$ 808,280	\$ 782,255	\$ 743,868
Contributions as a percentage of			
covered employee payroll	5.20%	4.20%	4.20%

See Notes to Financial Statements.

SCHEDULE OF CONTRIBUTIONS - CONTINUED

(Last 10 Years will ultimately be displayed)

SAN MARCOS HOUSING AUTHORITY

For the Year Ended September 30, 2023

Notes to Schedule of Contributions

Valuation Date: Actuarially determined contribution rates are calculated as of December 31, two years prior to the end of the fiscal year in which the contributions are reported.

Methods and Assumptions Used to Determine Contributions Rates:

Actuarial Cost Method	Entry Age
Amortized Method	Level percentage of payroll, closed
Remaining Amortization Period	17.3 years (based on contribution rate calculated in 12/31/2021 valuation)
Asset Valuation Method	5-year smoothed market
Inflation	2.50%
Salary Increases	Varies by age and service. 4.7% average over career including inflation.
Investment Rate of Return	7.50%, net of administrative and investment expenses, including inflation.
Retirement Age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	135% of THE Pub-2010 General Retirees Table for males and 120% of the Pub-2010 General Retirees Table for females. both projected with 100% of the MP-2021 Ultimate scale after 2010.
Changes in Assumptions and Methods Reflected in the Schedule of Employer Contributions	2015: New inflation, mortality and other assumptions were reflected. 2017: New mortality assumptions were reflected. 2019: New inflation, mortality and other assumptions were reflected. 2022: New investment return and inflation assumptions were reflected
Changes in Plan Provisions Reflected in the Schedule of Employer Contributions	2015: No changes in plan provisions were reflected in the Schedule. 2016: No changes in plan provisions were reflected in the Schedule. 2017: No changes in plan provisions were reflected in the Schedule. 2018: No changes in plan provisions were reflected in the Schedule. 2019: No changes in plan provisions were reflected in the Schedule. 2020: No changes in plan provisions were reflected in the Schedule. 2021: No changes in plan provisions were reflected in the Schedule. 2022: No changes in plan provisions were reflected in the Schedule.

See Notes to Financial Statements.

SCHEDULE OF CHANGES IN OPEB LIABILITY AND REALTED RATIOS
(Last 10 Years will ultimately be displayed)
SAN MARCOS HOUSING AUTHORITY

For the Year Ended September 30, 2023

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Total OPEB Liability			
Service Cost	\$ 5,824	\$ 5,506	5,130
Interest (on the Total OPEB Liability)	280	237	109
Changes of benefit terms		0	0
Effect of economic/demographic experience	(1,295)	(4,085)	0
Change of assumptions	(3,436)	407	441
Benefit payments, including refunds of employee contributions	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in total OPEB Liability	1,373	2,065	5,680
Total OPEB Liability - Beginning	7,745	5,680	0
Total OPEB Liability – Ending (a)	\$ <u>9,118</u>	\$ <u>7,745</u>	<u>5,680</u>

Changes in benefit terms – None

Changes in assumptions – Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period.

2020	2.12%
2021	2.06%
2022	3.72%

Note: No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay benefits.

SUPPLEMENTARY INFORMATION

STATEMENT OF MODERNIZATION COSTS – INCOMPLETE – CFP 501-20
SAN MARCOS HOUSING AUTHORITY
September 30, 2023

	<u>501-20</u>
Funds Approved	\$ 683,143.00
Funds Expended	<u>683,143.00</u>
Excess of Funds Approved	\$ <u>0.00</u>

STATEMENT OF MODERNIZATION COSTS – INCOMPLETE – CFP 501-21
SAN MARCOS HOUSING AUTHORITY
September 30, 2023

	<u>501-21</u>
Funds Approved	\$ 722,938.00
Funds Expended	<u>719,649.00</u>
Excess of Funds Approved	\$ <u><u>3,289.00</u></u>

STATEMENT OF MODERNIZATION COSTS – INCOMPLETE – CFP 501-22
SAN MARCOS HOUSING AUTHORITY
September 30, 2023

	<u>501-22</u>
Funds Approved	\$ 894,395.00
Funds Expended	<u>893,786.65</u>
Excess of Funds Approved	\$ <u><u>608.35</u></u>

STATEMENT OF MODERNIZATION COSTS – INCOMPLETE – CFP 501-23
SAN MARCOS HOUSING AUTHORITY
September 30, 2023

	<u>501-23</u>
Funds Approved	\$ 898,435.00
Funds Expended	<u>205,477.90</u>
Excess of Funds Approved	<u><u>\$ 692,957.10</u></u>

San Marcos Housing Authority (TX087)
SAN MARCOS, TX
Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 09/30/2023

	Project Total	2 State/Local	14 182 N/C S/R Section 8 Programs	1 Business Activities	8 2 Component Unit - Blended	14 871 Housing Choice Vouchers	14 EFA FSS Escrow Forfeiture Account	14 870 Resident Opportunity and Supportive Services	97 024 Emergency Food and Shelter National Board Program	14 EHV Emergency Housing Voucher	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$708,285	\$45,887	\$194,433	\$0	\$1,074,152	\$337,662					\$2,360,419		\$2,360,419
112 Cash - Restricted - Modernization and Development	\$0	\$0	\$0	\$0	\$0	\$0					\$0		\$0
113 Cash - Other Restricted	\$182,122	\$1,149	\$0	\$0	\$0	\$4,964	\$43,745				\$231,980		\$231,980
114 Cash - Tenant Security Deposits	\$102,368	\$0	\$15,583	\$0	\$0	\$0					\$117,951		\$117,951
115 Cash - Restricted for Payment of Current Liabilities	\$0	\$0	\$0	\$0	\$0	\$0					\$0		\$0
100 Total Cash	\$992,775	\$47,036	\$210,016	\$0	\$1,074,152	\$342,626	\$43,745	\$0	\$0	\$0	\$2,710,350	\$0	\$2,710,350
121 Accounts Receivable - PHA Projects	\$0	\$0	\$0	\$0	\$0	\$3,243					\$3,243		\$3,243
122 Accounts Receivable - HUD Other Projects	\$181,757	\$0	\$0	\$0	\$0	\$95,694				\$2,497	\$279,948		\$279,948
124 Accounts Receivable - Other Government	\$0	\$0	\$0	\$0	\$0	\$0					\$0		\$0
125 Accounts Receivable - Miscellaneous	\$0	\$95	\$0	\$0	\$0	\$0					\$95		\$95
126 Accounts Receivable - Tenants	\$8,609	\$0	\$2,754	\$0	\$0	\$31,338					\$42,701		\$42,701
126 1 Allowance for Doubtful Accounts - Tenants	-\$861	\$0	-\$275	\$0	\$0	-\$2,000					-\$3,136		-\$3,136
126 2 Allowance for Doubtful Accounts - Other	\$0	\$0	\$0	\$0	\$0	\$0				\$0	\$0		\$0
127 Notes, Loans, & Mortgages Receivable - Current	\$0	\$0	\$0	\$0	\$0	\$0					\$0		\$0
128 Fraud Recovery	\$30	\$0	\$0	\$0	\$0	\$0					\$30		\$30
128 1 Allowance for Doubtful Accounts - Fraud	-\$30	\$0	\$0	\$0	\$0	\$0					-\$30		-\$30
129 Accrued Interest Receivable	\$0	\$0	\$356	\$0	\$0	\$0					\$356		\$356
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$189,505	\$95	\$2,835	\$0	\$0	\$128,275	\$0	\$0	\$0	\$2,497	\$323,207	\$0	\$323,207
131 Investments - Unrestricted	\$0	\$0	\$250,000	\$0	\$1,033,368	\$0					\$1,283,368		\$1,283,368
132 Investments - Restricted	\$0	\$0	\$0	\$0	\$0	\$0					\$0		\$0
135 Investments - Restricted for Payment of Current Liability	\$0	\$0	\$0	\$0	\$0	\$0					\$0		\$0
142 Prepaid Expenses and Other Assets	\$29,626	\$0	\$0	\$0	\$0	\$0					\$29,626		\$29,626
143 Inventories	\$0	\$0	\$0	\$0	\$0	\$0					\$0		\$0
143 1 Allowance for Obsolete Inventories	\$0	\$0	\$0	\$0	\$0	\$0					\$0		\$0
144 Inter Program Due From	\$0	\$0	\$0	\$0	\$0	\$0				\$89,711	\$89,711	-\$89,711	\$0
145 Assets Held for Sale	\$0	\$0	\$0	\$0	\$1,500	\$0					\$1,500		\$1,500
150 Total Current Assets	\$1,211,906	\$47,131	\$462,851	\$0	\$2,109,020	\$470,901	\$43,745	\$0	\$0	\$92,208	\$4,437,762	-\$89,711	\$4,348,051
161 Land	\$282,796	\$0	\$467,500	\$1,034,500	\$24,595	\$0					\$1,809,391		\$1,809,391
162 Buildings	\$21,504,038	\$0	\$1,737,479	\$0	\$1,398	\$0					\$23,242,915		\$23,242,915
163 Furniture, Equipment & Machinery - Dwellings	\$847,582	\$0	\$92,002	\$0	\$0	\$0					\$939,584		\$939,584
164 Furniture, Equipment & Machinery - Administration	\$386,482	\$71,379	\$67,019	\$0	\$106,249	\$34,207					\$665,336		\$665,336
165 Leasehold Improvements	\$506,442	\$0	\$126,508	\$0	\$0	\$7,206					\$640,156		\$640,156
166 Accumulated Depreciation	-\$18,329,386	-\$71,379	-\$1,979,613	\$0	-\$57,420	-\$38,488					-\$20,476,286		-\$20,476,286
167 Construction in Progress	\$2,907,689	\$0	\$0	\$0	\$0	\$0					\$2,907,689		\$2,907,689
168 Infrastructure	\$0	\$0	\$0	\$0	\$0	\$0					\$0		\$0
160 Total Capital Assets, Net of Accumulated Depreciation	\$8,105,643	\$0	\$510,895	\$1,034,500	\$74,822	\$2,925	\$0	\$0	\$0	\$0	\$9,728,785	\$0	\$9,728,785
171 Notes, Loans and Mortgages Receivable - Non-Current	\$0	\$0	\$0	\$0	\$0	\$0					\$0		\$0
172 Notes, Loans, & Mortgages Receivable - Non-Current - Past Due	\$0	\$0	\$0	\$0	\$0	\$0					\$0		\$0
173 Grants Receivable - Non-Current	\$0	\$0	\$0	\$0	\$0	\$0					\$0		\$0
174 Other Assets	\$0	\$0	\$0	\$0	\$0	\$0					\$0		\$0
176 Investments in Joint Ventures	\$0	\$0	\$0	\$0	\$0	\$0					\$0		\$0
180 Total Non-Current Assets	\$8,105,643	\$0	\$510,895	\$1,034,500	\$74,822	\$2,925	\$0	\$0	\$0	\$0	\$9,728,785	\$0	\$9,728,785
200 Deferred Outflow of Resources	\$37,299	\$0	\$11,073	\$0	\$0	\$9,908					\$58,280		\$58,280
290 Total Assets and Deferred Outflow of Resources	\$9,354,848	\$47,131	\$984,819	\$1,034,500	\$2,183,842	\$483,734	\$43,745	\$0	\$0	\$92,208	\$14,224,627	\$89,711	\$14,135,116
311 Bank Overdraft	\$0	\$0	\$0	\$0	\$0	\$0				\$10,344	\$10,344		\$10,344
312 Accounts Payable <= 90 Days	\$0	\$0	\$0	\$0	\$0	\$0					\$0		\$0
313 Accounts Payable >90 Days Past Due	\$0	\$0	\$0	\$0	\$0	\$0					\$0		\$0
321 Accrued Wage/Payroll Taxes Payable	\$0	\$0	\$0	\$0	\$0	\$0					\$0		\$0
322 Accrued Compensated Absences - Current Portion	\$2,385	\$651	\$1,000	\$0	\$0	\$529					\$4,565		\$4,565
324 Accrued Contingency Liability	\$0	\$0	\$0	\$0	\$0	\$0					\$0		\$0
325 Accrued Interest Payable	\$0	\$0	\$0	\$0	\$0	\$0					\$0		\$0
331 Accounts Payable - HUD PHA Programs	\$0	\$0	\$0	\$0	\$0	\$0					\$0		\$0
332 Account Payable - PHA Projects	\$0	\$0	\$0	\$0	\$0	\$1,308					\$1,308		\$1,308
333 Accounts Payable - Other Government	\$0	\$0	\$0	\$0	\$0	\$0					\$0		\$0

341 Tenant Security Deposits	\$102,368	\$0	\$15,583	\$0	\$0	\$0					\$117,951		\$117,951
342 Unearned Revenue	\$29,053	\$1,149	\$2,322	\$0	\$0	\$0					\$32,524		\$32,524
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	\$0	\$0	\$0	\$0	\$0	\$0					\$0		\$0
344 Current Portion of Long-term Debt - Operating Borrowings	\$0	\$0	\$0	\$0	\$0	\$0					\$0		\$0
345 Other Current Liabilities	\$0	\$0	\$0	\$0	\$0	\$0				\$48,944	\$48,944		\$48,944
346 Accrued Liabilities - Other	\$0	\$0	\$0	\$0	\$0	\$0					\$0		\$0
347 Inter Program - Due To	\$0	\$0	\$0	\$0	\$0	\$89,711					\$89,711	-\$89,711	\$0
348 Loan Liability - Current	\$0	\$0	\$0	\$0	\$0	\$0					\$0		\$0
310 Total Current Liabilities	\$133,806	\$1,800	\$18,905	\$0	\$0	\$91,548	\$0	\$0	\$0	\$59,288	\$305,347	-\$89,711	\$215,636
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	\$0	\$0	\$0	\$0	\$0	\$0					\$0		\$0
352 Long-term Debt, Net of Current - Operating Borrowings	\$0	\$0	\$0	\$0	\$0	\$0					\$0		\$0
353 Non-current Liabilities - Other	\$182,122	\$0	\$0	\$0	\$0	\$4,964					\$187,086		\$187,086
354 Accrued Compensated Absences - Non Current	\$21,470	\$5,860	\$8,996	\$0	\$0	\$4,761					\$41,087		\$41,087
355 Loan Liability - Non Current	\$0	\$0	\$0	\$0	\$0	\$0					\$0		\$0
356 FASB 5 Liabilities	\$0	\$0	\$0	\$0	\$0	\$0					\$0		\$0
357 Accrued Pension and OPEB Liabilities	\$9,754	\$0	\$2,895	\$0	\$0	\$2,591					\$15,240		\$15,240
350 Total Non-Current Liabilities	\$213,346	\$5,860	\$11,891	\$0	\$0	\$12,316	\$0	\$0	\$0	\$0	\$243,413	\$0	\$243,413
300 Total Liabilities	\$347,152	\$7,660	\$30,796	\$0	\$0	\$103,864	\$0	\$0	\$0	\$59,288	\$548,760	-\$89,711	\$459,049
400 Deferred Inflow of Resources	\$8,712	\$0	\$2,586	\$0	\$0	\$2,315					\$13,613		\$13,613
508.4 Net Investment in Capital Assets	\$8,105,643	\$0	\$510,895	\$1,034,500	\$74,822	\$2,925				\$0	\$9,728,785		\$9,728,785
511.4 Restricted Net Position	\$0	\$0	\$0	\$0	\$0	\$0	\$43,745			\$0	\$43,745		\$43,745
512.4 Unrestricted Net Position	\$893,341	\$39,471	\$440,542	\$0	\$2,109,020	\$374,630	\$0	\$0	\$0	\$32,920	\$3,889,924		\$3,889,924
513 Total Equity - Net Assets / Position	\$8,998,984	\$39,471	\$951,437	\$1,034,500	\$2,183,842	\$377,555	\$43,745	\$0	\$0	\$32,920	\$13,662,454	\$0	\$13,662,454
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$9,354,848	\$47,131	\$984,619	\$1,034,500	\$2,183,842	\$483,734	\$43,745	\$0	\$0	\$92,208	\$14,224,827	-\$89,711	\$14,135,116

San Marcos Housing Authority (TX087)
SAN MARCOS, TX
Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 09/30/2023

	Project Total	2 State/Local	14.182 N/C S/R Section 8 Programs	1 Business Activities	6.2 Component Unit - Blended	14.871 Housing Choice Vouchers	14.874 FSS Escrow Forfeiture Account	14.870 Resident Opportunity and Supportive Services	97.024 Emergency Food and Shelter National Board Program	14.870 Emergency Housing Voucher	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	\$1,295,322	\$0	\$160,748		\$0	\$0					\$1,456,070		\$1,456,070
70400 Tenant Revenue - Other	\$37,693	\$0	\$3,156		\$0	\$0					\$40,849		\$40,849
70500 Total Tenant Revenue	\$1,333,015	\$0	\$163,904	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,496,919		\$1,496,919
70600 HUD PHA Operating Grants	\$1,082,409	\$0	\$330,575		\$0	\$2,208,806		\$168,307		\$269,532	\$4,059,629		\$4,059,629
70610 Capital Grants	\$1,133,052	\$0	\$0	\$0	\$0	\$0					\$1,133,052		\$1,133,052
70710 Management Fee													
70720 Asset Management Fee													
70730 Book Keeping Fee													
70740 Front Line Service Fee													
70750 Other Fees													
70700 Total Fee Revenue													
70800 Other Government Grants	\$0	\$0	\$0	\$0	\$0	\$0			\$29,276		\$29,276		\$29,276
71100 Investment Income - Unrestricted	\$9,183	\$516	\$4,816		\$30,474	\$449					\$45,438		\$45,438
71200 Mortgage Interest Income	\$0	\$0	\$0	\$0	\$0	\$0					\$0		\$0
71300 Proceeds from Disposition of Assets Held for Sale	\$0	\$0	\$0	\$0	\$0	\$0					\$0		\$0
71310 Cost of Sale of Assets	\$0	\$0	\$0	\$0	\$0	\$0					\$0		\$0
71400 Fraud Recovery	\$0	\$0	\$0	\$0	\$0	\$7,392					\$7,392		\$7,392
71500 Other Revenue	\$21,176	\$35,287	\$3,048		\$0	\$698,200	\$26,326				\$784,037		\$784,037
71600 Gain or Loss on Sale of Capital Assets	\$0	\$0	\$0	\$0	\$0	\$0					\$0		\$0
72000 Investment Income - Restricted	\$0	\$0	\$0	\$0	\$0	\$0					\$0		\$0
70000 Total Revenue	\$3,578,835	\$35,803	\$502,343	\$0	\$30,474	\$2,914,847	\$26,326	\$168,307	\$29,276	\$269,532	\$7,555,743		\$7,555,743
91100 Administrative Salaries	\$333,727	\$0	\$69,351		\$0	\$135,788				\$12,528	\$551,395		\$551,395
91200 Auditing Fees	\$5,198	\$0	\$1,155		\$116	\$4,967					\$11,436		\$11,436
91300 Management Fee	\$0	\$0	\$0	\$0	\$0	\$0					\$0		\$0
91310 Book-keeping Fee	\$0	\$0	\$0	\$0	\$0	\$0					\$0		\$0
91400 Advertising and Marketing	\$54	\$0	\$0	\$0	\$0	\$0					\$54		\$54
91500 Employee Benefit Contributions - Administrative	\$123,576	\$0	\$22,034		\$0	\$46,856				\$10,705	\$203,171		\$203,171
91600 Office Expenses	\$46,184	\$130	\$6,084		\$360	\$5,784					\$58,542		\$58,542
91700 Legal Expense	\$3,245	\$0	\$0	\$0	\$0	\$113					\$3,358		\$3,358
91800 Travel	\$965	\$0	\$327		\$0	\$1,475					\$2,767		\$2,767
91810 Allocated Overhead	\$0	\$0	\$0	\$0	\$0	\$0					\$0		\$0
91900 Other	\$60,182	\$1,736	\$16,508		\$65,509	\$19,363				\$3,763	\$167,061		\$167,061
91000 Total Operating - Administrative	\$573,131	\$1,866	\$115,459	\$0	\$65,985	\$214,346	\$0	\$0	\$0	\$26,997	\$997,784		\$997,784
92000 Asset Management Fee	\$0	\$0	\$0	\$0	\$0	\$0					\$0		\$0
92100 Tenant Services - Salaries	\$30,779	\$29,151	\$38,854		\$0	\$0		\$62,417			\$161,201		\$161,201
92200 Relocation Costs	\$0	\$0	\$0	\$0	\$0	\$0					\$0		\$0
92300 Employee Benefit Contributions - Tenant Services	\$22,269	\$8,306	\$16,253		\$0	\$0		\$105,890			\$152,718		\$152,718
92400 Tenant Services - Other	\$9,716	\$6,639	\$0	\$0	\$3,798	\$0			\$29,276		\$49,429		\$49,429
92500 Total Tenant Services	\$62,764	\$44,096	\$55,107	\$0	\$3,798	\$0	\$0	\$168,307	\$29,276	\$0	\$363,348		\$363,348
93100 Water	\$184,664	\$0	\$17,717		\$0	\$0					\$202,381		\$202,381
93200 Electricity	\$34,807	\$0	\$9,277		\$0	\$0					\$44,084		\$44,084
93300 Gas	\$15,265	\$0	\$3,390		\$0	\$0					\$18,655		\$18,655
93400 Fuel	\$0	\$0	\$0	\$0	\$0	\$0					\$0		\$0
93500 Labor	\$0	\$0	\$0	\$0	\$0	\$0					\$0		\$0
93600 Sewer	\$195,792	\$0	\$16,949		\$0	\$0					\$212,741		\$212,741
93700 Employee Benefit Contributions - Utilities	\$0	\$0	\$0	\$0	\$0	\$0					\$0		\$0
93800 Other Utilities Expense	\$4,666	\$0	\$0	\$0	\$0	\$0					\$4,666		\$4,666
93000 Total Utilities	\$435,194	\$0	\$47,333	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$482,527		\$482,527
94100 Ordinary Maintenance and Operations - Labor	\$181,864	\$0	\$52,813		\$0	\$0					\$234,677		\$234,677
94200 Ordinary Maintenance and Operations - Materials and Other	\$255,572	\$0	\$18,411		\$5,867	\$0					\$279,850		\$279,850
94300 Ordinary Maintenance and Operations Contracts	\$923,983	\$0	\$331,431	\$0	\$0	\$0					\$1,255,414		\$1,255,414
94500 Employee Benefit Contributions - Ordinary Maintenance	\$68,920	\$0	\$23,210		\$0	\$0					\$92,130		\$92,130
94000 Total Maintenance	\$1,430,339	\$0	\$425,865	\$0	\$5,867	\$0	\$0	\$0	\$0	\$0	\$1,862,071		\$1,862,071
95100 Protective Services - Labor	\$0	\$0	\$0	\$0	\$0	\$0					\$0		\$0

95200 Protective Services - Other Contract Costs	\$0	\$0	\$8,338	
95300 Protective Services - Other	\$0	\$0	\$0	\$0
95500 Employee Benefit Contributions - Protective Services	\$0	\$0	\$0	\$0
95000 Total Protective Services	\$0	\$0	\$8,338	\$0
96110 Property Insurance	\$127,779	\$0	\$9,893	
96120 Liability Insurance	\$1,862	\$0	\$0	\$0
96130 Workmen's Compensation	\$9,424	\$0	\$0	\$0
96140 All Other Insurance	\$33,656	\$0	\$0	\$0
96100 Total Insurance Premiums	\$172,721	\$0	\$9,893	\$0
96200 Other General Expenses	\$0	\$754	\$0	\$0
96210 Compensated Absences	\$0	\$0	\$0	\$0
96300 Payments in Lieu of Taxes	\$0	\$0	\$0	\$0
96400 Bad debt - Tenant Rents	\$20,829	\$0	\$0	\$0
96500 Bad debt - Mortgages	\$0	\$0	\$0	\$0
96600 Bad debt - Other	\$0	\$0	\$0	\$0
96800 Severance Expense	\$0	\$0	\$0	\$0
96000 Total Other General Expenses	\$20,829	\$754	\$0	\$0
96710 Interest of Mortgage (or Bonds) Payable	\$0	\$0	\$0	\$0
96720 Interest on Notes Payable (Short and Long Term)	\$0	\$0	\$0	\$0
96730 Amortization of Bond Issue Costs	\$0	\$0	\$0	\$0
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$0
96900 Total Operating Expenses	\$2,694,978	\$46,716	\$661,995	\$0
97000 Excess of Operating Revenue over Operating Expenses	\$883,857	-\$10,913	\$159,652	\$0
97100 Extraordinary Maintenance	\$20,845	\$0	\$0	\$0
97200 Casualty Losses - Non-capitalized	\$0	\$0	\$0	\$0
97300 Housing Assistance Payments	\$0	\$0	\$0	\$0
97350 HAP Portability-in	\$0	\$0	\$0	\$0
97400 Depreciation Expense	\$399,284	\$0	\$32,342	
97500 Fraud Losses	\$0	\$0	\$0	\$0
97600 Capital Outlays - Governmental Funds				
97700 Debt Principal Payment - Governmental Funds				
97800 Dwelling Units Rent Expense	\$0	\$0	\$0	\$0
90000 Total Expenses	\$3,115,107	\$46,716	\$694,337	\$0
10010 Operating Transfer In	\$0	\$0	\$0	\$0
10020 Operating transfer Out	\$0	\$0	\$0	\$0
10030 Operating Transfers from/to Primary Government	\$0	\$0	\$0	\$0
10040 Operating Transfers from/to Component Unit	\$0	\$0	\$0	\$0
10050 Proceeds from Notes, Loans and Bonds				
10060 Proceeds from Property Sales				
10070 Extraordinary Items, Net Gain/Loss	\$0	\$0	\$0	\$0
10080 Special Items (Net Gain/Loss)	\$0	\$0	\$0	\$0
10091 Inter Project Excess Cash Transfer In	\$0			
10092 Inter Project Excess Cash Transfer Out	\$0			
10093 Transfers between Program and Project - In	\$0	\$0	\$0	\$0
10094 Transfers between Project and Program - Out	\$0	\$0	\$0	\$0
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$463,728	\$10,913	-\$181,994	\$0
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0
11030 Beginning Equity	\$8,534,067	\$50,384	\$1,143,355	\$1,034,500
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$1,189		\$76	\$0
11050 Changes in Compensated Absence Balance				
11060 Changes in Contingent Liability Balance				
11070 Changes in Unrecognized Pension Transition Liability				
11080 Changes in Special Term/Severance Benefits Liability				
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents				
11100 Changes in Allowance for Doubtful Accounts - Other				
11170 Administrative Fee Equity	\$0			
11180 Housing Assistance Payments Equity				
11190 Unit Months Available	3444	0	720	
11210 Number of Unit Months Leased	3242	0	679	

\$0	\$0					\$8,338	\$8,338
\$0	\$0					\$0	\$0
\$0	\$0					\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0	\$8,338	\$8,338
\$0	\$0					\$137,672	\$137,672
\$0	\$0					\$1,862	\$1,862
\$0	\$0					\$9,424	\$9,424
\$0	\$0					\$33,656	\$33,656
\$0	\$0	\$0	\$0	\$0	\$0	\$182,614	\$182,614
\$0	\$3,538					\$4,292	\$4,292
\$0	\$0					\$0	\$0
\$0	\$0					\$0	\$0
\$0	\$0					\$20,829	\$20,829
\$0	\$0					\$0	\$0
\$0	\$0					\$0	\$0
\$0	\$0					\$0	\$0
\$0	\$3,538	\$0	\$0	\$0	\$0	\$25,121	\$25,121
\$0	\$0					\$0	\$0
\$0	\$0					\$0	\$0
\$0	\$0					\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$75,650	\$217,884	\$0	\$168,307	\$29,276	\$26,997	\$3,921,803	\$3,921,803
-\$45,176	\$2,696,963	\$26,326	\$0	\$0	\$242,535	\$3,633,940	\$3,633,940
\$0	\$0					\$20,845	\$20,845
\$0	\$0					\$0	\$0
\$0	\$1,971,842				\$270,900	\$2,242,742	\$2,242,742
\$0	\$665,077					\$665,077	\$665,077
\$14,740	\$0					\$446,366	\$446,366
\$0	\$0					\$0	\$0
\$0	\$0					\$0	\$0
\$90,390	\$2,854,803	\$0	\$168,307	\$29,276	\$297,897	\$7,296,833	\$7,296,833
\$0	\$0					\$0	\$0
\$0	\$0					\$0	\$0
\$0	\$0					\$0	\$0
\$0	\$0					\$0	\$0
\$0	\$0					\$0	\$0
\$0	\$0					\$0	\$0
\$0	\$0					\$0	\$0
\$0	\$0					\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
-\$59,916	\$60,044	\$26,326	\$0	\$0	-\$28,365	\$258,910	\$258,910
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$2,243,758	\$317,511	\$17,419	\$0	\$0	\$61,285	\$13,402,279	\$13,402,279
						\$1,265	\$1,265
	\$377,555					\$377,555	\$377,555
	\$0					\$0	\$0
0	2992			0	420	7576	7576
0	2677			0	321	6919	6919

11270 Excess Cash	\$648,453										\$648,453		\$648,453
11610 Land Purchases	\$0										\$0		\$0
11620 Building Purchases	\$1,133,052										\$1,133,052		\$1,133,052
11630 Furniture & Equipment - Dwelling Purchases	\$0										\$0		\$0
11640 Furniture & Equipment - Administrative Purchases	\$0										\$0		\$0
11650 Leasehold Improvements Purchases	\$0										\$0		\$0
11660 Infrastructure Purchases	\$0										\$0		\$0
13510 CFFP Debt Service Payments	\$0										\$0		\$0
13901 Replacement Housing Factor Funds	\$0										\$0		\$0

SINGLE AUDIT SECTION

**Report on Internal Control Over Financial Reporting and on Compliance
And Other Matters Based on an Audit of Financial Statements Performed in Accordance
With Governmental Audit Standards**

Independent Auditor's Report

To the Board of Directors
San Marcos Housing Authority
San Marcos, Texas

I 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 San Marcos Housing Authority (the PHA), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the PHA's basic financial statements, and have issued my report thereon dated June 15, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered the PHA'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 my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the PHA's internal control. Accordingly, I do not express an opinion on the effectiveness of the PHA'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 PHA'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.

Independent Auditor's Report - Continued

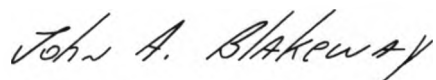
My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the PHA's financial statements are free from material misstatement, I 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 statement. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the PHA'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 PHA's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



John A. Blakeway, CPA

Kennedale, Texas
June 15, 2024

**Report on Compliance For Each Major Federal Program and Report on Internal Control
Over Compliance Required by the Uniform Guidance**

Independent Auditor's Report

To the Board of Commissioners
San Marcos Housing Authority
San Marcos, Texas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

I have audited the San Marcos Housing Authority's (the PHA) 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 the PHA's major federal programs for the year ended September 30, 2023. The PHA's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In my opinion, the San Marcos Housing Authority 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 September 30, 2023.

Basis for Opinion on Each Major Federal Program

I conducted my 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 (*Government Auditing Standards*); 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*). My responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of my report.

I am required to be independent of the PHA and to meet my other ethical responsibilities, in accordance with relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion on compliance for each major federal program. My audit does not provide a legal determination of the PHA's compliance with the compliance requirements referred to above.

Independent Auditor's Report

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 the PHA's federal programs.

Auditor's Responsibilities for the Audit of Compliance

My 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 the PHA's compliance based on my 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 the PHA'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, I

- 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 the PHA's compliance with the compliance requirements referred to above and performing such other procedures as I considered necessary in the circumstances.
- obtain an understanding of the PHA'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 the PHA's internal control over compliance. Accordingly, no such opinion is expressed.

I am 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 I identified during the audit.

Independent Auditor's Report

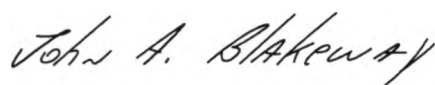
Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or 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.

My consideration of internal control over compliance was for the limited purpose described in the Auditor's 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. Given these limitations, during my audit I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

My 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.

The purpose of this report on internal control over compliance is solely to describe the scope of my 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.



John A. Blakeway CPA

Kennedale, Texas
June 15, 2024

**SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS
SAN MARCOS HOUSING AUTHORITY
September 30, 2023**

<u>Federal Grantor/Pass-Through Grantor - Program Title</u>	<u>Assistance Listing Number</u>	<u>Total Federal Expenditures</u>
<u>U.S. Department of HUD</u>		
Direct Programs:		
Public and Indian Housing	14.850	\$ 1,002,224
Public Housing Capital Fund	14.872	1,213,237
Section 8 Housing Choice Vouchers	14.871	2,208,806
Section 8 Housing Choice Vouchers (Emergency Housing)	14.EHV	269,332
Total Housing Choice Vouchers		<u>2,478,138</u>
Section 8 New Construction	14.182	330,575
Resident Opportunity and Supportive Services	14.870	<u>168,307</u>
		5,192,481
Indirect Programs:		
Housing choice voucher program - port-in receipts from various Housing Authorities	14.871	698,077
<u>U.S. Department of Homeland Security</u>		
Direct Programs:		
Emergency food and shelter national board program	97.024	<u>29,276</u>
Total Federal Financial Assistance		\$ <u><u>5,919,834</u></u>

See Notes to Financial Statements.

SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS - CONTINUED
SAN MARCOS HOUSING AUTHORITY
September 30, 2023

Note A – Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the PHA under programs of the federal government for the year ended September 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the PHA, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the PHA.

Note B – Significant Accounting Policies

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

The PHA's summary of significant accounting policies is presented in Note A in the PHA's basic financial statements.

The PHA has not elected to use the 10% de minimis cost rate allowed under the Uniform Guidance.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SAN MARCOS HOUSING AUTHORITY
September 30, 2023

A. SUMMARY OF AUDIT RESULTS

Financial Statements

1. Type of Auditor's Report Issued on Financial Statements – Unqualified.
2. Internal Control Over Financial Reporting:
 - a. Material weaknesses identified? _____ yes ✓ no
 - b. Significant deficiencies identified that are not considered to be material weaknesses? _____ yes ✓ none reported
3. Noncompliance material to financial statements noted? _____ yes ✓ no

Federal Awards

1. Internal Control Over Major Programs:
 - a. Material weaknesses identified? _____ yes ✓ no
 - b. Significant deficiencies identified that are not considered to be material weaknesses? _____ yes ✓ none reported
2. Type of Auditor's Report Issued on Compliance For Major Programs – Unqualified.
3. Any audit findings disclosed that are required to be reported in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200.516? _____ yes ✓ no
4. The programs tested as major programs include:

<u>Name of Federal Program</u>	<u>Assistance Listing Number</u>
<u>U.S. Department of HUD</u>	
a. Public and Indian Housing	14.850
b. Section 8 Housing Choice Vouchers	14.871

5. Dollar threshold used to distinguish between Type A and Type B Programs: \$ 750,000
6. Auditee qualified as low-risk auditee? ✓ yes _____ no

SCHEDULE OF FINDINGS AND QUESTIONED COSTS – CONTINUED
SAN MARCOS HOUSING AUTHORITY
September 30, 2023

B. FINDINGS – FINANCIAL STATEMENT AUDIT

NONE

C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS

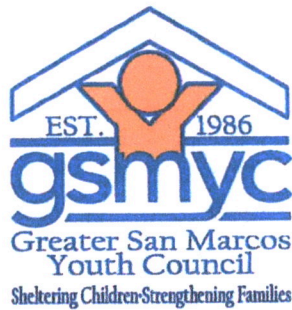
NONE

D. PRIOR AUDIT FINDINGS

1. The prior audit report did not contain any findings.

Letters of Support

1. Julia Ramsay Greater San Marcos Youth Council
2. Christy Guenther Mental Health Counselor
3. Lisa Cruz Salvation Army – San Marcos Center Manager



Human Services Advisory Board
City of San Marcos

July 3, 2024

Dear Human Services Advisory Board Members:

We at the Greater San Marcos Youth Council are pleased to write this letter in support of the San Marcos Housing Authority's application for funding from the City of San Marcos. Our agencies have worked together for over 30 years toward improving the lives of San Marcos residents by sharing resources, making referrals to each other and collaborating on community events.

The Housing Authority is an integral part of our community, providing valuable services to youth, the elderly, disabled individuals, and families. Their resident services are managed efficiently and with excellent results. The youth who participate in the youth development program, which includes PODER, KAD Corner Store and Kid's Café benefit greatly from the efforts of the Housing Department employees.

This letter of support is based on many years of working with and alongside the Housing Authority and it is given without reservation. We urge you to fund their request as we have every confidence it will be used in the manner they propose.

Sincerely,

Julia Ramsay New, LBSW, LCCA
Executive Director
jnew@gsmyc.org
512-754-0500



Christy Guenther

Mental Health Counselor

2801 Ranch Road 12

San Marcos, TX 78666

guentherc@smabears.org

06/27/2024

Subject: Letter of Support for San Marcos Housing Authority

To Whom It May Concern:

I am writing to express my strong support for the Housing Authority of San Marcos. As a former intern with the Housing Authority during my time in school for my Masters of Social Work, I had the unique opportunity to witness firsthand the profound and positive impact this organization has on the most vulnerable members of our community.

The Housing Authority of San Marcos serves as a critical lifeline for children, families, and the elderly. Its efforts to provide nutritious meals through partnership donations from local businesses, the Hays County Food Bank, and SMISD ensure no one goes hungry. The Housing Authority offers a safe and nurturing environment for children during the summer and after school, providing them with a place to go and engage in meaningful activities. For the elderly, the Housing Authority offers beloved activities such as Bingo, which fosters a sense of community and belonging.

One of the most remarkable aspects of the Housing Authority's work is the opportunities they create for children. The summer programs, including exciting trips, offer experiences these children might never otherwise have. Additionally, the support provided to older children, including visits to Texas State University and connections with mentors, is invaluable in helping them pursue higher education and achieve their dreams.

During my internship, I saw the tangible differences the Housing Authority made in the lives of children, families, and the elderly in San Marcos. The organization's dedication to serving the community is truly inspiring and essential. The programs and services they offer not only address immediate needs but also contribute to the transformative long-term well-being and development of individuals and families.

I highly recommend continuing to support the Housing Authority of San Marcos. Their work is vital to the health and prosperity of our community, and their programs provide hope and opportunity to those who need it most. Investing in the Housing Authority is an investment in the future of San Marcos and the well-being of its residents.

Thank you for your time and consideration.

Sincerely,

Christy Guenther

San Marcos Academy Mental Health Counselor



DOING
THE MOST
GOOD™

William Booth, *Founder*
Brian Peddle, *General*
Commissioner Willis Howell, *Territorial Commander*
Lt. Colonel Ronnie L. Raymer, *Divisional Commander*

July 11, 2024

Human Services Advisory Board
City of San Marcos

The Salvation Army unit in San Marcos Texas is writing to express support for the San Marcos Housing Authority.

We have a long history working collaboratively with the San Marcos Housing Authority to meet the needs of some of the most vulnerable citizens in San Marcos. After the floods in 2015, the partnership outcome showed successful assistance in serving the residents of CM Allen Homes.

The San Marcos Housing Authority provides space and logistical support for the past 4 years at CM Allen Homes, Allen Wood Homes and the Chapultepec Homes for The Salvation Army Children's Summer Literacy Program also known as "Kathy's Reading Program". We appreciate our partnership together and the opportunity to serve the people in these communities.

The Salvation Army in San Marcos Texas looks forward to a continued partnership with the San Marcos Housing Authority. We look forward to strengthening and growing our relationship to reach the goal of helping many more citizens in San Marcos.

Sincerely,

Lisa Cruz
Center Manager
The Salvation Army San Marcos Center

Policies and Procedures

The policies and procedures we have are not officially formalized in an easily shareable way. We have a conglomerate of documents that give guidance to staff in addition to on-the-job training. We have many staff members who have institutional knowledge of how we do things, but it is not in a format that is easily shareable. Staff have a great amount of knowledge along with the various documents and memos that have been created over four decades to use as guidance.

Many policies are dictated by agreements with partner agencies, such as the Central Texas Food Bank.

The Housing Authority has a large number of policies, such as the Admissions and Continued Occupancy Policy, which is available for download from our website. We work in cooperation with housing management personnel, but our operation is more or less independent from normal housing authority operations.

We have always been very careful to have clear policies for the after-school programs, the management of resident organization funds, and the screening of volunteers. Those documents will be provided upon request.