HOUSING AUTHORITY OF MARICOPA COUNTY

ANNUAL PUBLIC HOUSING AGENCY PLAN 2023-2024

HOUSING AUTHORITY of MARICOPA COUNTY

HA MC

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Streamlined Annual PHA Plan *(HCV Only PHAs)*	U.S. Department of Housing and Urban Development Office of Public and Indian Housing **DRAFT**	OMB No. 2577-0226 Expires 03/31/2024

Purpose. The 5-Year and Annual PHA Plans provide a ready source for interested parties to locate basic PHA policies, rules, and requirements concerning the PHA's operations, programs, and services, including changes to these policies, and informs HUD, families served by the PHA, and members of the public of the PHA's mission, goals and objectives for serving the needs of low- income, very low- income, and extremely low- income families

Applicability. The Form HUD-50075-HCV is to be completed annually by **HCV-Only PHAs**. PHAs that meet the definition of a Standard PHA, Troubled PHA, High Performer PHA, Small PHA, or Qualified PHA do not need to submit this form. Where applicable, separate Annual PHA Plan forms are available for each of these types of PHAs.

Definitions.

(1) ***High-Performer PHA*** – A PHA that owns or manages more than 550 combined public housing units and housing choice vouchers, and was designated as a high performer on both the most recent Public Housing Assessment System (PHAS) and Section Eight Management Assessment Program (SEMAP) assessments if administering both programs, or PHAS if only administering public housing.

(2) ***Small PHA*** - A PHA that is not designated as PHAS or SEMAP troubled, that owns or manages less than 250 public housing units and any number of vouchers where the total combined units exceed 550.

(3) ***Housing Choice Voucher (HCV) Only PHA*** - A PHA that administers more than 550 HCVs, was not designated as troubled in its most recent SEMAP assessment and does not own or manage public housing.

(4) ***Standard PHA*** - A PHA that owns or manages 250 or more public housing units and any number of vouchers where the total combined units exceed 550, and that was designated as a standard performer in the most recent PHAS and SEMAP assessments.

(5) ***Troubled PHA*** - A PHA that achieves an overall PHAS or SEMAP score of less than 60 percent.

(6) ***Qualified PHA*** - A PHA with 550 or fewer public housing dwelling units and/or housing choice vouchers combined and is not PHAS or SEMAP troubled.

A. PHA Information.

A.1

PHA Name: Housing Authority of Maricopa County **PHA Code**: AZ009

PHA Plan for Fiscal Year Beginning: (MM/YYYY): 07/2023

PHA Inventory (Based on Annual Contributions Contract (ACC) units at time of FY beginning, above) 1,827 (53 RAD, 150 PBVs, 59 Mainstream, 29 FUP, 5 VASH, and 89 EHV).

Number of Housing Choice Vouchers (HCVs) 1,464

PHA Plan Submission Type: ☒ Annual Submission ☐ Revised Annual Submission

Availability of Information. In addition to the items listed in this form, PHAs must have the elements listed below readily available to the public. A PHA must identify the specific location(s) where the proposed PHA Plan, PHA Plan Elements, and all information relevant to the public hearing and proposed PHA Plan are available for inspection by the public. Additionally, the PHA must provide information on how the public may reasonably obtain additional information of the PHA policies contained in the standard Annual Plan but excluded from their streamlined submissions. At a minimum, PHAs must post PHA Plans, including updates, at the main office or central office of the PHA. PHAs are strongly encouraged to post complete PHA Plans on their official website.

The draft annual plan may be reviewed at .maricopahousing.org or at any of the following locations:

- Housing Authority of Maricopa County Administrative Office, 8910 N. 78th Avenue, Peoria AZ 85345
- Rose Terrace Property Management Office, 525 E. Harrison Drive, Avondale AZ 85323
- Surprise Housing Office, 12976 W. Cottonwood, Surprise AZ 85378
- River at Eastline Property Management Office, 2106 E. Apache Blvd, Tempe AZ 85281
- Heritage at Surprise, 12669 W Rimrock St. Surprise, AZ 85374

☐ **PHA Consortia**: (Check box if submitting a joint Plan and complete table below)

Participating PHAs	PHA Code	Program(s) in the Consortia	Program(s) not in the Consortia	No. of Units in Each Program
Lead HA:				

B. Plan Elements.

B.1 **Revision of Existing PHA Plan Elements.**

a) Have the following PHA Plan elements been revised by the PHA since its last Annual Plan submission?

Y	N	
☐	☐	Statement of Housing Needs and Strategy for Addressing Housing Needs.
☒	☐	Deconcentration and Other Policies that Govern Eligibility, Selection, and Admissions.
☒	☐	Financial Resources.
☒	☐	Rent Determination.
☒	☐	Operation and Management.
☒	☐	Informal Review and Hearing Procedures.
☐	☐	Homeownership Programs.
☒	☐	Self Sufficiency Programs and Treatment of Income Changes Resulting from Welfare Program Requirements.
☐	☐	Substantial Deviation.
☐	☐	Significant Amendment/Modification.

(b) If the PHA answered yes for any element, describe the revisions for each element(s):

Deconcentration and Other Policies that Govern Eligibility, Selection, and Admissions

The Housing Authority of Maricopa County (HAMC) revised its Administrative Plan, which governs the administration of the Housing Choice Voucher (HCV) and other Voucher programs. The following sections and subject matters were revised to comply with HUD policy:

Chapter and Section	Subject
1.8	Revise the Administrative Plan are compliant with current HUD requirements
5.3	Definition of "family" and remove restrictions
14.4, 14.5, 15.8	Verification of eligible immigration status
7.2	Voucher Terms and Extensions
4.10	Rules for the special purpose programs
4.11, 14.2, 14.6, 14.7	Definition of continuously assisted, standards for denying admission, and termination of assistance for lifetime sex offenders.
3.4	De-concentration Policy
7.10	Maximum family share clarification
5.3	Outline policy on family "breaks up"
6.11 and 8.12	Clarity for establishing and revising payment standards and FMR decreases
8.12	Rent Reasonableness methodology
7.4	Defining permitted special housing types
4.7, 11.2, 11.3	Reduce Family Composition changes
11.3, 11.4, 11.5	Number of moves by a participant
13.5, 19.15	Small Area FMR guidance for PBV
6.12	Minimum rent and hardship waivers clarity
3.5	Include four-factor test to determine LEP assistance
10.1,10.2	Income verification expiration - 60-day timeframe included
6.5	Passbook Savings Rate clarity
3.2	Illegal discrimination procedure
15	Informal Reviews and Informal Hearings

Financial Resources

Sources	Planned $	Planned Uses
1. Federal Grants		
a. Project Based Rental Assistance	$3,269,682	PBRA Property operations
b. Annual Contributions for Housing Choice Voucher – Based Assistance – Subsidy	$18,685,284 (HCV); $398,220 (MS5); $869,256 (EHV)	Housing and Utility Voucher payments for the HCV Program for Port-Outs and S8 Project based vouchers.
c. Annual Contributions for Housing Choice Voucher – Based Assistance Administration	$1,244,508 (HCV); $35,604 (MS5); $64,000 (EHV)	Operating/Administrative Expenses
d. FSS Family Self Sufficiency	$70,000	Grant Awarded for FSS programming
2. Other Income Non-Federal Sources		
a. Tenant Rents	$2,574,356	Rental to fund operations and maintenance for Public Housing properties
b. Resident Support Services-Madison	$70,600	Funds on site Resident Support Services
c. Resident Support Services-Coffelt	$181,010	Funds on site Resident Support Services
d. Bridge to Permanency Program	$0	Housing Assistance Payments and Supportive Services for Special Populations
e. TBRA Homelessness	$6,470	Housing Assistance Payment and Supportive Services for Special Populations
f. Resident Support Services-Eastline	$25,843	Housing Assistance Payments and Supportive Services for Special Populations
g. Resident Support Services-Heritage	$52,549	Housing Assistance Payments and Supportive Services for Special Populations
Total Resources	$27,547,382	

Rent Determination

Payment standards are used to calculate the housing assistance payment (HAP) that the HAMC pays to the owner on behalf of the family leasing the unit. The level at which the payment standard amount is set directly affects the amount of subsidy a family will receive, and the amount of rent paid by program participants. Each Housing Authority must adopt a payment standard schedule that establishes voucher payment standard amounts for each unit size, for each FMR area, in the HAMC's jurisdiction between 90% to 110% of FY2023 Final Fair Market Rents.

Effective February 1, 2023, the HAMC will increase the payment standard for 0–2-bedroom units to 100% of the FMR, 3-6-bedroom units and higher will be at 90% of the FMR updating the Payment Standards as follows:

Bedroom Size	Fair Market Rent 2023	HAMC Payment Standard
Efficiency	$1,344	$1,344
1	$1,467	$1,467
2	$1,740	$1,740
3	$2,386	$2,148
4	$2,716	$2,445
5	$3,123	$2,811
6	$3,531	$3,178

Operation and Management

A. The HAMC is governed by a Board of Commissioners (BOC) who assist the Housing Authority to further its mission. The BOC is comprised of at least six, but not more than seven members.

1. The BOC must appoint a person to serve as the Executive Director of the Housing Authority. The Executive Director has general supervision of the Housing Authority's administrative business affairs and is responsible for managing the housing projects and recreational facilities. The current Executive Director retired, and effective September 28, 2022, the BOC appointed an Interim Executive Director who will serve until another Executive Director has been selected.

2. The BOC must appoint at least one but no more than two eligible resident members ("Resident Commissioners") must be: A.) in good standing, and B.) either a Housing Authority housing resident (Category 1) or a Housing Authority Rental Assistance recipient (Category 2). Resident Commissioners must meet any and all eligibility requirements imposed by law. On September 28, 2022, a new resident commissioner was appointed.

B. The Annual Contributions Contract (ACC) between the HUD and the HAMC included twenty-eight (28) non-dwelling, public housing real property. All twenty-eight (28) non-dwelling structures were closed and removed from inventory in approved disposition applications.

1. Consistent with HUD regulations, on or around February 12, 2019, the HAMC began the process of ACC termination by submitting to HUD its IMS/PIC removal application for the last units in its public housing program along with form HUD-5837, Notification of Public Housing Closeout. The PHA retains no real or personal public housing property and has no outstanding public housing litigation claims, audits, debt obligations, or civil rights matters exist.

2. Additionally, consistent with HUD regulations, outlined in Public and Indian Housing (PIH) Notice 2019-13, Public Housing ACC Termination and PHA closeout; the PHA ensured all public housing terms and conditions, obligations and repayment agreements required by HUD in connection with outstanding grants and public housing program approvals are satisfied including but are not limited to: Operating Fund, Capital Fund, HOPE VI, Choice Neighborhoods, Family Self-Sufficiency (FSS), Resident Opportunities and Self Sufficiency (ROSS), and Jobs Plus.

3. On September 28, 2022, the following actions were taken:

i. The BOC certified the PHA has no Public Housing Non-Dwelling Real Property; and

ii. The BOC directed the PHA to request closeout from HUD through ACC termination and confirmed the PHA has complied with all applicable closeout requirements of PIH Notice 2019-13, the ACC, the 1937 Act, and 2 CFR part 200, to the best of the Board’s knowledge and supported by a counsel’s opinion; and

iii. The BOC directed the PHA to request closeout from HUD through ACC termination and confirmed the PHA has complied with all public housing grants and approvals, to the best of the Board’s knowledge and supported by a counsel’s opinion.

C. Under the Generally Accepted Accounting Principals (GAAP), uncollectible accounts are allowed to be deducted; and the write-offs are for tenants with a balance older than 90 days in Tenant Accounts Receivable. Write-offs are a part of the HUD Tenant Accounts scoring threshold and it is the goal of the HAMC to have Tenant Accounts Receivable no more than 1.5% of billed tenant charges. The BOC approved the following write-offs:

Approval Date	Amount and Description
2.23.2022	$33,888.12 in uncollectible tenant accounts for the calendar year of January 2021 through December 2021
7.27.2022	$298,601.36 for all uncollectible accounts previously missed starting February 17, 2017, through June 30, 2021.
7.27.2022	$82,722.28 for the fiscal year of July 1, 2021, through June 30, 2022.

D. HAMC continued to implement HUD COVID-19 expedited regulatory waivers for certain activities as authorized, and where applicable. Waivers will remain in effect as permitted by HUD, or sooner if deemed appropriate. As required, any waiver applied is documented and recorded with corresponding dates.

Informal Review and Hearing Procedures.

The HAMC revised its Administrative Plan, which governs the administration of the Housing Choice Voucher (HCV) and other voucher programs including chapter 15, which is related to the informal reviews and informal hearings process. This revision provides more clarity, timeframes, required documentation on the following:

15.1 Complaints
15.2 Informal Review Policy
15.3 Informal Review Decision
15.5 Informal Hearing Decision
15.6 Evidence
15.7 Effect of Final Decision
15.8 USCIS Determination of Ineligibility

The above section and subject matters were revised to comply with HUD policy.

Self Sufficiency Programs and Treatment of Income Changes Resulting from Welfare Program Requirements

Pursuant to HUD's new final rule published in the Federal Register on May 17, 2022, regarding the Family Self-Sufficiency (FSS) Program, the HAMC revised its FSS Action Plan to comply with the following changes:

Required Information	Description
Family Demographics	A description of the characteristics of the families expected to be served by the FSS program.
Estimate of participating families (program size/number of FSS slots)	An estimate of the number of eligible families who can reasonably be expected to be enrolled in your FSS program
Eligible families from other self-sufficiency programs	The number of families, by program type, who are participating in other self-sufficiency programs that are expected to enroll in FSS.
FSS family selection procedures	Policies and procedures for selecting FSS participants, including whether the PHA or owner will offer a preference to prospective participants who are already enrolled in, or on the waiting list for, FSS-related service programs
Incentives to encourage participation	A description of the incentives that the PHA or owner intends to offer eligible families to encourage participation in the FSS program, including FSS escrow accounts.
Outreach efforts	A description of the planned notification and outreach efforts by the PHA or owner to recruit FSS participants from among eligible families and to provide FSS information to minority and non-minority families.
FSS activities and supportive services	A description of the activities and supportive services to be provided to FSS families by both public and private providers and identification of the public and private resources which are expected to provide the supportive services.
Method for identification of family support needs	A description of how the FSS program will identify the needs of participating families and deliver the appropriate support services.
Program termination; withholding of services; and available grievance procedures	Policies for terminating or withholding supportive services or FSS participation for failure to comply with the Contract of Participation, and the grievance and hearing procedures available to FSS families.
Assurances of non-interference with the rights of non-participating families	A statement that provides an assurance that a family's election not to participate in the FSS program will not affect the family's participation in the rental assistance program.
Timetable for program implementation	A schedule for program implementation and for filling all FSS slots with eligible FSS families.
Certification of coordination	A certification by the PHA that the development of the services and activities scheduled to be provided under the FSS program has been coordinated with public and private providers.

B.2 **New Activities.** – Not Applicable

B.3	**Progress Report.**

Provide a description of the PHA's progress in meeting its Mission and Goals described in its 5-Year PHA Plan.

The HAMC continued to make progress towards meeting its mission and goals, as described in the Five-Year plan by achieving the following overall accomplishments throughout 2022:

A. In our continued effort to increase affordable housing options within Maricopa County, we sought out specific development projects to increase housing capacity for low-income, underserved populations, and to ensure our properties are more energy efficient.

   1. Heritage Senior Apartments received an award of $9.1 million from HUD under their Section 202 program to develop 99 one-bedroom units that will be affordable to seniors. The project also received a reservation of $2,080,000 in Low Income Housing Tax Credits (LIHTC) from the Arizona Department of Housing in June 2022. It is on track to close in July 2023 and begin construction soon after. Heritage Senior Apartments will be located next door to the City of Surprise's new Senior Center which will also start construction in 2023. The property from virtue of its design and location will offer a plethora of services to our seniors.

   2. Norton Circle Apartments had its equity closing on Sept 19, 2022. The project overcame several challenges, including increasing cost of construction and interest rates, in order to close. A $34.73 million project, Norton will receive $20,158,050 in tax credit equity and $1,325,000 in National Housing Trust Funds. Construction will be completed by January 2024 and stabilized occupancy by July 2024. Upon completion, the development will have 100 one, two, and three-bedroom affordable units. There will also be a separate community building for various services and programming. This is HAMC's first project as sole developer.

B. With a renewed focus on delivering self-sufficiency programming, the HAMC continues to implement unique initiatives to meet resident needs. Through partnership with various community organizations, we were able to successfully expand, and implement more than 14 service components, ranging from after-school programming to mental health support.

   1. We received the United Health Care Community support award for $15,000 to address some of the health disparities of our senior and disabled residents. Additionally, GEM Housing Solutions, a non-profit affiliate to the HAMC, secured a $7,000 grant from the City of Surprise to assist residents struggling with mental health maintain their housing.

   2. Through our Resident Services Eviction Prevention Initiative, the HAMC was able to secure $250,000 to assist more than 120 families maintain their housing, by reducing the risk of eviction and homelessness.

   3. Our on-site certified food pantry has been expanded not only to serve all our Coffelt residents, but to serve other community members residing in the immediate area also.

C. Five-Year Strategic Planning efforts have continued; focusing on employee engagement activities, enhancing customer-centric programs and supportive services, expanding the agency's visibility within the community, and renewed development strategies. The HAMC continues to modify its approach to achieve successful strategic plan outcomes, and all year-three objectives have been reviewed to ensure timely completion in 2023. Highlights include, but are not limited to the the following:

   1. A Developer Selection Committee with HAMC personnel and Board members was developed. The Committee developed Partnership Review Criteria that included categories to assess private developers for potential partnerships. An Invitation to Developers document was prepared and published on HAMC's website. This document solicits proposals from developers to collaborate with HAMC. The Committee also developed the terms of partnerships and its benefits to HAMC, including a passive source of income for the coming 15-20 years as well as additional units to place voucher holders.

   2. A series of short videos and client tutorials have been produced to share the HAMC story and assist customers with housing applications and other related paperwork.

   3. Teams met to identify and develop targeted funding objectives for the agency. As a first step, a draft case study and funding assessment tool was developed and circulated for feedback. Ongoing meetings will occur to create a collaborative funding plan for the agency in 2023.

   4. To strengthen our efforts to engage employees, two new objectives have been created. We intend to launch a new in-person training for employees, and to redevelop the Human Resources onboarding process for more efficiency. Related actions steps will be created in preparation for launch in 2023.

	D. The HAMC continues to successfully implement the HUD sponsored voluntary Family Self-Sufficiency (FSS) Program that assists HCV participants achieve economic independence. Participants work with a Case Manager to assess their strengths, identify barriers, set goals, and work to achieve them. In 2022 there were 35 active participants and two graduates. Revisions to the FSS Action Plan have taken place to outline essential elements of the FSS Program and identify program goals and objectives. The HAMC has amended its Internal Control Policy to reflect the rental assistance department payables, and the recent HUD approved FSS Action Plan respectively. E. In collaboration with the Maricopa Association of Governments (MAG), a comprehensive web-based housing search tool was launched to assist customers navigate their housing search more efficiently. F. To enhance housing program accessibility the HAMC has integrated a web-based portal for both landlords and participants which allows online access to Housing Assistance Payments (HAP) ledgers, Interim Change Requests, and Annual Recertifications Applications.
B.4	**Capital Improvements.** – Not Applicable
B.5	**Most Recent Fiscal Year Audit.** (a) Were there any findings in the most recent FY Audit? Y N N/A ☒ ☐ ☐ (b) If yes, please describe: 2022-001: Audit Adjustments and Preparation of the Financial Statements 2022-002: Internal controls designed to ensure compliance with program provisions. See Appendix A. for additional details.
C.	**Other Document and/or Certification Requirements.**
C.1	**Resident Advisory Board (RAB) Comments.** (a) Did the RAB(s) have comments to the PHA Plan? Y N ☐ ☒ (b) If yes, comments must be submitted by the PHA as an attachment to the PHA Plan. PHAs must also include a narrative describing their analysis of the RAB recommendations and the decisions made on these recommendations.
C.2	**Certification by State or Local Officials.** Form HUD 50077-SL, *Certification by State or Local Officials of PHA Plans Consistency with the Consolidated Plan*, must be submitted by the PHA as an electronic attachment to the PHA Plan. See Appendix B.
C.3	**Civil Rights Certification/ Certification Listing Policies and Programs that the PHA has Revised since Submission of its Last Annual Plan.** Form HUD-50077-ST-HCV-HP, *PHA Certifications of Compliance with PHA Plan, Civil Rights, and Related Laws and Regulations Including PHA Plan Elements that Have Changed,* must be submitted by the PHA as an electronic attachment to the PHA Plan.
C.4	**Challenged Elements.** If any element of the PHA Plan is challenged, a PHA must include such information as an attachment with a description of any challenges to Plan elements, the source of the challenge, and the PHA's response to the public. (a) Did the public challenge any elements of the Plan? Y N ☐ ☐ If yes, include Challenged Elements.

D.	Affirmatively Furthering Fair Housing (AFFH).
D.1	**Affirmatively Furthering Fair Housing (AFFH).**

Provide a statement of the PHA's strategies and actions to achieve fair housing goals outlined in an accepted Assessment of Fair Housing (AFH) consistent with 24 CFR § 5.154(d)(5). Use the chart provided below. (PHAs should add as many goals as necessary to overcome fair housing issues and contributing factors.) Until such time as the PHA is required to submit an AFH, the PHA is not obligated to complete this chart. The PHA will fulfill, nevertheless, the requirements at 24 CFR § 903.7(o) enacted prior to August 17, 2015. See Instructions for further detail on completing this item.

The HAMC fully endorses and supports all Fair Housing laws. Our non-discrimination policy covers admission and access to, or treatment or employment in HAMC's facilities, programs, services and activities. The HAMC has designated a Fair Housing Advocate to investigate allegations of housing discrimination by HAMC personnel or by landlords who rent properties to our HCV holders because of race, color, religion, gender, age, disability or handicap, familial or marital status, or national origin.

Fair Housing Goal: Promote Fair Housing and the opportunity for very low-income families of all ethnic backgrounds to experience freedom of housing choice. HAMC shall not deny any family or individual the equal opportunity to apply for or receive assistance under the HCV Programs based on race, color, sex, religion, creed, national or ethnic origin, age, familial or marital status, handicap or disability or sexual orientation.

Describe fair housing strategies and actions to achieve the goal

A. It is the policy of HAMC to comply fully with all Federal, State, and local non-discrimination laws and with the rules and regulations governing Fair Housing and Equal Opportunity in housing and employment including:

1. Title VI of the Civil Rights Acts of 1964.
2. Title VIII of the Civil Rights Act of 1968 (as amended by the Community Development Act of 1974 and the Fair Housing Amendments Act of 1988).
3. Executive Order 11063.
4. Section 504 of the Rehabilitation Act of 1973.
5. The Age Discrimination Act of 1975.
6. Title II of the Americans with Disabilities Act (to the extent it applies, otherwise Section 504 and the Fair Housing Amendments govern).
7. Violence Against Women Reauthorization Act of 2013 (VAWA).

B. HAMC takes steps to assure families and owners are fully aware of all applicable civil rights laws. HAMC provides, as part of the briefing process, information to HCV applicants about civil rights requirements and the opportunity to rent in a broad range of neighborhoods.

C. The Housing Assistance Payments (HAP) Contract informs owners of the requirements not to discriminate against any person because of race, color, religion, sex, national origin, age, familial status, or disability in connection with the contract. The HAMC shall not:

1. Deny any family the opportunity to apply for housing nor deny any qualified applicant the opportunity to lease housing suitable to its needs.
2. Provide housing which is different from that provided to others.
3. Subject a person to segregation or disparate treatment.
4. Restrict a person's access to any benefit enjoyed by others in connection with the housing program.
5. Treat a person differently in determining eligibility or other requirements for admission.
6. Steer an applicant or participant toward or away from a particular area based on any of these factors.
7. Deny a person access to the same level of services.
8. Deny an individual opportunity to participate in HAMC HCV programs with prior drug charges if a person has issues of mental health.

D. Applicants or participants who believe that they have been subject to unlawful discrimination may notify HAMC either orally or in writing. HAMC will provide a copy of a discrimination complaint form to the complainant and provide them with information on how to complete and submit the form to HUD's Office of Fair Housing and Equal Opportunity (FHEO). HAMC will make every attempt to remedy any discrimination complaints made against HAMC but if unsuccessful, the same information will be provided to complainants.

Fair Housing Goal: HAMC will ensure persons with disabilities have full access to HAMC programs and services. No individual with disabilities shall be denied the benefits of, be excluded from, participation in, or otherwise be subjected to discrimination because HAMC's facilities are inaccessible to or unusable by persons with disabilities.

Describe fair housing strategies and actions to achieve the goal

An individual with a disability may request a reasonable accommodation anytime during the application process or participation in the HCV Program by contacting the HAMC office.

A. A "reasonable accommodation" is defined as a change, modification, alteration or adaptation in policy, procedures, practice, program or facility that is necessary for a qualified individual with a disability to have the opportunity to participate in, and benefit from, a program or activity.

B. Reasonable accommodations shall include, but are not limited to, assistance for persons with disabilities in locating appropriate accessible units, referrals to other community agencies that provide such assistance and intervention with property owners to negotiate permission to make reasonable modifications in accordance with all provisions of the law.

C. At the initial point of contact, HAMC will inform each applicant of alternative forms of communication that can be used other than plain language paperwork. To meet the needs of persons with hearing impairments, TTD/TTY communication will be made available through the State of Arizona relay system. To meet the needs of persons with vision impairments, HAMC will explain materials orally or ask the individual plan for a third-party representative of their choice to receive, interpret and explain materials.

D. HAMC will comply with all regulations related to physical accessibility including the following:

   1. PIH 2002-01.
   2. Section 504 of the Rehabilitation Act of 1973.
   3. The Americans with Disabilities Act of 1990.
   4. The Architectural Barriers Act of 1968.
   5. The Fair Housing Act of 1988.

E. When issuing a voucher to a family that includes an individual with disabilities, HAMC will refer families to various resources to locate appropriate housing including but not limited to AffordableHousing.com, Craigslist, and Apartment Hunters.

F. HAMC will advise owners of the requirement to allow the family to make reasonable modifications to units. Applicants and participants will be advised that owners are not required to pay for modifications and their responsibility to return the unit to its original state at the family's expense when the family moves. HAMC will refer the family to community agencies that may be able to assist with unit modifications.

G. HAMC will take affirmative steps to communicate with people who need services or information in a language other than English (LEP persons).

   1. A significant number of LEP persons eligible to be served or likely to be encountered by the HCV Program in Maricopa County, use Spanish as their primary language. HAMC will assure that bi-lingual (Spanish-English) staff is available to act as interpreters and translators. HAMC will provide written translation to Spanish of vital documents and all correspondence that represents compliance requirements or adverse action against the LEP person.

   2. HAMC serves very few LEP persons in any language other than Spanish. Therefore, HAMC will not include any other language in this LEP Plan. However, to assure access for persons with other language needs, HAMC will use alternative ways to articulate in a reasonable manner to assure meaningful access for LEP persons with needs in languages other than Spanish. These alternatives will include the use of community volunteers, family members and friends as interpreters for LEP persons whose primary language is other than Spanish or English.

Instructions for Preparation of Form HUD-50075-HCV
Annual PHA Plan for HCV-Only PHAs

A. PHA Information. All PHAs must complete this section. (24 CFR §903.4)

A.1 Include the full **PHA Name**, **PHA Code**, **PHA Type**, **PHA Fiscal Year Beginning** (MM/YYYY), **Number of Housing Choice Vouchers (HCVs), PHA Plan Submission Type**, and the **Availability of Information**, specific location(s) of all information relevant to the public hearing and proposed PHA Plan.

PHA Consortia: Check box if submitting a Joint PHA Plan and complete the table. (24 CFR §943.128(a))

B. Plan Elements. All PHAs must complete this section. (24 CFR §903.11(c)(3))

B.1 Revision of Existing PHA Plan Elements. PHAs must:

Identify specifically which plan elements listed below that have been revised by the PHA. To specify which elements have been revised, mark the "yes" box. If an element has not been revised, mark "no."

☐ **Statement of Housing Needs and Strategy for Addressing Housing Needs.** Provide a statement addressing the housing needs of low-income, very low-income and extremely low-income families and a brief description of the PHA's strategy for addressing the housing needs of families who reside in the jurisdiction served by the PHA and other families who are on the Section 8 tenant-based assistance waiting lists. The statement must identify the housing needs of (i) families with incomes below 30 percent of area median income (extremely low-income); (ii) elderly families (iii) households with individuals with disabilities, and households of various races and ethnic groups residing in the jurisdiction or on the public housing and Section 8 tenant-based assistance waiting lists. The statement of housing needs shall be based on information provided by the applicable Consolidated Plan, information provided by HUD, and generally available data. The identification of housing needs must address issues of affordability, supply, quality, accessibility, size of units, and location. Once the PHA has submitted an Assessment of Fair Housing (AFH), which includes an assessment of disproportionate housing needs in accordance with 24 CFR 5.154(d)(2)(iv), information on households with individuals with disabilities and households of various races and ethnic groups residing in the jurisdiction or on the waiting lists no longer needs to be included in the Statement of Housing Needs and Strategy for Addressing Housing Needs. (24 CFR § 903.7(a)).

The identification of housing needs must address issues of affordability, supply, quality, accessibility, size of units, and location. (24 CFR §903.7(a)(2)(i)) Provide a description of the ways in which the PHA intends, to the maximum extent practicable, to address those housing needs in the upcoming year and the PHA's reasons for choosing its strategy. (24 CFR §903.7(a)(2)(ii))

☐ **Deconcentration and Other Policies that Govern Eligibility, Selection, and Admissions.** A statement of the PHA's policies that govern resident or tenant eligibility, selection and admission including admission preferences for HCV. (24 CFR §903.7(b))

☐ **Financial Resources.** A statement of financial resources, including a listing by general categories, of the PHA's anticipated resources, such as PHA HCV funding and other anticipated Federal resources available to the PHA, as well as tenant rents and other income available to support tenant-based assistance. The statement also should include the non-Federal sources of funds supporting each Federal program, and state the planned use for the resources. (24 CFR §903.7(c))

☐ **Rent Determination.** A statement of the policies of the PHA governing rental contributions of families receiving tenant-based assistance, discretionary minimum tenant rents, and payment standard policies. (24 CFR §903.7(d))

☐ **Operation and Management.** A statement that includes a description of PHA management organization, and a listing of the programs administered by the PHA. (24 CFR §903.7(e)).

☐ **Informal Review and Hearing Procedures.** A description of the informal hearing and review procedures that the PHA makes available to its applicants. (24 CFR §903.7(f))

☐ **Homeownership Programs**. A statement describing any homeownership programs (including project number and unit count) administered by the agency under section 8y of the 1937 Act, or for which the PHA has applied or will apply for approval. (24 CFR §903.7(k))

☐ **Self Sufficiency Programs and Treatment of Income Changes Resulting from Welfare Program Requirements.** A description of any PHA programs relating to services and amenities coordinated, promoted, or provided by the PHA for assisted families, including those resulting from the PHA's partnership with other entities, for the enhancement of the economic and social self-sufficiency of assisted families, including programs provided or offered as a result of the PHA's partnerships with other entities, and activities subject to Section 3 of the Housing and Community Development Act of 1968 (24 CFR Part 135) and under requirements for the Family Self-Sufficiency Program and others. Include the program's size (including required and actual size of the FSS program) and means of allocating assistance to households. (24 CFR §903.7(l)(i)) Describe how the PHA will comply with the requirements of section 12(c) and (d) of the 1937 Act that relate to treatment of income changes resulting from welfare program requirements. (24 CFR §903.7(l)(iii)).

☐ **Substantial Deviation.** PHA must provide its criteria for determining a "substantial deviation" to its 5-Year Plan. (24 CFR §903.7(r)(2)(i))

☐ **Significant Amendment/Modification**. PHA must provide its criteria for determining a "Significant Amendment or Modification" to its 5-Year and Annual Plan.

If any boxes are marked "yes", describe the revision(s) to those element(s) in the space provided.

B.2 New Activities. This section refers to new capital activities which is not applicable for HCV-Only PHAs.

B.3 Progress Report. For all Annual Plans following submission of the first Annual Plan, a PHA must include a brief statement of the PHA's progress in meeting the mission and goals described in the 5-Year PHA Plan. (24 CFR §903.11(c)(3), 24 CFR §903.7(r)(1))

B.4 Capital Improvements. This section refers to PHAs that receive funding from the Capital Fund Program (CFP) which is not applicable for HCV-Only PHAs

B.5 Most Recent Fiscal Year Audit. If the results of the most recent fiscal year audit for the PHA included any findings, mark "yes" and describe those findings in the space provided. (24 CFR §903.7(p))

C. Other Document and/or Certification Requirements.

C.1 Resident Advisory Board (RAB) comments. If the RAB had comments on the annual plan, mark "yes," submit the comments as an attachment to the Plan and describe the analysis of the comments and the PHA's decision made on these recommendations. (24 CFR §903.13(c), 24 CFR §903.19)

C.2 Certification by State of Local Officials. Form HUD-50077-SL, *Certification by State or Local Officials of PHA Plans Consistency with the Consolidated Plan*, must be submitted by the PHA as an electronic attachment to the PHA Plan. (24 CFR §903.15). Note: A PHA may request to change its fiscal year to better coordinate its planning with planning done under the Consolidated Plan process by State or local officials as applicable.

C.3 Civil Rights Certification/ Certification Listing Policies and Programs that the PHA has Revised since Submission of its Last Annual Plan. Provide a certification that the following plan elements have been revised, provided to the RAB for comment before implementation, approved by the PHA board, and made available for review and inspection by the public. This requirement is satisfied by completing and submitting form HUD-50077 ST-HCV-HP, *PHA Certifications of Compliance with PHA Plan, Civil Rights, and Related Laws and Regulations Including PHA Plan Elements that Have Changed*. Form HUD-50077-ST-HCV-HP, *PHA Certifications of Compliance with PHA Plan, Civil Rights, and Related Laws and Regulations Including PHA Plan Elements that Have Changed* must be submitted by the PHA as an electronic attachment to the PHA Plan. This includes all certifications relating to Civil Rights and related regulations. A PHA will be considered in compliance with the certification requirement to affirmatively further fair housing if the PHA fulfills the requirements of §§ 903.7(o)(1) and 903.15(d) and: (i) examines its programs or proposed programs; (ii) identifies any fair housing issues and contributing factors within those programs, in accordance with 24 CFR 5.154; or 24 CFR 5.160(a)(3) as applicable (iii) specifies actions and strategies designed to address contributing factors, related fair housing issues, and goals in the applicable Assessment of Fair Housing consistent with 24 CFR 5.154 in a reasonable manner in view of the resources available; (iv) works with jurisdictions to implement any of the jurisdiction's initiatives to affirmatively further fair housing that require the PHA's involvement; (v) operates programs in a manner consistent with any applicable consolidated plan under 24 CFR part 91, and with any order or agreement, to comply with the authorities specified in paragraph (o)(1) of this section; (vi) complies with any contribution or consultation requirement with respect to any applicable AFH, in accordance with 24 CFR 5.150 through 5.180; (vii) maintains records reflecting these analyses, actions, and the results of these actions; and (viii) takes steps acceptable to HUD to remedy known fair housing or civil rights violations. impediments to fair housing choice within those programs; addresses those impediments in a reasonable fashion in view of the resources available; works with the local jurisdiction to implement any of the jurisdiction's initiatives to affirmatively further fair housing; and assures that the annual plan is consistent with any applicable Consolidated Plan for its jurisdiction. (24 CFR §903.7(o)).

C.4 Challenged Elements. If any element of the Annual PHA Plan or 5-Year PHA Plan is challenged, a PHA must include such information as an attachment to the Annual PHA Plan or 5-Year PHA Plan with a description of any challenges to Plan elements, the source of the challenge, and the PHA's response to the public.

D. Affirmatively Furthering Fair Housing (AFFH).

D.1 Affirmatively Furthering Fair Housing. The PHA will use the answer blocks in item D.1 to provide a statement of its strategies and actions to implement each fair housing goal outlined in its accepted Assessment of Fair Housing (AFH) consistent with 24 CFR § 5.154(d)(5) that states, in relevant part: "To implement goals and priorities in an AFH, strategies and actions shall be included in program participants' … PHA Plans (including any plans incorporated therein) …. Strategies and actions must affirmatively further fair housing …." Use the chart provided to specify each fair housing goal from the PHA's AFH for which the PHA is the responsible program participant – whether the AFH was prepared solely by the PHA, jointly with one or more other PHAs, or in collaboration with a state or local jurisdiction – and specify the fair housing strategies and actions to be implemented by the PHA during the period covered by this PHA Plan. If there are more than three fair housing goals, add answer blocks as necessary.

Until such time as the PHA is required to submit an AFH, the PHA will not have to complete section D., nevertheless, the PHA will address its obligation to affirmatively further fair housing in part by fulfilling the requirements at 24 CFR 903.7(o)(3) enacted prior to August 17, 2015, which means that it examines its own programs or proposed programs; identifies any impediments to fair housing choice within those programs; addresses those impediments in a reasonable fashion in view of the resources available; works with local jurisdictions to implement any of the jurisdiction's initiatives to affirmatively further fair housing that require the PHA's involvement; and maintain records reflecting these analyses and actions. Furthermore, under Section 5A(d)(15) of the U.S. Housing Act of 1937, as amended, a PHA must submit a civil rights certification with its Annual PHA Plan, which is described at 24 CFR 903.7(o)(1) except for qualified PHAs who submit the Form HUD-50077-CR as a standalone document.

This information collection is authorized by Section 511 of the Quality Housing and Work Responsibility Act, which added a new section 5A to the U.S. Housing Act of 1937, as amended, which introduced the Annual PHA Plan. The Annual PHA Plan provides a ready source for interested parties to locate basic PHA policies, rules, and requirements concerning the PHA's operations, programs, and services, and informs HUD, families served by the PHA, and members of the public for serving the needs of low- income, very low- income, and extremely low- income families.

Public reporting burden for this information collection is estimated to average 6.02 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. HUD may not collect this information, and respondents are not required to complete this form, unless it displays a currently valid OMB Control Number.

Privacy Act Notice. The United States Department of Housing and Urban Development is authorized to solicit the information requested in this form by virtue of Title 12, U.S. Code, Section 1701 et seq., and regulations promulgated thereunder at Title 12, Code of Federal Regulations. Responses to the collection of information are required to obtain a benefit or to retain a benefit. The information requested does not lend itself to confidentiality

Appendix A.

Fiscal Year Audit

HOUSING AUTHORITY of MARICOPA COUNTY

HAMC

January 12, 2023

Pete Koziol
U.S. Department of Housing & Urban Development
Office of Public Housing
One North Central Suite 600
Phoenix, AZ 85004-4414

Subject: AZ009 2022 Audit Corrective Action Plan

Dear Mr. Koziol,

The Housing Authority of Maricopa County respectfully submits the following Corrective Action Plan for the fiscal year ended 2022. The audit report included one finding related to audit adjustments and preparation of the financial statements.

AUDIT FINDINGS

2022-001: Audit Adjustments and Preparation of the Financial Statements

Condition: There were multiple adjusting journal entries recorded during the course of the audit. This is indicative of a lack of internal controls over the financial reporting process.

Criteria: The internal Control-Integrated Framework (COSO Report) requires adequate internal controls over financing reporting to ensure that transactions are properly recorded and accounted for to permit the preparation of reliable financial statements and demonstrate compliance with laws, regulations and other compliance requirements. Internal controls should be in place to provide reasonable assurance that financial statements are prepared in accordance with U.S. GAAP.

Context: The Authority does not have a system of internal controls that would enable management to conclude the financial statements and related disclosures are complete and presented in accordance with GAAP. We also proposed material audit adjustments in order to draft the financial statements. Most of the adjusting journal entries were related to transactions with related parties. Significant adjustments such as these are indicative of inadequate controls over financial reporting. Specifically, we noted the following:

- Adjustments made to properly report the Authority's beginning net position and notes receivable.
- Adjustments made to properly report the Authority's accounts receivables and unearned revenues.
- Eliminations made to the Authority's notes receivable and payables and other interfund transactions as these transactions were between the Authority and its blended component units.

Effect: Inefficient controls over the financial reporting process could result in inaccurate account balances that require a restatement, a significant number of audit adjustments or a lack of timely financial information.

Cause: The Authority did not properly establish and implement sufficient internal controls over financial reporting to ensure the timely and accurate recording of financial transactions. We note that the Authority relies on the audits of related parties in order to record a significant number of related party transactions. Related party transactions should be recorded by the Authority as they are incurred. The audited financial statements of related parties should be reviewed, but not relied upon for the recording of related party transactions.

Corrective Action/Actions Taken: HAMC updated its internal control policy, accounting closing procedures to include the consolidation of partnership financial data, monthly, we have reviewed and evaluated our reporting process to ensure compliance with GAAP and have evaluated and trained staff in the necessary accounting functions.

Target Completion Date: Complete, corrective action has been taken and HAMC has fully implemented the policy, training with systems and procedures to properly and timely record all transactions.

2022-002: Section 8 Project-Based Cluster Internal Control

Condition: During our testing, we noted the Authority did not have adequate internal controls designed to ensure annual quality housing standard inspections were performed as they became due.

Criteria: 2 CFR Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Award* requires compliance with the provisions of Housing Quality Standards Inspections. The Authority should have internal controls designed to ensure compliance with those provisions.

Context: During our testing, it was noted that 18 out of 40 housing units did not housing quality inspection performed at least annually to determine if the unit meets the Housing Quality Standards.

Cause: The Authority did not complete all their bi-annual housing quality inspection for the reporting period.

Corrective Action/Actions Taken: Internal control process is in place to identify the units on which housing quality inspections are due and properly document the result of these inspections. HAMC updated its property management procedures to include monthly review and reporting of required bi-annual inspections. In addition, procedures for Asset Manager supervision of bi-annual inspections are updated.

Target Completion Date: Complete corrective action has been taken and will be fully implemented with training by March 1, 2023.

If you have questions regarding this Corrective Action Plan, please contact Gerald Minott, Deputy Director at (602) 744-4517.

Regards,

Gerald Minott II
Interim Executive Director

HOUSING AUTHORITY OF MARICOPA COUNTY

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2022

HOUSING AUTHORITY OF MARICOPA COUNTY
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YEAR ENDED JUNE 30, 2022

INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Housing Authority of Maricopa County
Peoria, Arizona

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and the aggregate discretely presented component units of the Housing Authority of Maricopa County, Arizona (the Authority), a component unit of Maricopa County, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component units of the Authority, as of June 30, 2022, and the changes in financial position, and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the aggregate discretely presented component units. which represents 100% of the assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, and expenses of the opinion unit affected as of December 31, 2021. Those statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for those departments and component units, are based solely on the other auditors' reports. We have applied audit procedures on the conversion adjustments to conform the presentation of the financial statements of the discretely presented component units to accounting standards issued by the Governmental Accounting Standards Board. Our opinion, insofar as it relates to the amounts included for the aggregate discretely presented component units prior to these conversion adjustments, is based solely on the reports of the other auditors.

Basis for Opinions

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

Emphasis of Matter – Change in Accounting Principle

As discussed in Note 1 to the financial statements, effective July 1, 2021, the Authority adopted new accounting guidance for leases. The guidance requires lessors to recognize a lease receivable and corresponding deferred inflow of resources for all leases with lease terms greater than 12 months. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 6-10, the schedule of the proportionate share of the net pension liability, and the schedule contribution on pages 42-43 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The Financial Data Schedules, Combining Statements of Discretely Presented Component Units in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), is also presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling the information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion based on our audit, the procedures performed as described above, and the report of other auditors, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2022 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Phoenix, Arizona
December 15, 2022

Our discussion and analysis of the Housing Authority of Maricopa County's (the Authority) financial performance provides an overview of the Authority's financial activities for the year ended June 30, 2022. Please review it in conjunction with the Authority's basic financial statements, which begin on page 10.

FINANCIAL HIGHLIGHTS

- The Authority continues to prioritize the needs of program participants, applicants, landlords and community members who are in need of housing by working with each group during this pandemic to address their evolving needs. The Authority has secured funding used as cash assistance for those in need, has established repayment plans for any delinquent balances, provided incentives to landlords to expand inventory for those seeking housing, and works closely with partnering agencies to connect program participants with essential services such as utility assistance, food assistance, and healthcare.

- The Authority completed the Management and Occupancy Report (MOR) review, under HUD's Multifamily division, used to assess the management and oversight of our properties and also determine the level of compliance with the various local and federal policies, procedures and regulations and received a "Satisfactory" rating.

- The Authority has disposed the remaining 50% of its Single-Family Portfolio. Proceeds are intended to fund the agency's reserves and new initiatives to support our mission.

- The Authority has entered into a new partnership with Dominium Inc to develop affordable housing across the county and expand available affordable housing unit stock.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of a series of financial statements and required supplemental information. The statement of net position, statement of revenues, expenses, and changes in net position and statement of cash flows on pages 10-12 provide information about the activities of the Authority as a whole and present a longer-term view of the Authority's finances.

The Statement of Net Position and Statement of Changes in Net Position

The statement of net position and statement of changes in net position provide information about the Authority as a whole and about its activities. These statements include all assets and liabilities using the accrual basis of accounting that is used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Authority's net position and changes in them. The difference between assets and liabilities or net position is one way to measure the Authority's financial health. Over time, increases or decreases in the net position are one indicator of whether its financial position is improving or deteriorating.

The higher the net position figure is, generally, the better the financial position. However, this information does not reflect ongoing fluctuations in the economic climate, regulatory changes, or other external forces that impact an entity's financial position, but which may not be quantifiable as of the financial statement date.

The Authority's total Net Position was $41,820,812 as of June 30, 2022.

Table 1
Statement of Net Position

	Total		
	2022	2021	Total Change
ASSETS			
Cash and Cash Equivalents	$ 17,482,889	$ 19,725,815	$ (2,242,926)
Other Current Assets	2,523,000	1,963,431	559,569
Noncurrent Assets	38,744,509	37,433,329	1,311,180
Total Assets	58,750,398	59,122,575	(372,177)
DEFERRED OUTFLOWS RELATED TO PENSIONS	847,650	700,157	147,493
LIABILITIES			
Current Liabilities	2,976,843	5,155,327	(2,178,484)
Long Term Obligations	9,710,380	11,831,438	(2,121,058)
Total Liabilities	12,687,223	16,986,765	(4,299,542)
DEFERRED INFLOWS RELATED TO PENSIONS	5,090,013	35,595	5,054,418
NET POSITION			
Net Investment in Capital Assets	16,478,429	18,057,336	(1,578,907)
Restricted	2,407,566	2,339,865	67,701
Unrestricted	22,934,817	22,403,171	531,646
Total Net Position	$ 41,820,812	$ 42,800,372	$ (979,560)

The increase in assets was mainly due to implementation of GASB 87, leases. This standard requires the recognition of certain lease receivables and deferred inflows of resources for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. The Authority recognized $1,182,905 in lease receivable in fiscal year 2022.

The increase in net position of $(979,560) is explained in more detail on Table 2.

Table 2 compares the 2022 change in net position to the 2021 change in net position.

Table 2
Changes in Net Position

	Total		
	2022	2021	Total Change
OPERATING REVENUES			
Rental Income	$ 2,018,895	$ 2,100,179	$ (81,284)
Operating Grants	19,712,793	17,001,185	2,711,608
Fees for Other Services	257,116	1,982,090	(1,724,974)
Other Revenue	1,537,093	980,170	556,923
Total Revenues	23,525,897	22,063,624	1,462,273
OPERATING EXPENSES			
Administrative	4,311,634	3,684,853	626,781
Tenant Services	23,013	17,664	5,349
Utilities	548,072	655,220	(107,148)
Ordinary Maintenance and Operations	1,544,707	1,645,097	(100,390)
Insurance Premiums	403,150	315,355	87,795
General	814,329	328,878	485,451
Housing Assistance Payments	15,864,800	14,425,592	1,439,208
Depreciation	1,557,369	1,459,379	97,990
Total Expenses	25,067,074	22,532,038	2,535,036
OPERATING LOSS	(1,541,177)	(468,414)	(1,072,763)
NONOPERATING REVENUES (EXPENSES)	561,617	8,234,228	(7,672,611)
CHANGE IN NET POSITION	$ (979,560)	$ 7,765,814	$ (8,745,374)

The increase in Operating Grants was primarily due to increased leasing at HCV and also reflects the increase in Housing Assistance expenses for the year.

All other increases and/or decreases result from the normal course of business.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2022, the Authority had $24.9 million invested in a broad range of capital assets, including land, buildings, furniture and equipment.

Table 3
Capital Assets

	Beginning	Additions	Deductions	Reclassification	Ending
Primary Government:					
Nondepreciable Assets:					
Land	$ 5,206,786	$ -	$ -	$ -	$ 5,206,786
Construction in Progress	1,052,318	614,735	-	(663,586)	1,003,467
Depreciable Assets:					
Building and Improvements	55,124,460	12,591	-	663,586	55,800,637
Equipment	1,145,282	158,318	-	-	1,303,600
Total	62,528,846	785,644	-	-	63,314,490
Less: Accumulated Depreciation	(36,800,311)	(1,557,369)	-	-	(38,357,680)
Net Book Value	$ 25,728,535	$ (771,725)	$ -	$ -	$ 24,956,810

Long-Term Debt

The Authority incurred additional long-term debt obligations totaling $1,417,749 and $2,314,661 and is due within one year.

ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS

Significant economic factors affecting the Authority are as follows:

- The Authority is exploring the financial benefits of refinancing the Rose Terrace site with plans to payoff existing debt that includes a note from the Authority.
- Inflationary pressure on utility rates, maintenance contracts and other costs continue to affect recruitment and operational costs.
- The market is low in rental units making it difficult for rental assistance participants to locate housing.
- Local labor supply and demand, which affects salary and wage rates continue to increase in cost.

CONTACTING THE AUTHORITY’S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens with a general overview of the Authority’s finances and to demonstrate the Authority’s accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Gerald Minott, Finance Director, at 8910 N. 78th Ave., Peoria, Arizona 85345.

BASIC FINANCIAL STATEMENTS

HOUSING AUTHORITY OF MARICOPA COUNTY
STATEMENT OF NET POSITION
JUNE 30, 2022

	Primary Government	Discretely Presented Component Units
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
CURRENT ASSETS		
Cash and Cash Equivalents - Unrestricted	$ 14,507,831	$ 1,283,605
Cash and Cash Equivalents - Restricted	2,975,058	2,816,457
Tenant Accounts Receivable, Net of Allowances	250,224	95,249
Accounts Receivable - HUD	157,919	73,246
Accounts Receivable - Other	809,907	62,692
Lease Receivable	1,182,905	-
Inventory	36,060	-
Prepaid Expenses	42,190	264,350
Interest receivable	1,226,700	-
Total Current Assets	21,188,794	4,595,599
NONCURRENT ASSETS		
Capital Assets, Net of Accumulated Depreciation:		
Nondepreciable	6,210,254	908,350
Depreciable	18,746,556	90,852,291
Notes Receivable - DPCU	12,502,000	-
Other Assets	102,794	3,033,326
Total Noncurrent Assets	37,561,604	94,793,967
Total Assets	58,750,398	99,389,566
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Outflows Related to Pensions	847,650	-
Total Deferred Outflows of Resources	847,650	-
LIABILITIES , DEFERRED INFLOWS OF RESOURCES, AND NET POSITION		
CURRENT LIABILITIES		
Accounts Payable - Vendors and Contractors	127,160	87,728
Accounts Payable - Other	54,079	150,783
Accounts Payable - Related Parties	-	589,738
Accrued Wages and Related Payables	44,796	328,827
Accrued Compensated Absences	6,685	-
Accrued Interest Payable	18,000	378,492
Tenant Security Deposits Payable	155,401	179,867
Current Portion of Long-Term Debt	2,307,976	359,936
Unearned Revenue	262,746	158,989
Total Current Liabilities	2,976,843	2,234,360

See accompanying Notes to Financial Statements.

HOUSING AUTHORITY OF MARICOPA COUNTY
STATEMENT OF NET POSITION (CONTINUED)
JUNE 30, 2022

	Primary Government	Discretely Presented Component Units
NONCURRENT LIABILITIES		
Accrued Compensated Absences	$ 166,674	$ -
FSS Escrows	230,623	-
Long-Term Debt	6,518,299	44,254,938
Development Fee Payable	-	1,956,121
Net Pension Liability	2,794,784	-
Total Noncurrent Liabilities	9,710,380	46,211,059
Total Liabilities	12,687,223	48,445,419
DEFERRED INFLOWS OF RESOURCES		
Deferred Inflows Related to Leases	4,204,527	-
Deferred Inflows Related to Pensions	885,486	-
Total Deferred Inflows of Resources	5,090,013	-
NET POSITION		
Net Investment in Capital Assets	16,478,429	47,145,767
Restricted	2,407,566	2,636,590
Unrestricted	22,934,817	1,161,790
Total Net Position	$ 41,820,812	$ 50,944,147

See accompanying Notes to Financial Statements.

HOUSING AUTHORITY OF MARICOPA COUNTY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2022

	Primary Government	Discretely Presented Component Units
OPERATING REVENUE		
Tenant Rental Revenue	$ 2,018,895	$ 6,137,514
HUD Operating Grants	19,712,793	-
Other Government Grants	257,116	-
Other Revenue	1,537,093	26,912
Total Operating Revenue	23,525,897	6,164,426
OPERATING EXPENSES		
Administrative	4,311,634	1,601,118
Tenant Services	23,013	-
Utilities	548,072	341,982
Ordinary Maintenance and Operations	1,544,707	913,333
Insurance Premiums	403,150	434,148
General	814,329	49,250
Lease	-	1,117,244
Housing Assistance Payments	15,864,800	-
Depreciation	1,557,369	3,871,572
Total Operating Expenses	25,067,074	8,328,647
OPERATING LOSS	(1,541,177)	(2,164,221)
NONOPERATING REVENUES (EXPENSES)		
Gain (Loss) on Disposal of Capital Assets	-	(8,084)
Investment Income	775,594	5,116
Interest Expense	(514,090)	(1,465,191)
Developer Fees	300,113	-
Other income	-	(61,268)
Total Nonoperating Revenues (Expenses)	561,617	(1,529,427)
LOSS BEFORE CAPITAL CONTRIBUTIONS	(979,560)	(3,693,648)
CAPITAL CONTRIBUTIONS	-	1,748,525
CHANGE IN NET POSITION	(979,560)	(1,945,123)
Net Position - Beginning of Year	42,800,372	52,889,270
NET POSITION - END OF YEAR	$ 41,820,812	$ 50,944,147

See accompanying Notes to Financial Statements.

HOUSING AUTHORITY OF MARICOPA COUNTY
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2022

	Primary Government
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Tenants	$ 4,710,831
HUD Operating Grants	19,779,069
Housing Assistance Payments	(15,864,800)
Payments to Vendors	(3,997,191)
Payments to Employees	(3,535,373)
Other Receipts	(1,981,242)
Net Cash Used by Operating Activities	(888,706)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchases of Capital Assets	(785,644)
Principal Payments on Debt	(765,831)
Interest Payments on Debt	(505,090)
Net Cash Used by Capital and Related Financing Activities	(2,056,565)
CASH FLOWS FROM INVESTING ACTIVITIES:	
Development Funding Provided	300,113
Interest Income	402,232
Net Cash Provided by Investing Activities	702,345
NET DECREASE IN CASH	(2,242,926)
Cash - Beginning of Year	19,725,815
CASH - END OF YEAR	$ 17,482,889

See accompanying Notes to Financial Statements.

HOUSING AUTHORITY OF MARICOPA COUNTY
STATEMENT OF CASH FLOWS (CONTINUED)
YEAR ENDED JUNE 30, 2022

	Primary Government
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES:	
Operating Loss	$ (1,541,177)
Adjustments to Reconcile Change in Net Cash Provided by Operating Activities:	
Depreciation Expense	1,557,369
Change in Operating Assets and Liabilities:	
Decrease (Increase) in Receivables	(263,410)
Decrease (Increase) in Lease Receivables	(1,182,905)
Decrease (Increase) in Inventory	63,138
Decrease (Increase) in Prepaid Expenses	14,065
Increase (Decrease) in Accounts Payable	(15,158)
Increase (Decrease) in Accrued Wages and Related Payables	8,397
Increase (Decrease) in Compensated Absence	11,264
Increase (Decrease) in Net Pension Liability	(694,776)
Increase (Decrease) in Unearned Revenue	(3,676,713)
Increase (Decrease) in Deferred Inflows and Deferred Outflows of Resources	4,906,925
Increase (Decrease) in Other Liabilities	(75,725)
Net Cash Provided by Operating Activities	$ (888,706)
SUPPLEMENTAL DISCLOSURES OF NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES	
Accrued Interest on Notes Receivable	$ 373,362
Note Receivable and Payable Transaction Between Authority and Heritage	$ 900,000

See accompanying Notes to Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Housing Authority of Maricopa County, Arizona (the Authority) is organized under the laws of the state of Arizona for the purpose of providing adequate housing for qualified low income individuals. Founded in 1943, the Authority owns and operates 16 housing communities located in Mesa, Guadalupe, Phoenix, Avondale, Tolleson, Buckeye, Peoria, Surprise, and El Mirage. In July 1, 2003, the Maricopa County board of supervisors authorized the creation of the Authority to provide efficient and affordable rental housing units to low-income households of Maricopa County, pursuant to Arizona Revised Statutes (A.R.S.) 36-1404. The Authority is governed by the board of commissioners whom are appointed by the Maricopa County board of supervisors. Additionally, the Authority has entered into annual contribution contracts with the U.S. Department of Housing and Urban Development (HUD) to be the administrator of the housing and housing related programs described herein. The Authority is not subject to federal or state income taxes and is not required to file federal or state income tax returns.

Reporting Entity

The Authority's financial reporting entity comprises the following:

Primary Government – The Housing Authority of Maricopa County

In determining the financial reporting entity, the Authority includes all component units of which the Authority appointed a voting majority of the units' board; the Authority is either able to impose its will on the unit or a financial benefit or burden relationship exists. These criteria include manifestation of oversight responsibility including financial accountability, appointment of a voting majority, imposition of will, financial benefit/burden with the primary organization, financial accountability as a result of fiscal dependency, and organizations included in the reporting entity although the primary organization is not financially accountable. As the Maricopa County board of supervisors appoints the Authority's board of commissioners. As the governing bodies are not substantively the same, the financial statements of the Authority are reported in the Maricopa County Annual Comprehensive Financial Report as a discretely presented component unit.

Blended Component Units

Blended component units are separate legal entities that meet the component unit criteria described above and whose governing body is the same or substantially the same as the Authority's board of commissioners or the component unit provides services entirely to the Authority. These component units' funds are blended into those of the Authority's by appropriate activity type to compose the primary government presentation.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reporting Entity (Continued)

Blended Component Units (Continued)

Maricopa Revitalization Partnership, Rose Terrace II, Rose Terrace II are blended component units of the Authority. The entities were created for the sole purpose of providing the Authority access to private and other outside financing necessary to create, develop and rehabilitate certain low-income housing units; thereby enabling the Authority to carry out its mission of providing adequate and sufficient affordable housing. The activities of Rose Terrace Development Partnership, LLC, Rose Terrace Development Partnership Phase II, LLC, and Maricopa Revitalization Partnership, LLC are presented in the blended component unit statements.

Discretely Presented Component Units

Discretely presented component units are separate legal entities that meet the component unit criteria described above but do not meet the criteria for blending.

The Authority serves as the general partners of certain LIHTC partnerships. The partnerships' interests are held by third parties unrelated to the Authority. As the general partner (or majority interest owner of general partner), the Authority has certain rights and responsibilities which enable it to impose its will on the limited partnerships. The partnerships do not serve the primary government exclusively, or almost exclusively, and therefore, are shown as discretely presented component units.

The Reporting Entity currently includes six discretely presented component units (DPCU) that operate on a December 31 year-end, and are described as follows:

- Madison Heights Phase I, LLC, an Arizona limited liability company, was formed on January 29, 2014, for the purpose of constructing and operating a qualified low-income housing project that qualifies for low-income housing credits under §42 of the Internal Revenue Code. The project consists of a 77 unit apartment complex for rent to individuals and families of low and moderate income in Avondale, Arizona, and operates under the name of Madison Heights I.

- Madison Heights Phase II, LLC, an Arizona limited liability company, was formed on January 29, 2014, for the purpose of constructing and operating a qualified low-income housing project that qualifies for low-income housing credits under §42 of the Internal Revenue Code. The project will consist of a 66 unit apartment complex for rent to individuals and families of low and moderate income in Avondale, Arizona.

- Coffelt-Lamoreaux, LLC, an Arizona limited liability company, was formed on May 7, 2013, for the purpose of constructing and operating a qualified low-income housing project that qualifies for low-income housing credits under §42 of the Internal Revenue Code. The project consists of a 301 unit apartment complex for rent to individuals and families of low and moderate income in Phoenix, Arizona.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reporting Entity (Continued)

Discretely Presented Component Units (Continued)

- The River at Eastline Village, LLC was organized on January 23, 2017, for the purpose of acquiring, constructing, owning and operating a 56 unit low-income housing development with 2,323 square feet of commercial space located in Tempe, Arizona.

- Coffelt Tenant, LLC was organized on March 24, 2015 for the purpose to lease, maintain, and operate a 301 unit low-income housing complex consisting of 151 buildings owned by Coffelt-Lamoreaux, LLC (Landlord) known as Coffelt Lamoreaux Apartment Homes located in Phoenix, Arizona.

- Heritage at Surprise, LLC was organized on June 7, 2017, as a limited liability company formed under the Wisconsin Limited Liability Company Act, to develop, own and operate a 100-unit low income housing project known as Heritage at Surprise (the project), located in Surprise, Arizona.

Complete financial statements for each of the individual discretely presented component units may be obtained at the Authority's administrative office: Housing Authority of Maricopa County, 8910 N. 78th Avenue, Peoria, Arizona 85345.

Payments Between the Authority and Component Units

Resource flows between the primary government and the blended component units (BCU) are reported as operating transfers and eliminated during consolidation. Resource flows between the primary government and the discretely presented component units (DPCU) are reported as external transactions (revenues and expenses). Transactions with the BCU during 2022 consist of rental subsidies, interest on notes and fees for services totaling $829,641, $272,303, and $49,823, respectively. The Authority also provides capital financing with balances totaling $10,708,681 as of June 30, 2022, which were eliminated during consolidation. Transactions with the DPCU during 2022 consist of development service fees and resident services totaling $300,113 and $550,067, respectively. The Authority also provides capital financing with balances totaling $13,728,700 as of June 30, 2022.

Operation Programs

The Authority has elected to report as a single enterprise proprietary fund and its primary operations comprise a number of housing and grant programs as follows:

- The Housing Choice Voucher Program provides rental housing assistance subsidies in support of 1,592 housing units, of which 168 units are dedicated to Project Based Vouchers (PBV) located at various Authority controlled properties reported within the Discretely Presented Component Unit and Blended Component Unit. The Authority was also allocated additional vouchers related to the Mainstream and VASH subprograms. The purpose of the program is to provide decent and affordable housing to low income families and elderly and handicapped persons wherein rental assistance is provided by HUD. The associated units (other than PBV units) are owned, maintained, and managed by private landlords.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Operation Programs (Continued)

- The Resident Opportunities and Support Services (ROSS) and Family Self Sufficiency (FSS) Programs provides public housing residents supportive services, resident empowerment activities and assistance in becoming economically self-sufficient.

- The Project Based Rental Assistance Program was created upon conversion of Public Housing units and currently consists of 282 units of low income housing known as Casa Bonitas and 56 units known as The River at Eastline Village. The properties are owned, maintained, and managed by the Authority. Funding is provided under a RAD Project-Based Rental Assistance (PBRA) contract that provides tenant assistance as determined by tenant incomes and composition.

- Business Activities was created to account for ongoing and future activities currently consisting of the redevelopment of its public housing stock under HUD RAD. As such, it accounts for fees generated related to development. In addition, the Authority accounts for its Bridge program as a business activity. The Bridge program began in 2016 and operates under contract with the County to provide housing assistance to homeless individuals with the ultimate goal of transitioning participants to the Housing Choice Voucher program.

Measurement Focus and Basis of Accounting

The financial statements of the Authority are prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing U.S. GAAP for state and local governments through its pronouncements (Statements and Interpretations). The Authority uses the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when they are earned and expenses are recognized when they are incurred, regardless of the timing of cash flows.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses used during the reporting period. Actual results could differ from those estimates. Significant estimates include the economic lives of capital assets and allowances for doubtful accounts.

Cash and Cash Equivalents

Cash and cash equivalents represent cash in checking accounts, money market funds, or short-term investments with original maturities of three months or less.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable

Management periodically assesses the collectability of its receivables and establishes an allowance for uncollectible accounts for all accounts it deems uncollectible. A $74,894 allowance was established for tenant receivables in its public housing program and a $-0- allowance for other receivables.

Inventory

The Authority's inventory consists of materials and supplies used to maintain its rental stock. The inventory is valued using the weighted average method and recorded at cost.

Capital Assets

Land, buildings, and equipment are stated at cost and depreciated over their estimated useful lives. The capitalization threshold is $5,000. Donated assets are recorded at estimated acquisition value as of the date of the donation. Construction in progress costs are not depreciated until the corresponding projects are completed.

Depreciation has been provided over the following useful lives using the straight-line method of depreciation as follows:

Building and Improvements	15 to 40 Years
Land Improvements	10 to 15 Years
Furniture and Equipment	5 to 15 Years

Deferred Outflows and Inflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to future periods that will be recognized as an expense in future periods. Deferred inflows of resources represent an acquisition of net position or fund balance that applies to future periods and will be recognized as revenue, or a reduction in expense, in future periods. The Authority has deferred outflows and inflows related to the pension plan and leases.

Leases

The Authority determines if an arrangement is a lease at inception. Leases are included in lease receivables and deferred inflows of resources in the statements of net position and fund financial statements. Lease receivables represent the Authority's claim to receive lease payments over the lease term, as specified in the contract, in an exchange or exchange-like transaction. Lease receivables are recognized at commencement date based on the present value of expected lease payments over the lease term, reduced by any provision for estimated uncollectible amounts. Interest revenue is recognized ratably over the contract term.

Deferred inflows of resources related to leases are recognized at the commencement date based on the initial measurement of the lease receivable, plus any payments received from the lessee at or before the commencement of the lease term that relate to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term. The deferred inflows related to leases are recognized as lease revenue in a systematic and rational manner over the lease term.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases

Amounts to be received under residual value guarantees that are not fixed in substance are recognized as a receivable and an inflow of resources if (a) a guarantee payment is required and (b) the amount can be reasonably estimated. Amounts received for the exercise price of a purchase option or penalty for lease termination are recognized as a receivable and an inflow of resources when those options are exercised.

The Entity has elected to recognize payments received for short-term leases with a lease term of 12 months or less as revenue as the payments are received. These leases are not included as lease receivables or deferred inflows on the statements of net position and fund financial statements.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Arizona State Retirement System (ASRS) pension plan and additions to/deductions from ASRS's fiduciary net position have been determined on the same basis as they are reported by ASRS. For this purpose, benefit payments, (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

Use of Restricted Funds

When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, then unrestricted resources as they are needed.

Net Position Classifications

Equity is classified as net position and displayed in three components in the statement of net position.

1. Net investment in capital assets consists of capital assets including restricted capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

2. Restricted consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributions, or laws or regulations or other governments; or (2) law through constitutional provisions or enabling legislation. The Primary Government's restricted net position consists of RAD reserves and unspent HCV HAP funding restricted from use by HUD.

3. Unrestricted consists of all other net position that does not meet the definition of restricted or net investment in capital assets.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Adoption of New Accounting Standards

In June 2017, the GASB issued GASB Statement No. 87, *Leases*. This standard requires the recognition of certain lease receivables and deferred inflows of resources for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this standard, a lessor is required to recognize a lease receivable and a deferred inflow of resources. The Authority adopted the requirements of this standard effective July 1, 2021, and has applied the provisions of this standard to the beginning of the period of adoption.

NOTE 2 DEPOSITS WITH FINANCIAL INSTITUTIONS

Custodial Credit Risk for Deposits

The Authority maintains cash with Federal Deposit Insurance Corporation depository banks. Additional protection against loss is provided for deposits in excess of depository insurance by a pledge of securities from the depository bank at 110% of the uninsured amount. As of June 30, 2022, the Primary Government has $1,136,133 uncollateralized bank balance.

As of December 31, 2021, blended component units, Rose Terrace I and Maricopa Revitalization Program, have uncollateralized bank balances of $95,009 and $125,427, respectively.

The breakdown of restricted deposits reported as of June 30, 2022 is as follows:

Restrictions on Deposits	Primary Government	Discretely Presented Component Units
Restricted Cash - Modernization and Development	$ 2,077,514	$ 1,455,261
Restricted Cash - Security Deposits	462,487	181,576
Restricted Cash - Construction Loan Escrows	-	129,052
Restricted Cash - HAP	226,826	-
Restricted Cash - Mainstream	65,570	-
Restricted Cash - CARES	0	-
Restricted Cash - EHV	142,661	-
Restricted Cash - Other	-	1,050,568
Total Restricted Cash	$ 2,975,058	$ 2,816,457

NOTE 3 ACCOUNTS RECEIVABLE – OTHER

Accounts receivable – The Authority reported $666,560 for internal balance due from blended component units due to different yearends, $113,438 for developer fee receivable and $29,909 for portability from other public housing agencies at June 30, 2022.

NOTE 4 CAPITAL ASSETS

The following is a summary of the changes in capital assets for the year ended June 30, 2022:

	Beginning	Additions	Deductions	Reclassification	Ending
Primary Government:					
Nondepreciable Assets:					
Land	$ 5,206,786	$ -	$ -	$ -	$ 5,206,786
Construction in Progress	1,052,318	614,735	-	(663,586)	1,003,467
Depreciable Assets:					
Building and Improvements	55,124,460	12,591	-	663,586	55,800,637
Equipment	1,145,282	158,318	-	-	1,303,600
Total	62,528,846	785,644	-	-	63,314,490
Less: Accumulated Depreciation	(36,800,311)	(1,557,369)	-	-	(38,357,680)
Net Book Value	$ 25,728,535	$ (771,725)	$ -	$ -	$ 24,956,810

The following is a summary of the changes in capital assets for the year ended December 31, 2021:

	Beginning	Additions	Deductions	Reclassification	Ending
Discretely Presented Component Units:					
Nondepreciable Assets:					
Land	$ 908,350	$ -	$ -	$ -	$ 908,350
Depreciable Assets:					
Building and Improvements	92,180,642	1,410	-	-	92,182,052
Land Improvements	8,079,827	-	-	-	8,079,827
Furniture and Fixtures	33,122	316,027	-	-	349,149
Equipment	5,216,476	-	(53,480)	-	5,162,996
Total	106,418,417	317,437	(53,480)	-	106,682,374
Less: Accumulated Depreciation	(11,095,557)	(3,871,572)	45,396	-	(14,921,733)
Net Book Value	$ 95,322,860	$ (3,554,135)	$ (8,084)	$ -	$ 91,760,641

NOTE 5 NOTES RECEIVABLE – DPCU

The Authority entered into a permanent loan agreement (Surplus Cash Note) with Coffelt-Lamoreaux, LLC, dated March 24, 2016 and subsequently amended April 3, 2018 to $2,102,000 related to redevelopment of 296 units of low-income housing located in Phoenix, Arizona. The note bears interest at 2.33%, compounded annually over a term of 50 years. The note calls for annual payments of $54,581 commencing June 30, 2018 subject to the project's surplus cash flow as defined in the underlying agreement or otherwise due and payable on or before June 30, 2066. The loan is nonrecourse debt secured in fourth priority by the project's rental property.

The Authority entered into a permanent loan agreement (Land Sale Note) with Coffelt-Lamoreaux, LLC, dated March 24, 2016, for $4,900,000 related to the sale of land related to 296 units of low-income housing located in Phoenix, Arizona. The note bears interest at 2.33%, compounded annually over a term of 50 years. The note calls for no payments until maturity in March 2066. The loan is nonrecourse debt secured in fifth priority by the project's land and rental property.

NOTE 5 NOTES RECEIVABLE – DPCU (CONTINUED)

The Authority entered into a permanent loan agreement (AHP Loan) with Coffelt-Lamoreaux, LLC, dated March 24, 2016, for $1,500,000 related to the redevelopment of 296 units of low-income housing located in Phoenix, Arizona. The loan was made available through intergovernmental grants proceeds. The note bears interest at 0% and calls for no payments until maturity in December 2057. The loan is nonrecourse debt secured in sixth priority by the project's rental property.

The Authority entered into a loan agreement for $500,000 with Heritage at Surprise, LLC dated December 14, 2018 related to costs associated with the development of the Heritage at Surprise Affordable Housing Project with Gorman & Company, LLC. The note bears interest at 3.05%, compounding annually. The note matures December 14, 2068 at which time all remaining principal and interest shall be due. The note is secured by the mortgage on the rental property.

The Authority entered into a loan agreement with Heritage at Surprise, LLC dated December 14, 2018, in the original principal amount of $2,000,0000. As of December 18, 2020 the loan was amended to reduce the principal amount to $1,100,000. The note bears interest at 1.00%, compounding annually. Annual payments of principal and interest in the amount of $50,846 are payable beginning May 1, 2020, subject to cash flow. The note matures December 14, 2068 at which time all remaining principal and interest shall be due. The note is secured by the mortgage on the rental property.

The Authority entered into a loan agreement for with Heritage at Surprise, LLC dated December 14, 2018, in the original principal amount of $1,000,0000. The Authority made the payment in July 2020. The note bears interest at 1.00%, compounding annually. Annual payments of principal and interest in the amount of $25,423 are payable beginning May 1, 2020, subject to cash flow. The note matures December 14, 2068 at which time all remaining principal and interest shall be due. The note is secured by the mortgage on the rental property.

The Authority entered into a loan agreement for with Heritage at Surprise, LLC dated December 18, 2020, in the original principal amount of $900,000. The note bears interest at 1.00%, compounding annually. The note matures December 14, 2068 at which time all remaining principal and interest shall be due. The note is secured by a mortgage on the rental property.

The Authority entered into a loan agreement for $500,000 with The River at Eastline Village, LLC dated June 27, 2018 related to costs associated with acquiring property of The River at Eastline Village Project with Gorman & Company, LLC. The note bears interest at 3.05%, compounding annually. The note matures July 1, 2048 at which time all remaining principal and interest shall be due. The note is secured by the mortgage on the rental property.

The interfund loans amongst the Authority and the blended component unit in the amount of $5,065,000 and $5,041,040 for principals and accrued interest, respectively. These amounts have been eliminated in the financial statements.

NOTE 5 NOTES RECEIVABLE – DPCU (CONTINUED)

The following is a summary of the changes in notes receivable for the year ended June 30, 2022:

	Beginning	Additions	Deductions	Ending
Coffelt-Lamoreaux	$ 8,502,000	$ -	$ -	$ 8,502,000
The River at Eastline Village	500,000	-	-	500,000
Heritage at Surprise	2,600,000	900,000	-	3,500,000
Accrued Interest	853,338	373,362	-	1,226,700
Total	$ 12,455,338	$ 1,273,362	$ -	$ 13,728,700

NOTE 6 LONG-TERM DEBT

The following is a summary of the changes in noncurrent liabilities for the year ended June 30, 2022:

	Beginning	Additions	Deductions	Ending	Due Within One Year
Primary Government:					
Compensated Absences	$ 162,095	$ 159,050	$ (147,786)	$ 173,359	$ 6,685
FSS Escrows	298,190	358,699	(426,266)	230,623	-
Long-Term Debt - Direct Borrowing	8,692,106	900,000	(765,831)	8,826,275	2,307,976
Total	$ 9,152,391	$ 1,417,749	$ (1,339,883)	$ 9,230,257	$ 2,314,661

The following is a summary of the changes in noncurrent liabilities for the year ended December 31, 2021:

	Beginning	Additions	Deductions	Ending	Due Within One Year
Discretely Presented Component Units:					
Long-Term Debt - Direct Borrowing					
Notes Payable	$ 34,601,828	$ 5,420,114	$ (8,531,752)	$ 31,490,190	$ 359,936
Notes Payable to HAMC	11,955,338	1,169,346	-	13,124,684	-
Total	$ 46,557,166	$ 6,589,460	$ (8,531,752)	$ 44,614,874	$ 359,936

Primary Government

The Authority executed a repayment agreement in 2015 with HUD totaling $468,781 to repay HCV HAP funds as determined by a HUD Quality Assurance Division review. The agreement bears no interest and will call for equal quarterly payments over a period of 25 years from nonfederal sources of $4,687 commencing January 1, 2016. The outstanding balance was $347,894 as of June 30, 2022.

NOTE 6 LONG-TERM DEBT (CONTINUED)

Primary Government (Continued)

The Authority obtained financing for predevelopment expenses in relation to the development of Watson Homes and Norton Circle in the amount of $200,000. The notes bear zero interest and are due upon receipt of construction or permanent financing, but no later than December 16, 2018. The outstanding balance was $100,000 as of June 30, 2022, with the remaining balance extended until 2023.

The Authority drawn on the line of credit with BBVA Bank in the amount of $350,000 on June 8, 2020. In fiscal year 2021, the Authority drew down another $320,114. The outstanding balance was $-0- as of June 30, 2022.

The Authority obtained financing for renovation work at Casa Bonitas with FirstBank in the amount of $3,880,841. The loan bears interest at 5.40%, payable in monthly interest only payments through May 2019, at which time the loan converted to permanent financing. Payments of principal and interest of $20,790 are due until maturity in November 2035. The loan is collateralized by various real estate parcels known as Casa Bonitas. The outstanding balance was $3,746,144 as of June 30, 2022.

Promissory note payable to FirstBank for the Rose Terrace I property dated December 21, 2012 for $2,619,600. The note bears interest at 4.75% through January 1, 2018. The rate then increases to the greater of 6.00% or the five-year Treasury Rate plus 3.00%. Monthly installments of principal and interest are payable in the amount of $13,793 through January 1, 2018. The payment amount is then to be adjusted to fully amortize the unpaid principal balance over the remaining life of the loan. The maturity date is October 1, 2022. The outstanding balance of the loan was $2,212,237 as of December 31, 2021.

Promissory note payable to Community Service of Arizona, Inc., for the Maricopa Revitalization property with an original amount of $570,000. The note bears interest at 0.50% commencing on the payment due date as defined in the note agreement. The outstanding loan balance shall be paid at the earlier of the date of sale of the property; breach of covenant, condition or restriction; or 15 years after the date of the project completion. Payments are contingent on positive cash flow of the Partnership. Note is collateralized by investment in real estate.

Promissory note payable to Maricopa County in the original amount of $450,000. The note bears interest at 2% with principal payments of $31,486 and are due annually on June 30th beginning in 2020 and subject to net cash flow as defined in the agreement. The loan is due in full no later than the 17th year following project completion estimated at January 2036 and is secured by the project known as Father Fidelis. The balance at June 30, 2022 was $450,000.

Contractual obligation to City of Tempe in the original amount of $500,000. The Authority are required to meet the terms of agreement dated June 27,2018 and through June 27, 2038. The balance at June 30, 2022 was $500,000.

NOTE 6 LONG-TERM DEBT (CONTINUED)

Primary Government (Continued)

Contractual obligation to One Mortgage Partners Corp in the original amount of $900,000. The Authority are required to meet the terms of agreement dated December 18, 2020 and through December 18, 2035. The balance at June 30, 2022 was $900,000.

Aggregate maturities of long-term debt are as follows:

	Primary Government		
Year Ending June 30,	Principal	Interest	Total
2023	$ 2,307,976	$ 350,640	$ 2,658,616
2024	97,736	193,242	290,978
2025	100,961	206,027	306,988
2026	131,450	202,536	333,986
2027	108,388	197,315	305,703
2028-2032	593,571	922,091	1,515,662
2033-2037	3,282,614	482,290	3,764,904
2038-2042	110,233	-	110,233
2043-2045	2,093,346	-	2,093,346
Total	$ 8,826,275	$ 2,554,141	$ 11,380,416

Discretely Presented Component Units

Notes and Mortgages payable by the Discretely Presented Component Units as of December 31, 2021:

Madison Heights Phase I

Permanent loan payable to CDT II, LLC in the original amount of $1,410,540. The permanent loan requires monthly principal and interest payments of $8,294 with interest at 5.82%. The loan matures on October 1, 2035 and is secured by a first lien on the property. If the loan is prepaid at any time prior to June 1, 2035, a prepayment penalty is due. The balance of the loan was $1,334,043 as of December 31, 2021.

Second mortgage payable to the Arizona Department of Housing (ADOH). The mortgage bears interest at 2% per annum, commencing January 1, 2017 with annual payments of principal and interest due in the amount of $43,437, commencing January 1, 2018 and maturing September 29, 2037. The mortgage is nonrecourse debt secured in second priority by the project’s rental property. The balance of the second mortgage was $226,088 as of December 31, 2021.

Third mortgage payable due to Maricopa County in the original amount of $320,000. The mortgage bears no interest, payable in annual payments of $16,000, commencing June 1, 2018 through maturity on June 1, 2038. The loan is nonrecourse debt secured in third priority by the project’s rental property. The balance of the mortgage was $281,463 as of December 31, 2021.

NOTE 6 LONG-TERM DEBT (CONTINUED)

Madison Heights Phase II

Permanent loan payable to CDT II, LLC in the original amount of $1,521,500. The permanent loan requires monthly principal and interest payments of $8,947 with interest at 5.82%. The loan matures on October 1, 2035 and is secured by a first lien on the property. If the loan is prepaid at any time prior to June 1, 2035, a prepayment penalty is due. The balance of the loan was $1,438,986 as of December 31, 2021.

Note payable due to the Maricopa County in the original amount of $200,000. The note bears no interest, payable in annual payments of $10,000, commencing June 1, 2018 through maturity on June 1, 2038. The loan note mortgage was $180,000 as of December 31, 2021.

Coffelt-Lamoreaux

Section 221(d)(4) HUD-insured loan payable to Red Mortgage Capital, in the maximum amount of $14,150,000, which accrues interest at 3.98% per annum. The note is payable in monthly installments commencing December 1, 2017 and has a maturity date of December 1, 2057. The loan is secured in first priority by a Multifamily Deed of Trust. The balance was $13,512,876 as of December 31, 2021.

Second mortgage totaling $1,000,000 due to ADOH for construction of the project. The mortgage bears interest at 2% per annum, with annual payments of principal and interest of $36,339 subject to surplus cash flow commencing June 30, 2018 until maturity on June 30, 2057. The loan is nonrecourse debt secured in second priority by the project's rental property. The balance was $900,000 as of December 31, 2021.

Community Development Block Grant (CDBG) loan totaling $650,000 due the City of Phoenix for construction of the project. On January 25, 2018, the note was amended to increase the principal balance to $1,000,000; however, the full amount of the loan was not disbursed until February 6, 2019. Commencing March 24, 2018, annual payments of principal and interest are payable from surplus cash in the amount of $50,523, not to exceed 75% of available surplus cash. and bears simple interest at a rate of 4% per annum. The loan is nonrecourse debt secured in third priority by the project's rental property. The total balance was $1,167,554 as of December 31, 2021.

Surplus cash note payable to the Authority, dated March 24, 2016 of $1,602,000 and amended April 3, 2018 to $2,102,000 for the purpose of redevelopment. The note bears interest at 2.33%, compounded annually over a term of 50 years. The note calls for annual payments of $54,581 commencing June 30, 2018 subject to available cash flow or otherwise due and payable on or before June 30, 2066. The loan is nonrecourse debt secured in fourth priority by the project's land and rental property. The total balance was $2,299,162 as of December 31, 2021, including accrued interest of $197,162.

NOTE 6 LONG-TERM DEBT (CONTINUED)

Coffelt-Lamoreaux (Continued)

Land sale note payable to the Authority, dated March 24, 2016, for $4,900,000 related to the sale of land. The note bears interest at 2.33%, compounded annually over a term of 50 years. The note bears no payments until maturity in March 2066. The loan is nonrecourse debt secured in fifth priority by the project's land and rental property. The total balance was $5,597,054 as of December 31, 2021, including accrued interest of $697,054.

AHP loan payable to the Authority, dated March 24, 2016, for $1,500,000 related to redevelopment. The loan was made available through intergovernmental grants proceeds. The note bears interest at 0% and bears no payments until maturity in December 2057. The loan is nonrecourse debt secured in sixth priority by the project's rental property. The balance was $1,500,000 as of December 31, 2021.

The River at Eastline Village

Note payable to JPMorgan Chase Bank, dated December 27, 2019, for the original loan amount of $1,000,000. The note bears interest at a fixed rate of 6.01%. Monthly installments of principal and interest in the amount of $4,167 are payable beginning July 10, 2020. The note matures December 27, 2038 at which time all remaining principal and interest shall be due. The note is secured by the mortgage on the rental property. The balance at December 31, 2021 was $981,811.

Home note payable to Maricopa County, dated June 27, 2018, for the original loan amount of $300,000. This loan does not bear interest. The note matures July 1, 2048 at which time all remaining principal shall be due. The note is secured by a HOME program mortgage on the rental property. The balance at December 31, 2021 was $300,000.

Note payable to the Authority, dated June 27, 2018, for the original loan amount of $500,000. The note bears interest at 3.05% compounding annually. The note matures July 1, 2048 at which time all remaining principal and interest shall be due. As of December 31, 2021, principal balance was $549,132 including accrued interest of $49,132.

Home note payable to Arizona Department of Housing, dated June 27, 2018, for the original loan amount of $335,742. The note bears simple interest at 3.05% annually beginning January 1, 2020. Annual installments of principal and interest are payable beginning June 1, 2021 and shall be paid in the amount greater of 1) $1,000 or 2) Surplus Cash Flow. The note matures June 1, 2050 at which time all remaining principal and interest shall be due. The note is secured by a HOME program mortgage on the rental property. As of December 31, 2021, $335,742 of the loan proceed had been drawn.

NOTE 6 LONG-TERM DEBT (CONTINUED)

Heritage at Surprise

Note payable to the Arizona Department of Housing (ADOH loan), dated October 31, 2018, in the original principal amount of $4,800,0000. The note bears interest at 2.99%. Annual payments of principal and interest are payable beginning June 1, 2021, subject to cash flow. Interest begins to accrue beginning January 1, 2020. The note matures June 1, 2069 at which time all remaining principal and interest shall be due. The balance at December 31, 2021 was $4,800,000.

Construction loan payable to JP Morgan Chase, dated December 14, 2018, with a maximum amount of $12,000,000. The note bears interest at 1.94%. Monthly installments of interest are payable the first day of each month commencing January 1, 2019. The note matures during January 2021 at which time all remaining principal and interest shall be due. The note is secured by the mortgage on the rental property. The loan was paid off on January 29, 2021 with proceeds from equity installments, construction cash, and permanent loan proceeds.

Note payable to Orix Real Estate Capital, LLC, dated January 29, 2021, in the original principal amount of $5,600,0000. The note bears interest at 4.8% and has a service fee of 0.09%. Monthly payments of principal and interest are payable beginning in February 2022. The note matures January 1, 2038 at which time all remaining principal and interest shall be due. The note is secured by a mortgage on the rental property. The balance at December 31, 2021 was $5,545,575.

Note payable to the Authority, dated December 14, 2018, in the original principal amount of $2,000,0000. As of December 18, 2020 the loan was amended to reduce the principal amount to $1,100,000. The note bears interest at 1.00%, compounding annually. Annual payments of principal and interest in the amount of $50,846 are payable beginning May 1, 2020, subject to cash flow. The note matures December 14, 2068 at which time all remaining principal and interest shall be due. The note is secured by the mortgage on the rental property. The balance at December 31, 2021 was $1,133,859.

Note payable to the Authority, dated December 14, 2018, in the original principal amount of $500,0000. The note bears interest at 1.00%, compounding annually. Annual payments of principal and interest in the amount of $12,712 are payable beginning May 1, 2020, subject to cash flow. The note matures December 14, 2068 at which time all remaining principal and interest shall be due. The note is secured by the mortgage on the rental property. The balance at December 31, 2021 was $515,407.

Note payable to the Authority, dated December 14, 2018, in the original principal amount of $1,000,0000. The note bears interest at 1.00%, compounding annually. Annual payments of principal and interest in the amount of $25,423 are payable beginning May 1, 2020, subject to cash flow. The note matures December 14, 2068 at which time all remaining principal and interest shall be due. The note is secured by the mortgage on the rental property. The balance at December 31, 2021 was $1,030,813.

NOTE 6 LONG-TERM DEBT (CONTINUED)

Heritage at Surprise (Continued)

Note payable to the Authority, dated December 18, 2020, in the original principal amount of $900,000. The note bears interest at 1.00%, compounding annually. The note matures December 14, 2068 at which time all remaining principal and interest shall be due. The note is secured by a mortgage on the rental property. The note is secured by the mortgage on the rental property. The balance at December 31, 2021 was $909,321.

Aggregate maturities of the discretely presented component units as of December 31, 2021 are:

	Discretely Presented Component Units	
Year Ending December 31,	Principal	Total
2022	$ 359,936	$ 718,949
2023	371,712	709,160
2024	385,099	699,353
2025	400,427	688,498
2026	415,747	3,268,336
Thereafter	42,681,953	3,268,336
Total	$ 44,614,874	$ 9,352,632

NOTE 7 PENSIONS

Plan Description

The Authority is a member of the Arizona State Retirement System (ASRS), a cost-sharing multiple-employer defined benefit pension plan, a cost-sharing multiple-employer defined benefit health insurance premium benefit (OPEB) plan, and a cost-sharing multiple-employer defined benefit long-term disability (OPEB) plan that covers full-time employees of the Authority. The ASRS is governed by the Arizona State Retirement System Board according to the provisions of A.R.S. Title 38, Chapter 5, Articles 2 and 2.1. ASRS issues a publicly available report that includes financial statements and required supplementary information. The report is available on its website at www.azasrs.gov.

OPEB balances are not material to the financial statement as a whole, and therefore, note disclosure has been omitted.

NOTE 7 PENSIONS (CONTINUED)

Benefits Provided

The ASRS provides retirement, health insurance premium supplement, long-term disability, and survivor benefits. State statute establishes benefit terms. Retirement benefits are calculated on the basis of age, average monthly compensation, and service credit as follows:

	Retirement	
	Initial Membership Date	
	Before July 1, 2011	On or After July 1, 2011
Years of Service and Age Required to Receive Benefit	Sum of Years and Age Equals 80 10 Years, Age 62 Any Years, Age 65	30 Years, Age 55 25 Years, Age 60 10 Years, Age 62 Any Years, Age 65
Final Average Salary is Based on	Highest 36 Consecutive Months of Last 120 Months	Highest 60 Consecutive Months of Last 120 Months
Benefit Percentage per Year of Service	2.1% to 2.3 %	2.1% to 2.3 %

* With Actuarially Reduced Benefits

Retirement benefits for members who joined the ASRS prior to September 13, 2013, are subject to automatic cost-of-living adjustments based on excess investment earnings. Members with a membership date on or after September 13, 2013, are not eligible for cost-of-living adjustments. Survivor benefits are payable upon a member’s death. For retired members, the retirement benefit option chosen determines the survivor benefit. For all other members, the beneficiary is entitled to the member’s account balance that includes the member’s contributions and employer’s contributions, plus interest earned.

Contributions

In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the year ended June 30, 2022, active ASRS members were required by statute to contribute at the actuarially determined rate of 12.22% of the members’ annual covered payroll, and the Authority was required by statute to contribute at the actuarially determined rate of 12.01% of the active members’ annual covered payroll. The Authority’s contributions to the pension plan for the year ended June 30, 2022, were $305,886.

NOTE 7 PENSIONS (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2022 the Authority reported a liability of $2,794,784 for its proportionate share of the ASRS' net pension liability. The net pension liability was measured as of June 30, 2021. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2020 to the measurement date of June 30, 2021.

The Authority's proportion of the net pension liability was based on the Authority's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2021. The Authority's proportion measured as of June 30, 2021, was 0.02127%, which was an increase of 0.00113 from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the Authority recognized pension expense for ASRS of $304,182. At June 30, 2022, the Authority 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 Experience	$ 42,604	$ -
Changes in Assumptions	363,763	-
Differences between Projected and Actual Investment Earnings	-	885,486
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	135,397	-
Contributions Made after Measurement Date	305,886	-
Total	$ 847,650	$ 885,486

$305,886 reported as deferred outflows of resources related to pensions resulting from the Authority's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Amount
2023	$ 92,368
2024	64,259
2025	(195,204)
2026	(305,145)
Total	$ (343,722)

NOTE 7 PENSIONS (CONTINUED)

Actuarial Assumptions

The significant actuarial assumptions used to measure the total pension liability are as follows:

Actuarial Valuation Date	June 30, 2020
Actuarial Roll Forward Date	June 30, 2021
Actuarial Cost Method	Entry Age Normal
Discount Rate	7.0%
Projected Salary Increases	2.9% - 8.4%
Inflation	2.3%
Permanent Benefit Increase	Included for Pension
Mortality Rates	2017 SRA Scale U-MP

Actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial study for the five-year period ended June 30, 2016.

The long-term expected rate of return on ASRS pension plan investments was determined to be 7.0% using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, 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 geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity	50 %	4.90 %
Fixed Income - Credit	20	5.20
Fixed Income - Interest Rate Sensitive	10	0.70
Real Estate	20	5.70
Total	100 %	

NOTE 7 PENSIONS (CONTINUED)

Discount Rate

At June 30, 2021, the discount rate used to measure the ASRS total pension liability was 7.0%. The rate has been lowered in the rollforward from 7.5% which was used for the actuarial assumptions at the valuation date. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board's funding policy, which establishes the contractually required rate under Arizona statute.

Based on those assumptions, the plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Authority's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following projects the Authority's proportionate share of the net pension liability calculated using the discount rate of 7.0%, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.0%) or one percentage point higher (8.0%) than the current rate:

	1% Decrease (6.0%)	Discount Rate (7.0%)	1% Increase (8.0%)
Authority's Proportionate Share of Net Pension Liability	$ 4,395,960	$ 2,794,784	$ 1,459,845

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued ASRS financial report.

NOTE 8 VOUCHER NET POSITION BREAKDOWN

The following is a detailed breakdown of the change in Housing Choice voucher net position:

	Unrestricted	Restricted	Total
Beginning Net Position	$ (981,275)	$ 64,110	$ (917,165)
Revenue:			
HUD Operating Grants	1,162,167	15,625,000	16,787,167
Fees for Services (Port In)	-	-	-
Investment Income	-	-	-
Fraud Recovery	18,314	20,524	38,838
Other Revenues	22,574	265,949	288,523
Transfer	65,801	-	65,801
Total Revenue	1,268,856	15,911,473	17,180,329
Expenses:			
Operating	(1,262,063)	-	(1,262,063)
Other Expenses	(8,826)	(15,975,583)	(15,984,409)
Total Expenses	(1,270,889)	(15,975,583)	(17,246,472)
Net Income	(2,033)	(64,110)	(66,143)
Ending Net Position	$ (983,308)	$ -	$ (983,308)

NOTE 9 BLENDED COMPONENT UNITS

The following is a detailed breakdown of blended component units:

	Maricopa Revitalization Partnership	Rose Terrace 1	Rose Terrace 2	Total	Eliminations	Primary Government	Grand Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES							
CURRENT ASSETS							
Cash and Cash Equivalents - Unrestricted	$ 186,801	$ 34,934	$ 180,115	$ 401,850	$ -	$ 14,105,981	$ 14,507,831
Cash and Cash Equivalents - Restricted	157,573	320,843	18,500	496,916	-	2,478,142	2,975,058
Tenant Accounts Receivable, Net of Allowances	31,245	91,755	24,000	147,000	-	103,224	250,224
Accounts Receivable - HUD	-	-	-	-	-	157,919	157,919
Accounts Receivable - Other	742	-	-	742	-	809,165	809,907
Lease Receivable	-	-	-	-	-	1,182,905	1,182,905
Accounts Receivable - Internal Balance	-	6,603	32,266	38,869	-	771,038	809,907
Inventory	21	-	-	21	-	36,039	36,060
Prepaid Expenses	4,984	13,999	2,812	21,795	-	20,395	42,190
Interest receivable	-	-	-	-	-	1,226,700	1,226,700
Total Current Assets	381,366	468,134	257,693	1,107,193	-	20,081,601	21,188,794
NONCURRENT ASSETS							
Capital Assets, Net of Accumulated Depreciation:							
Nondepreciable	283,562	446,138	81,945	811,645	-	5,398,609	6,210,254
Depreciable	2,469,319	5,936,438	1,240,230	9,645,987	-	9,100,569	18,746,556
Notes Receivable - DPCU	-	-	-	-	-	12,502,000	12,502,000
Other Assets	-	102,794	-	102,794	-	-	102,794
Total Noncurrent Assets	2,752,881	6,485,370	1,322,175	10,560,426	-	27,001,178	37,561,604
Total Assets	3,134,247	6,953,504	1,579,868	11,667,619	-	47,082,779	58,750,398
DEFERRED OUTFLOWS OF RESOURCES							
Deferred Outflows Related to Pensions	-	-	-	-		847,650	847,650
Total Deferred Outflows of Resources	-	-	-	-	-	847,650	847,650
LIABILITIES , DEFERRED INFLOWS OF RESOURCES, AND NET POSITION							
CURRENT LIABILITIES							
Accounts Payable - Vendors and Contractors	2,572	11,983	3,111	17,666	-	109,494	127,160
Accounts Payable - Other	-	-	-	-	-	54,079	54,079
Accrued Wages and Related Payables	1,021	1,072	635	2,728	-	42,068	44,796
Accrued Compensated Absences	352	673	122	1,147	-	5,538	6,685
Accrued Interest Payable	2,359,389	2,956,298	1,931	5,317,618	(5,317,618)	18,000	18,000
Tenant Security Deposits Payable	8,999	20,466	6,600	36,065	-	119,336	155,401
Current Portion of Long-Term Debt	2,065,000	2,212,237	326,063	4,603,300	(2,511,063)	215,739	2,307,976
Unearned Revenue	2,216	41,990	5,321	49,527	-	213,219	262,746
Total Current Liabilities	4,439,549	5,244,719	343,783	10,028,051	(7,828,681)	777,473	2,976,843

NOTE 9 BLENDED COMPONENT UNITS (CONTINUED)

	Maricopa Revitalization Partnership	Rose Terrace 1	Rose Terrace 2	Total	Eliminations	Primary Government	Grand Total
NONCURRENT LIABILITIES							
Accrued Compensated Absences	$ 3,964	$ 5,608	$ 1,107	$ 10,679	$ -	$ 155,995	$ 166,674
FSS Escrows	-	-	-	-	-	230,623	230,623
Long-Term Debt	570,000	3,000,000	-	3,570,000	(3,000,000)	5,948,299	6,518,299
Net Pension Liability	-	-	-	-	-	2,794,784	2,794,784
Total Noncurrent Liabilities	573,964	3,005,608	1,107	3,580,679	(3,000,000)	9,129,701	9,710,380
Total Liabilities	5,013,513	8,250,327	344,890	13,608,730	(10,828,681)	9,907,174	12,687,223
DEFERRED INFLOWS OF RESOURCES							
Deferred Outflows Related to Lease	-	-	-	-	-	4,204,527	4,204,527
Deferred Inflows Related to Pensions	-	-	-	-	-	885,486	885,486
Total Deferred Inflows of Resources	-	-	-	-	-	5,090,013	5,090,013
NET POSITION							
Net Investment in Capital Assets	117,881	1,170,339	996,112	2,284,332	10,828,681	3,365,416	16,478,429
Restricted	148,574	300,377	11,900	460,851	-	1,946,715	2,407,566
Unrestricted	(2,145,721)	(2,767,539)	226,966	(4,686,294)	-	27,621,111	22,934,817
Total Net Position	$ (1,879,266)	$ (1,296,823)	$ 1,234,978	$ (1,941,111)	$ 10,828,681	$ 32,933,242	$ 41,820,812

NOTE 9 BLENDED COMPONENT UNITS (CONTINUED)

	Maricopa Revitalization Partnership	Rose Terrace 1	Rose Terrace 2	Total	Eliminations	Primary Government	Grand Total
OPERATING REVENUE							
Tenant Rental Revenue	$ 97,186	$ 317,488	$ 118,529	$ 533,203	$ -	$ 1,485,692	$ 2,018,895
HUD Operating Grants	-	-	-	-	-	19,712,793	19,712,793
Other Government Grants	187,754	588,120	53,767	829,641	(829,641)	257,116	257,116
Other Revenue	(3,996)	289,499	54,468	339,971	-	1,197,122	1,537,093
Total Operating Revenue	280,944	1,195,107	226,764	1,702,815	(829,641)	22,652,723	23,525,897
OPERATING EXPENSES							
Administrative	8,139	157,367	6,439	171,945	(49,823)	4,189,512	4,311,634
Tenant Services	4,000	698	162	4,860	-	18,153	23,013
Utilities	35,324	156,537	7,859	199,720	-	348,352	548,072
Ordinary Maintenance and Operations	96,026	282,414	50,060	428,500	-	1,116,207	1,544,707
Insurance Premiums	24,736	69,220	16,910	110,866	-	292,284	403,150
General	75,551	202,222	22,144	299,917	-	514,412	814,329
Housing Assistance Payments	124	-	-	124	-	15,864,676	15,864,800
Depreciation	125,683	322,568	55,758	504,009	-	1,053,360	1,557,369
Total Operating Expenses	369,583	1,191,026	159,332	1,719,941	(49,823)	23,396,956	25,067,074
OPERATING INCOME (LOSS)	(88,639)	4,081	67,432	(17,126)	(779,818)	(744,233)	(1,541,177)
NONOPERATING REVENUES (EXPENSES)							
Investment Income	-	-	-	-	-	775,594	775,594
Interest Expense	(63,252)	(213,302)	(14,188)	(290,742)	-	(223,348)	(514,090)
Developer Fees	-	-	-	-	-	300,113	300,113
Total Nonoperating Revenues (Expenses)	(63,252)	(213,302)	(14,188)	(290,742)	-	852,359	561,617
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	(151,891)	(209,221)	53,244	(307,868)	(779,818)	108,126	(979,560)
CHANGE IN NET POSITION	(151,891)	(209,221)	53,244	(307,868)	(779,818)	108,126	(979,560)
Net Position - Beginning of Year	(1,727,375)	(1,087,602)	1,181,734	(1,633,243)	-	44,433,615	42,800,372
NET POSITION - END OF YEAR	$ (1,879,266)	$ (1,296,823)	$ 1,234,978	$ (1,941,111)	$ (779,818)	$ 44,541,741	$ 41,820,812

NOTE 9 BLENDED COMPONENT UNITS (CONTINUED)

	Maricopa Revitalization Partnership	Rose Terrace 1	Rose Terrace 2	Total	Eliminations	Primary Government	Grand Total
CASH FLOWS FROM OPERATING ACTIVITIES							
Cash Received from Tenants	$ 110,081	$ 287,313	$ 129,037	$ 526,431	$ -	$ 4,184,400	$ 4,710,831
HUD Operating Grants	189,085	580,146	48,765	817,996	-	18,961,073	19,779,069
Housing Assistance Payments	(175,268)	-	-	(175,268)	-	(15,689,532)	(15,864,800)
Payments to Vendors	(134,236)	(815,294)	(131,001)	(1,080,531)	-	(2,916,660)	(3,997,191)
Payments to Employees	(43,113)	(79,211)	(7,792)	(130,116)	-	(3,405,257)	(3,535,373)
Other Receipts (Payments)	(3,996)	289,499	54,468	339,971	-	(2,321,213)	(1,981,242)
Net Cash Provided (Used) by Operating Activities	(57,447)	262,453	93,477	298,483	-	(1,187,189)	(888,706)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Purchases of Capital Assets	(34,509)	(246,228)	(82,122)	(362,859)	-	(422,785)	(785,644)
Principal Payments on Debt	-	(49,745)	-	(49,745)	-	(716,086)	(765,831)
Interest Payments on Debt	-	(137,552)	(14,188)	(151,740)	-	(353,350)	(505,090)
Net Cash Used by Capital and Related Financing Activities	(34,509)	(433,525)	(96,310)	(564,344)	-	(1,492,221)	(2,056,565)
CASH FLOWS FROM INVESTING ACTIVITIES:							
Development Funding Provided	-	-	-	-	-	300,113	300,113
Interest Income	-	-	-	-	-	402,232	402,232
Net Cash Provided by Investing Activities	-	-	-	-	-	702,345	702,345
NET DECREASE IN CASH	(91,956)	(171,072)	(2,833)	(265,861)	-	(1,977,065)	(2,242,926)
Cash - Beginning of the Period	436,330	526,849	201,448	1,164,627	201,448	18,561,188	19,725,815
CASH - END OF THE PERIOD	$ 344,374	$ 355,777	$ 198,615	$ 898,766	$ 201,448	$ 16,584,123	$ 17,482,889
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES							
Operating Income (Loss)	$ (88,639)	$ 4,081	$ 67,432	$ (17,126)	$ -	$ (1,524,051)	$ (1,541,177)
Adjustments to Reconcile Change in Net Cash Provided by Operating Activities:							
Depreciation Expense	125,683	322,568	55,758	504,009	-	1,053,360	1,557,369
Change in Operating Assets and Liabilities:							
Decrease (Increase) in Receivables	12,895	(25,770)	10,508	(2,367)	-	(261,043)	(263,410)
Decrease (Increase) in Prepaid Expenses	120	129	28	277	-	13,788	14,065
Decrease (Increase) in Other Assets	-	(4,405)	(32,276)	(36,681)	-	36,681	-
Increase (Decrease) in Accounts Payable	397	(24,233)	(2,989)	(26,825)	-	11,667	(15,158)
Increase (Decrease) in Accrued Wages and Related Payables	(98)	(342)	349	(91)	-	8,488	8,397
Increase (Decrease) in Compensated Absence	182	(100)	293	375	-	10,889	11,264
Increase (Decrease) in Net Pension Liability	-	-	-	-	-	(694,776)	(694,776)
Increase (Decrease) in Unearned Revenue	1,331	(7,974)	(5,002)	(11,645)	-	(3,665,068)	(3,676,713)
Increase (Decrease) in Deferred Inflows and Deferred Outflows of Resources	-	-	-	-	-	4,906,925	4,906,925
Increase (Decrease) in Other Liabilities	(171,144)	(1,501)	(624)	(173,269)	-	97,544	(75,725)
Net Cash Provided (Used) by Operating Activities	$ (119,273)	$ 262,453	$ 93,477	$ 236,657	$ -	$ 57,542	$ 294,199
SUPPLEMENTAL DISCLOSURES OF NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES							
Accrued Interest on Notes Receivable	$ 125,078	$ 227,250	$ -	$ 352,328	$ -	$ 21,034	$ 373,362

NOTE 10 CURRENT VULNERABILITY DUE TO CERTAIN CONCENTRATIONS

The Authority receives a substantial portion of its revenue from HUD. The operations of the Authority are subject to the administrative directives, rules and regulations of federal, and other regulatory agencies, including, but not limited to, HUD. Such administrative directives, rules, and regulations are subject to change by an act of Congress or an administrative change mandated by HUD. Such changes may occur with little notice or inadequate funding to pay for the related cost to comply with the change.

NOTE 11 LEASES

The Authority entered into ground lease agreements with three discretely presented component units, Madison Heights Phase I, LLC, Madison Heights Phase II, LLC, and The River at Eastline Village, LLC for a 99-year term, commencing September 29, 2015. Rent due under the lease was $26,519, $22,731, and $1 per year, respectively. The River at Eastline Village, LLC made an initial base rent payment of $3,144,495. The unearned rent at December 31, 2021 was $3,033,326. In addition, the Authority entered into a ground lease agreement with Heritage on December 14, 2018 that requires annual payments of $10 for a term of 85 years. Heritage has the option to extend the term by three additional periods of 10 years each if written notice is provided within 12 months of the expiration date. Rent for the full term was paid on date lease start date, totaling $850.

Total future minimum lease payments to be received under lease agreements (Madison Heights Phase I, LLC, Madison Heights Phase II, LLC) are as follows:

	Principal	Interest
2023	$ 1,070	$ 48,190
2024	1,116	48,144
2025	1,163	48,097
2026	1,213	4,808
2027	1,264	47,996
2028-2032	7,175	239,127
2033 and thereafter	1,169,904	1,806,783
Total minimum lease payments	$ 1,182,905	$ 2,243,145

NOTE 12 SUBSEQUENT EVENT

On August 31, 2022, the Department of Housing Urban Development (HUD) issued a financial management review report for the fiscal year July 2015 through February 2022. The report issued findings included disallowed costs and questionable costs. HAMC is currently communicating with the HUD representative to discuss and resolving these issues and have subsequently agreed to reimburse the HCV HAP using non-Federal funds for $22,324, of which $15,358 was a clerical error from Financial Management Center. For the remaining questionable costs, HAMC requested the HUD Quality Assurance Division (QAD) provide transaction detail information that itemizes the Journal Entries and Fiscal Year in question for the Housing Choice Voucher (HCV) Program's Administrative Fee. In addition, HAMC agreed to have an additional audit of questionable costs, as an expanded scope of work for the $224,536 costs reported by QAD to satisfy the corrective action plan.

REQUIRED SUPPLEMENTARY PENSION INFORMATION

HOUSING AUTHORITY OF MARICOPA COUNTY
SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
YEAR ENDED JUNE 30, 2022

	Reporting Fiscal Year (Measurement Date)					
	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)
Authority's Portion of the Net Pension Liability (Asset)	0.02127%	0.02014%	0.01969%	0.02046%	0.02117%	0.02352%
Authority's Proportionate Share of the Net Pension Liability (Asset)	$ 2,794,784	$ 3,489,561	$ 2,865,124	$ 2,853,450	$ 3,297,873	$ 3,796,364
Authority's Covered-Employee Payroll	2,390,716	2,146,909	1,990,921	2,036,367	2,059,545	2,184,535
Authority's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	116.90%	162.54%	143.91%	140.12%	159.75%	173.78%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	78.58%	69.33%	73.24%	73.40%	69.92%	67.06%

	2016 (2015)	2015 (2014)	2014 Through 2012
Authority's Portion of the Net Pension Liability (Asset)	0.0238%	0.0251%	Information Not Available
Authority's Proportionate Share of the Net Pension Liability (Asset)	$ 3,707,607	$ 3,713,222	
Authority's Covered-Employee Payroll	2,192,360	2,262,150	
Authority's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	169.10%	164.15%	
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.35%	69.49%	

HOUSING AUTHORITY OF MARICOPA COUNTY
SCHEDULE OF AUTHORITY CONTRIBUTIONS
YEAR ENDED JUNE 30, 2022

	2022	2021	2020	2019	2018	2017
Statutorily Required Contribution	$ 305,886	$ 287,842	$ 262,783	$ 222,585	$ 221,964	$ 222,019
Contributions in Relation to the Statutorily Required Contribution	(305,886)	(287,842)	(262,783)	(222,585)	(221,964)	(222,019)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -
Authority's Covered Payroll	$ 2,503,154	$ 2,390,716	$ 2,146,909	$ 1,990,921	$ 2,036,367	$ 2,059,545
Contributions as a Percentage of Covered-Employee Payroll	12.22%	12.04%	12.24%	11.18%	10.90%	10.78%

	2016	2015	2014	2013	2012
Statutorily Required Contribution	$ 237,022	$ 238,748	$ 242,050	$ 227,100	Information
Contributions in Relation to the Statutorily Required Contribution	(237,022)	(238,748)	(242,050)	(227,100)	Not Available
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	
Authority's Covered Payroll	$ 2,184,535	$ 2,192,360	$ 2,262,150	$ 2,215,610	
Contributions as a Percentage of Covered-Employee Payroll	10.85%	10.89%	10.70%	10.25%	

SUPPLEMENTARY INFORMATION

HOUSING AUTHORITY OF MARICOPA COUNTY
FINANCIAL DATA SCHEDULE
ENTITY-WIDE BALANCE SHEET
JUNE 30, 2022

Line Item #	Accounts Description	Project Total	Sufficiency Program 14.896	Housing Assistance Payment Program 14.195	Housing Choice Voucher Program 14.871	Blended Component Units	Business Activities	Emergency Housing Voucher	Housing Choice Voucher Program CARES	Mainstream	Eliminations	Total Primary Government	Discretely Component Units
	ASSETS AND DEFERRED OUTFLOW OF RESOURCES												
	CURRENT ASSETS												
	Cash:												
111	Unrestricted	$ 23,096	$ -	$ 61,684	$ -	$ 401,850	$ 14,118,509	$ 45,353	$ -	$ -	$ -	$ 14,650,492	$ 1,283,605
112	Restricted - Modernization and Development	-	-	1,844,749	-	153,765	79,000	-	-	-	-	2,077,514	2,816,457
113	Other Restricted	-	1,033	-	83,132	-	-	142,661	-	65,570	-	292,396	-
114	Tenant Security Deposits	-	-	83,257	-	343,151	36,079	-	-	-	-	462,487	-
100	Total Cash	23,096	1,033	1,989,690	83,132	898,766	14,233,588	188,014	-	65,570	-	17,482,889	4,100,062
	Accounts and Notes Receivable:												
121	Accounts Receivable - PHA Projects	-	-	-	28,365	-	1,544	-	-	-	-	29,909	-
122	Accounts Receivable - HUD	-	10,805	-	144,265	-	2,849	-	-	-	-	157,919	73,246
125	Accounts Receivable - Miscellaneous	-	-	837	67	742	1,961,257	-	-	-	-	1,962,903	62,692
126	Accounts Receivable - Tenants Rents	-	-	44,007	35,398	214,426	31,287	-	-	-	-	325,118	95,249
126.1	Allowance for Doubtful Accounts - Dwelling Rents	-	-	-	(7,468)	(67,426)	-	-	-	-	-	(74,894)	-
129	Accrued interest receivable	-	-	-	-	-	1,226,700	-	-	-	-	1,226,700	-
120	Total Receivables, Net	-	10,805	44,844	200,627	147,742	3,223,637	-	-	-	-	3,627,655	231,187
142	Prepaid Expenses and Other Assets	-	-	4,860	8,883	21,795	6,652	-	-	-	-	42,190	264,350
143	Inventories	-	-	19,499	-	21	16,540	-	-	-	-	36,060	-
144	Interprogram - Due From	-	-	-	-	38,869	687,785	-	-	-	(726,654)	-	-
	Total Other Current Assets	-	-	24,359	8,883	60,685	710,977	-	-	-	(726,654)	78,250	264,350
	Total Current Assets	23,096	11,838	2,058,893	292,642	1,107,193	18,168,202	188,014	-	65,570	(726,654)	21,188,794	4,595,599
	NONCURRENT ASSETS												
	Capital Assets:												
161	Land	-	-	901,336	-	210,500	4,094,950	-	-	-	-	5,206,786	908,350
162	Buildings	-	-	25,182,165	26,182	18,118,277	12,474,015	-	-	-	-	55,800,639	100,261,879
163	Furniture and Equipment - Dwellings	19,970	-	173,424	-	85,824	297,721	-	-	-	-	576,939	5,512,145
164	Furniture and Equipment - Administration	-	-	58,879	114,222	256,169	297,786	-	-	-	-	727,056	-
166	Accumulated Depreciation	(19,970)	-	(19,326,625)	(25,475)	(8,814,283)	(10,171,725)	-	-	-	-	(38,358,078)	(14,921,733)
167	Construction in Progress	402,323	-	-	-	601,145	-	-	-	-		1,003,468	-
	Total Capital Assets, Net	402,323	-	6,989,179	114,929	10,457,632	6,992,747	-	-	-	-	24,956,810	91,760,641
171	Notes Receivable - Noncurrent	-	-	-	-	-	23,340,681	-	-	-	(10,838,681)	12,502,000	-
174	Other assets	-	-	-	-	102,794	-	-	-	-	-	102,794	3,033,326
		-	-	-	-	102,794	23,340,681	-	-	-	(10,838,681)	12,604,794	3,033,326
	Total Noncurrent Assets	402,323	-	6,989,179	114,929	10,560,426	30,333,428	-	-	-	(10,838,681)	37,561,604	94,793,967
	DEFERRED OUTFLOW OF RESOURCES	-	-	-	178,006	-	669,644	-	-	-	-	847,650	-
	TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	$ 425,419	$ 11,838	$ 9,048,072	$ 585,577	$ 11,667,619	$ 49,171,274	$ 188,014	$ -	$ 65,570	$ (11,565,335)	$ 59,598,048	$ 99,389,566

HOUSING AUTHORITY OF MARICOPA COUNTY
FINANCIAL DATA SCHEDULE
ENTITY-WIDE BALANCE SHEET (CONTINUED)
JUNE 30, 2022

Line Item #	Accounts Description	Project Total	Family Self-Sufficiency Program 14.896	RAD Housing Assistance Payment Program 14.195	Section 8 Housing Choice Voucher Program 14.871	Total Blended Component Units	Business Activities	Emergency Housing Voucher	Section 8 Housing Choice Voucher Program CARES	Mainstream	Eliminations	Total Primary Government	Discretely Component Units
	LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND NET POSITION												
	CURRENT LIABILITIES												
312	Accounts Payable < 90 days	$ 4,929	$ -	$ 54,339	$ -	$ 17,666	$ 46,398	$ 2,836	$ -	$ 992	$ -	$ 127,160	$ 1,141,289
321	Accrued Salaries/Payroll Withholding	-	-	5,640	7,603	2,728	26,863	1,384	-	578	-	44,796	15,787
322	Accrued Compensated Absences	-	539	1,068	1,901	1,147	1,764	133	-	133	-	6,685	-
325	Accrued Interest Payable	-	-	18,000	-	5,317,618	-	-	-	-	(5,317,618)	18,000	378,492
332	Accounts Payable PHA Projects	-	-	-	21,047	-	-	-	-	-	-	21,047	-
333	Accounts Payable - Other Government	-	-	924	-	-	32,108	-	-	-	-	33,032	-
341	Tenant Security Deposits	-	-	83,257	-	36,065	36,079	-	-	-	-	155,401	211,466
342	Unearned Revenue	10,329	-	40,731	200	49,527	3,052,624	142,661	-	-	-	3,296,072	127,390
343	Current Portion of Long-Term Debt - Capital Projects	-	-	196,991	-	4,603,300	-	-	-	-	(2,511,063)	2,289,228	359,936
344	Current Portion of Long-Term Debt - Operating	-	-	-	18,748	-	10,000	-	-	-	(10,000)	18,748	-
347	Interprogram - Due to	-	10,805	397,729	153,183	-	-	13,716	-	151,221	(726,654)	-	-
	Total Current Liabilities	15,258	11,344	798,679	202,682	10,028,051	3,205,836	160,730	-	152,924	(8,565,335)	6,010,169	2,234,360
	NONCURRENT LIABILITIES												
351	Long-Term Debt, Net of Current - Capital Projects/Mortgage Revenue Bonds	-	-	4,119,153	-	3,570,000	1,500,000	-	-	-	(3,000,000)	6,189,153	44,254,938
352	Long-Term Debt, Net of Current - operating	-	-	-	329,146	-	-	-	-	-	-	329,146	-
354	Accrued Compensated Absences	-	3,014	25,611	32,159	10,679	90,991	3,929	-	291	-	166,674	-
353	Noncurrent Liabilities - Other	-	1,033	-	229,590	-	-	-	-	-	-	230,623	1,956,121
357	Accrued pension and OPEB	-	-	-	586,905	-	2,207,879	-	-	-	-	2,794,784	-
	Total Noncurrent Liabilities	-	4,047	4,144,764	1,177,800	3,580,679	3,798,870	3,929	-	291	(3,000,000)	9,710,380	46,211,059
	Total Liabilities	15,258	15,391	4,943,443	1,380,482	13,608,730	7,004,706	164,659	-	153,215	(11,565,335)	15,720,549	48,445,419
	DEFERRED INFLOW OF RESOURCES	-	-	-	188,403	-	1,868,284	-	-	-	-	2,056,687	-
	NET POSITION												
508.4	Net Investment in Capital Assets	402,323	-	2,673,035	114,929	2,284,332	5,492,747	-	-	-	5,511,063	16,478,429	47,145,767
511	Restricted	-	-	1,844,749	-	460,851	79,000	-	-	22,966	-	2,407,566	2,722,124
512.4	Unrestricted	7,838	(3,553)	(413,155)	(1,098,237)	(4,686,294)	34,726,537	23,355	-	(110,611)	(5,511,063)	22,934,817	1,076,256
	Total Net Position	410,161	(3,553)	4,104,629	(983,308)	(1,941,111)	40,298,284	23,355	-	(87,645)	-	41,820,812	50,944,147
	LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND NET POSITION	$ 425,419	$ 11,838	$ 9,048,072	$ 585,577	$ 11,667,619	$ 49,171,274	$ 188,014	$ -	$ 65,570	$ (11,565,335)	$ 59,598,048	$ 99,389,566

HOUSING AUTHORITY OF MARICOPA COUNTY
FINANCIAL DATA SCHEDULE
ENTITY-WIDE REVENUES AND EXPENSES
JUNE 30, 2022

Line Item #	Accounts Description	Project Total	Family Self-Sufficiency Program 14.896	Housing Assistance Payment Program 14.195	Section 8 Housing Choice Voucher Program 14.871	Total Blended Component Units	Business Activities	Emergency Housing Voucher	Section 8 Housing Choice Voucher Program CARES	Mainstream	Eliminations	Total Primary Government	Discretely Component Units
	REVENUE												
70300	Net Tenant Rental Revenue	$ -	$ -	$ 813,993	$ -	$ 500,056	$ 619,679	$ -	$ -	$ -	$ -	$ 1,933,728	$ 6,137,514
70400	Tenant Revenue - Other	-	-	52,020	-	33,147	-	-	-	-	-	85,167	-
70500	Total Tenant Revenue	-	-	866,013	-	533,203	619,679	-	-	-	-	2,018,895	6,137,514
70600	HUD PHA Operating Grants	-	95,683	1,370,989	16,787,167	-	-	595,658	373,332	489,964	-	19,712,793	-
70710	Management Fee	-	-	-	-	-	927,427	-	-	-	(856,137)	71,290	-
70730	Bookkeeping Fee	-	-	-	-	-	134,183	-	-	-	(134,183)	-	-
70750	Other Fees	-	-	-	-	-	-	-	-	-	-	-	-
70800	Other Government Grants	-	-	-	-	829,641	676,193	-	-	-	(1,248,718)	257,116	-
71100	Investment Income - Unrestricted	-	-	-	-	-	775,594	-	-	-	-	775,594	5,116
71400	Fraud Recovery	-	-	-	38,838	-	-	-	-	524	-	39,362	-
71500	Other Revenue	694	-	8,684	288,523	339,971	1,088,682	-	-	-	-	1,726,554	1,775,437
71600	Gain or Loss on Sale of Capital Assets	-	-	-	-	-	-	-	-	-	-	-	(8,084)
	Total Revenue	694	95,683	2,245,686	17,114,528	1,702,815	4,221,758	595,658	373,332	490,488	(2,239,038)	24,601,604	7,909,983
	EXPENSES												
	Administrative:												
91100	Administrative Salaries	-	97,014	399,194	337,360	53,937	1,250,199	55,533	137,875	6,196		2,337,308	333,809
91200	Auditing Fees	-	-	11,050	10,143	4,572	31,513	-	-	-	-	57,278	54,443
91300	Management Fee	-	-	446,923	214,826	49,823	144,565	-	-	-	(856,137)	-	191,074
91310	Bookkeeping Fee	-	-	-	134,183	-	-	-	-	-	(134,183)	-	57,225
91400	Advertising and Marketing	-	-	-	48	38	435	-	-	-	-	521	2,653
91500	Employee Benefit Contributions - Administrative	-	21,383	183,433	238,696	76,463	693,947	23,550	-	2,365	-	1,239,837	-
91600	Office Expenses	-	-	37,432	66,317	15,440	81,003	485	27,308	6,223	-	234,208	233,304
91700	Legal Expense	-	-	5,176	-	6,853	23,586	-	-	-	-	35,615	18,485
91800	Travel	-	-	374	10,304	34	3,219	-	265	-	-	14,196	-
91900	Other	300	-	26,700	114,838	82,972	118,867	553	42,505	5,936	-	392,671	1,731,426
	Total Administrative	300	118,397	1,110,282	1,126,715	290,132	2,347,334	80,121	207,953	20,720	(990,320)	4,311,634	2,622,419
	Tenant Services:												
92400	Other	-	-	95	-	4,860	17,929	129	-	-	-	23,013	-
	Total Tenant Services	-	-	95	-	4,860	17,929	129	-	-	-	23,013	-
	Utilities:												
93100	Water	3,113	-	119,396	860	93,250	52,688	-	-	-	-	269,307	157,868
93200	Electricity	8	-	23,646	4,289	23,785	34,739	816	-	1,824	-	89,107	99,654
93300	Gas	-	-	6,975	-	4,717	5,374	-	-	-	-	17,066	-
93600	Sewer	-	-	57,658	628	77,968	36,338	-	-	-	-	172,592	84,460
	Total Utilities	3,121	-	207,675	5,777	199,720	129,139	816	-	1,824	-	548,072	341,982
	Ordinary Maintenance and Operations:												
94100	Labor	-	-	198,803	-	81,709	127,206	-	-	-	-	407,718	328,092
94200	Materials and Other	-	-	29,001	6,301	32,054	12,031	573	40	573	-	80,573	92,674
94300	Contracts	136	-	283,702	89,789	308,151	300,734	4,305	35,320	216	-	1,022,353	541,817
94500	Employee Benefits Contribution	-	-	18,945	-	6,586	8,532	-	-	-	-	34,063	-
	Total Ordinary Maintenance and Operations	136	-	530,451	96,090	428,500	448,503	4,878	35,360	789	-	1,544,707	962,583

HOUSING AUTHORITY OF MARICOPA COUNTY
FINANCIAL DATA SCHEDULE
ENTITY-WIDE REVENUES AND EXPENSES (CONTINUED)
JUNE 30, 2022

Line Item #	Accounts Description	Project Total	Family Self-Sufficiency Program 14.896	Housing Assistance Payment Program 14.195	Section 8 Housing Choice Voucher Program 14.871	Blended Component Units	Business Activities	Emergency Housing Voucher	Section 8 Housing Choice Voucher Program CARES	Mainstream	Eliminations	Total Primary Government	Discretely Component Units
	EXPENSES (Continued)												
	Insurance Premiums:												
96110	Property Insurance	$ -	$ -	$ 83,827	$ 4,732	$ 75,742	$ 42,973	$ -	$ -	$ 1,976	$ -	$ 209,250	$ 320,030
96120	Liability Insurance	-	-	34,525	4,178	10,311	17,264	-	-	-	-	66,278	-
96130	Workmen's Compensation	-	-	-	-	-	-	-	-	-	-	-	1,954
96140	All Other Insurance	-	-	26,899	4,795	24,813	71,115	-	-	-	-	127,622	112,164
96100	Total Insurance Premiums	-	-	145,251	13,705	110,866	131,352	-	-	1,976	-	403,150	434,148
	General Expenses:												
96200	Other General Expenses	-	-	112,886	19,132	299,541	19,338	4,488	75,174	216,757	-	747,316	172,687
96210	Compensated Absences	-	3,553	-	644	376	4,201	4,061	-	424	-	13,259	-
96400	Bad Debt - Tenant Rents	51,315	-	-	-	-	2,439	-	-	-	-	53,754	-
	Total General Expenses	51,315	3,553	112,886	19,776	299,917	25,978	8,549	75,174	217,181	-	814,329	172,687
96720	Interest on Notes Payable (Short and Long Term)	-	-	223,348	-	290,742	-	-	-	-	-	514,090	1,449,715
	Total Operating Expenses	54,872	121,950	2,329,988	1,262,063	1,624,737	3,100,235	94,493	318,487	242,490	(990,320)	8,158,995	5,983,534
	Excess of Operating Revenue Over Operating Expenses	(54,178)	(26,267)	(84,302)	15,852,465	78,078	1,121,523	501,165	54,845	247,998	(1,248,718)	16,442,609	1,926,449
97300	Housing Assistance Payments	-	-	44,876	15,974,395	124	196,028	477,810	-	420,285	(1,248,718)	15,864,800	-
97400	Depreciation Expense	-	-	687,115	10,014	504,009	356,231	-	-	-	-	1,557,369	3,871,572
	Total Expenses	54,872	121,950	3,061,979	17,246,472	2,128,870	3,652,494	572,303	318,487	662,775	(2,239,038)	25,581,164	9,855,106
	Other Financing Sources (Uses):												
10010	Operating Transfers In	-	-	-	18,751	-	61,896	-	-	-	(80,647)	-	-
10020	Operating Transfers Out	-	-	-	(7,795)	-	(72,852)	-	(54,845)	-	135,492	-	-
10093	Transfers Between Program and Project - In	-	-	-	54,845	-	-	-	-	-	(54,845)	-	-
	Total Other Financing Sources (Uses)	-	-	-	65,801	-	(10,956)	-	(54,845)	-	-	-	-
	EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENSES	$ (54,178)	$ (26,267)	$ (816,293)	$ (66,143)	$ (426,055)	$ 558,308	$ 23,355	$ -	$ (172,287)	$ -	$ (979,560)	$ (1,945,123)
	Memo Account Information												
11030	Beginning Equity	$ 464,339	$ 22,714	$ 4,920,922	$ (917,165)	$ (1,515,056)	$ 39,739,976	$ -	-	$ 84,642	$ -	$ 42,800,372	$ 52,889,270
11040	Prior Period Adjustments, Equity Transfers and Correction	-	-	-	-	-	-	-				-	-
11170	Administrative Fee Equity	-	-	-	(983,308)	-	-	-	-	(155,071)	-	(1,138,379)	-
11180	Housing Assistance Payments Equity	-	-	-	-	-	-	-	-	67,436	-	67,436	-
11190	Unit Months Available	828	828	3,384	19,740	1,872	1,464	1,068	-	708	-	29,892	7,920
11210	Unit Months Leased	15	-	3,249	18,032	1,741	1,376	1,068	-	708	-	26,189	7,920
	Equity Reconciliation											-	

HOUSING AUTHORITY OF MARICOPA COUNTY
COMBINING STATEMENT OF NET POSITION – DISCRETELY PRESENTED COMPONENT UNITS
DECEMBER 31, 2021

	Heritage at Surprise	The River at Eastline Village	Madison Phase I	Madison Phase II	Coffelt Lamoreaux	Coffelt Tenant	Total Discretely Presented Component Units
ASSETS							
CURRENT ASSETS							
Cash and Cash Equivalents - Unrestricted	$ 594,669	$ 289,190	$ 99,370	$ 77,729	$ 72,072	$ 150,575	$ 1,283,605
Cash and Cash Equivalents - Restricted	699,312	173,685	497,582	382,948	976,231	86,699	2,816,457
Accounts Receivable:							
Tenants, Net of Allowances	38,051	11,112	7,977	7,971	-	30,138	95,249
HUD	425	-	13,160	11,290	-	48,371	73,246
Other	37,227	20,741	-	-	-	4,724	62,692
Prepaid Expenses	36,149	23,171	33,986	50,227	117,553	3,264	264,350
Total Current Assets	1,405,833	517,899	652,075	530,165	1,165,856	323,771	4,595,599
NONCURRENT ASSETS							
Capital Assets, Net of Accumulated Depreciation:							
Nondepreciable	8,350	-	-	-	900,000	-	908,350
Depreciable	18,733,949	12,037,836	12,381,113	10,112,793	37,545,468	41,132	90,852,291
Other Assets	-	3,033,326	-	-	-	-	3,033,326
Total Noncurrent Assets	18,742,299	15,071,162	12,381,113	10,112,793	38,445,468	41,132	94,793,967
Total Assets	20,148,132	15,589,061	13,033,188	10,642,958	39,611,324	364,903	99,389,566
LIABILITIES							
CURRENT LIABILITIES							
Accounts Payable - Vendors and Contractors	4,463	9,510	12,636	7,146	20,894	33,079	87,728
Accounts Payable - Related Parties	340,763	58,095	97,213	18,040	71,892	3,735	589,738
Accounts Payable - Other	8,133	5,315	-	137,335	-	-	150,783
Accrued Wages and Related Payables	-	-	-	787	-	15,000	15,787
Accrued Interest Payable	311,221	18,805	6,686	7,212	34,568	-	378,492
Accrued Liabilities - Other	-	38,636	-	-	37,365	237,039	313,040
Tenant Security Deposits	39,649	17,130	15,875	21,679	-	117,133	211,466
Current Portion of Long-Term Debt	60,887	13,404	42,296	34,608	208,741	-	359,936
Unearned Revenue	19,687	8,923	53,769	45,011	-	-	127,390
Total Current Liabilities	784,803	169,818	228,475	271,818	373,460	405,986	2,234,360
NONCURRENT LIABILITIES							
Long-Term Debt	13,874,124	2,153,274	1,799,298	1,584,378	24,843,864	-	44,254,938
Development Fee Payable	-	578,110	-	-	1,378,011	-	1,956,121
Total Noncurrent Liabilities	13,874,124	2,731,384	1,799,298	1,584,378	26,221,875	-	46,211,059
Total Liabilities	14,658,927	2,901,202	2,027,773	1,856,196	26,595,335	405,986	48,445,419
NET POSITION							
Net Investment in Capital Assets	4,807,288	9,871,158	10,539,519	8,493,807	13,392,863	41,132	47,145,767
Restricted for:							
Modernization	659,663	156,555	481,707	361,269	976,231	86,699	2,722,124
Unrestricted Net Position	22,254	2,660,146	(15,811)	(68,314)	(1,353,105)	(168,914)	1,076,256
Total Net Position	$ 5,489,205	$ 12,687,859	$ 11,005,415	$ 8,786,762	$ 13,015,989	$ (41,083)	$ 50,944,147

HOUSING AUTHORITY OF MARICOPA COUNTY
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – DISCRETELY PRESENTED COMPONENT UNITS
YEAR ENDED DECEMBER 31, 2021

	Heritage at Surprise	The River at Eastline Village	Madison Phase I	Madison Phase II	Coffelt Lamoreaux	Coffelt Tenant	Total Discretely Presented Component Units
OPERATING REVENUE							
Rental Revenue - Gross Potential	$ 933,894	$ 478,154	$ 578,052	$ 482,947	$ 1,117,244	$ 2,547,223	$ 6,137,514
Other Revenue	7,006	5,035	1,361	1,728	-	11,782	26,912
Total Operating Revenue	940,900	483,189	579,413	484,675	1,117,244	2,559,005	6,164,426
OPERATING EXPENSES							
Administrative	346,482	229,102	183,255	160,496	18,841	662,942	1,601,118
Utilities	47,266	30,437	37,590	19,603	-	207,086	341,982
Ordinary Maintenance and Operations	77,190	93,708	119,315	97,418	-	525,702	913,333
Insurance Premiums	41,051	21,342	53,685	41,730	196,411	79,929	434,148
General	-	-	26,519	22,731	-	-	49,250
Lease	-	-	-	-	-	1,117,244	1,117,244
Depreciation/Amortization	835,366	429,420	583,728	467,119	1,546,705	9,234	3,871,572
Total Operating Expenses	1,347,355	804,009	1,004,092	809,097	1,761,957	2,602,137	8,328,647
OPERATING LOSS	(406,455)	(320,820)	(424,679)	(324,422)	(644,713)	(43,132)	(2,164,221)
NONOPERATING REVENUES (EXPENSES)							
Gain (Loss) on Sale Assets	-	-	(2,990)	(1,617)	(3,477)	-	(8,084)
Interest Expense	(447,413)	(102,203)	(89,049)	(88,421)	(738,105)	-	(1,465,191)
Mortgage Insurance	-	-	-	-	(61,268)	-	(61,268)
Interest Income	4,301	15	46	41	713	-	5,116
Total Nonoperating Revenues (Expenses)	(443,112)	(102,188)	(91,993)	(89,997)	(802,137)	-	(1,529,427)
LOSS BEFORE CAPITAL CONTRIBUTIONS	(849,567)	(423,008)	(516,672)	(414,419)	(1,446,850)	(43,132)	(3,693,648)
CAPITAL DISTRIBUTIONS	-	-	(1,044)	(949)	-	(109,981)	(111,974)
CAPITAL CONTRIBUTIONS	1,668,358	192,141	-	-	-	-	1,860,499
CHANGE IN NET POSITION	818,791	(230,867)	(517,716)	(415,368)	(1,446,850)	(153,113)	(1,945,123)
Net Position - Beginning of Period	4,670,414	12,918,726	11,523,131	9,202,130	14,462,839	112,030	52,889,270
NET POSITION, END OF PERIOD	$ 5,489,205	$ 12,687,859	$ 11,005,415	$ 8,786,762	$ 13,015,989	$ (41,083)	$ 50,944,147

ADDITIONAL INDEPENDENT AUDITORS' REPORT FOR BASIC FINANCIAL STATEMENTS

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

Board of Commissioners
Housing Authority of Maricopa County
Peoria, Arizona

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the aggregate discretely presented component units of the Housing Authority of Maricopa County (the Authority) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated December 15, 2022. Our report includes a reference to other auditors who audited the financial statements of the discretely presented component units, as described in our report on the Authority's financial statements. The financial statements of Madison Heights I, LLC, Madison Height II, LLC, The River at Eastline Village, LLC, and Heritage at Surprise, LLC were not performed in accordance with *Government Auditing Standards.*

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2022-001 that we consider to be a material weakness.

Board of Commissioners
Housing Authority of Maricopa County

Report on Compliance and Other Matters

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

Authority's Response to Findings

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

Purpose of this Report

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Phoenix, Arizona
December 15, 2022

CliftonLarsonAllen LLP
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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE

Board of Commissioners
Housing Authority of Maricopa County
Peoria, Arizona

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Housing Authority of Maricopa County's (the Authority) 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 Authority's major federal programs for the year ended June 30, 2022. The Authority's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the 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 June 30, 2022.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.

- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- obtain an understanding of the Authority 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 Authority's internal control over compliance. Accordingly, no such opinion is expressed.

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2022-002. Our opinion on each major federal program is not modified with respect to these matters.

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

Board of Commissioners
Housing Authority of Maricopa County

Report on Internal Control Over Compliance

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

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2022-002, to be a significant deficiency.

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

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

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Phoenix, Arizona
December 15, 2022

HOUSING AUTHORITY OF MARICOPA COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2022

Federal Grantor / Pass-Through Grantor / Program Title	Assistance Listing Number	Contract / Pass-Through	Federal Expenditures	Expenditures to Subrecipients
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Direct Programs:				
Section 8 Housing Assistance Payments	14.195	NA	$ 1,370,989	$ -
Total Section 8 Project-Based Cluster			1,370,989	
Housing Vouchers Cluster				
Mainstream Voucher	14.879	NA	446,018	-
COVID 19 CARES	14.871	NA	318,219	-
Emergency Housing Voucher	14.871	NA	572,303	-
Housing Choice Vouchers	14.871	NA	16,787,167	-
Total Housing Voucher Cluster			18,123,707	
PIH Family Self Sufficiency (FSS)	14.896	NA	95,683	-
Total PIH Family Self Sufficiency			95,683	-
Total Direct Programs			19,590,379	-
Pass-Through Maricopa County:				
HOME Investment Partnerships Program	14.239	C-22-18-019-3-01	3,687	-
Total Expenditures of Federal Awards			$ 19,594,066	$ -

See accompanying Notes to Schedule of Expenditures of Federal Awards.

HOUSING AUTHORITY OF MARICOPA COUNTY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2022

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the Housing Authority of Maricopa County (the Authority) under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, change in net positions, or cash flows of the Authority.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Pass-through entity identifying numbers are presented where available.

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

NOTE 3 PROGRAM COST

The amounts presented as federal expenditures represent only the federal portion of the actual program costs. Actual program costs, including the Authority’s portion, may be more than is shown on the schedule.

NOTE 4 LOAN PROGRAMS

In accordance with the Uniform Guidance, the notes to the Schedule of Expenditures of Federal Awards shall include loan and loan activities of federal programs. The loans have no continuing compliance requirements. The following is a summary of loan activity for the year ended June 30, 2022:

Description	HOME Loan (14.239)	CDBG Loan (14.218)	CDBG Loan (14.218)
	Casa Bonitas	Heritage	Eastline
Issue Date	December 13, 2017	June 27, 2018	February 27, 2017
Interest Rate	2%	3%	3%
Original Amount	$ 450,000	$ 500,000	$ 500,000
Balance - Beginning	$ 450,000	$ 500,000	$ 500,000
Borrowed (Paid)	-	-	-
Balance - Ending	$ 450,000	$ 500,000	$ 500,000

HOUSING AUTHORITY OF MARICOPA COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2022

Section I – Summary of the Auditors' Results

Basic Financial Statements

1. Type of auditors' report issued: Unmodified

2. Internal control over financial reporting:

   - Material weakness(es) identified? ___x___ yes ________ no

   - Significant deficiency(ies) identified? ________ yes ___x___ none reported

3. Noncompliance material to basic financial statements noted? ________ yes ___x___ no

Federal Awards

1. Internal control over major federal programs:

   - Material weakness(es) identified? ________ yes ___x___ no

   - Significant deficiency(ies) identified? ___x___ yes ________ none reported

2. Type of auditors' report issued on compliance for major federal programs: Unmodified

3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? ___x___ yes ________ no

Identification of Major Federal Programs

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

Dollar threshold used to distinguish between Type A and Type B programs: $ 750,000

Auditee qualified as low-risk auditee? ________ yes ___x___ no

Section II – Financial Statement Findings

2022-001: Audit Adjustments and Preparation of the Financial Statements

Condition: There were multiple adjusting journal entries recorded during the course of the audit. This is indicative of a lack of internal controls over the financial reporting process.

Criteria: The internal Control-Integrated Framework (COSO Report) requires adequate internal controls over financing reporting to ensure that transactions are properly recorded and accounted for to permit the preparation of reliable financial statements and demonstrate compliance with laws, regulations and other compliance requirements. Internal controls should be in place to provide reasonable assurance that financial statements are prepared in accordance with U.S. GAAP.

Context: The Authority does not have a system of internal controls that would enable management to conclude the financial statements and related disclosures are complete and presented in accordance with GAAP. We also proposed material audit adjustments in order to draft the financial statements. Most of the adjusting journal entries were related to transactions with related parties. Significant adjustments such as these are indicative of inadequate controls over financial reporting. Specifically, we noted the following:

- Adjustments made to properly report the Authority's beginning net position and notes receivable.
- Adjustments made to properly report the Authority's accounts receivables and unearned revenues.
- Eliminations made to the Authority's notes receivable and payables and other interfund transactions as these transactions were between the Authority and its blended component units.

Effect: Inefficient controls over the financial reporting process could result in inaccurate account balances that require a restatement, a significant number of audit adjustments or a lack of timely financial information.

Cause: The Authority did not properly establish and implement sufficient internal controls over financial reporting to ensure the timely and accurate recording of financial transactions. We note that the Authority relies on the audits of related parties in order to record a significant number of related party transactions. Related party transactions should be recorded by the Authority as they are incurred. The audited financial statements of related parties should be reviewed, but not relied upon for the recording of related party transactions.

Repeat Finding: Yes, 2021-001

Section II – Financial Statement Findings (Continued)

2022-001: Audit Adjustments and Preparation of the Financial Statements (Continued)

Recommendation: The Authority should evaluate their financial reporting processes and controls to determine whether additional controls over the preparation of annual financial statements can be implemented to provide reasonable assurance that financial statements are prepared in accordance with U.S. GAAP. We recommend the Authority to review their current procedures for reconciliations and year-end close procedures and evaluate the number of staff assigned to various accounting functions to ensure that staffing is appropriate. We recommend the Authority implements a tracking system to ensure that related party transactions are recorded accurately when incurred in order to avoid delays or discrepancies in the reporting process. Additionally, the Authority's finance department should consider hiring consultant to assist in yearend closing procedures and reconciliation of material accounts as well as unaudited financial data schedule submission.

Views of responsible officials and planned corrective action: There is no disagreement with the audit finding.

Section III – Federal Award Findings

2022 – 002

Federal Agency: U.S. Department of Housing and Urban Development

Federal Program Name: Section 8 Project-Based Cluster

Assistance Listing Number: 14.195

Federal Award Identification Number and Year: AZ99RF00001

Award Period: December 1, 2017 through December 1, 2037

Type of Finding: Significant Deficiency in Internal Control over Compliance

Criteria: 2 CFR Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Award* requires compliance with the provisions of Housing Quality Standards Inspections. The Authority should have internal controls designed to ensure compliance with those provisions.

Condition: During our testing, we noted the Authority did not have adequate internal controls designed to ensure annual quality housing standard inspections were performed as they became due.

Questioned costs: None

Context: During our testing, it was noted that 18 out of 40 housing units did not housing quality inspection performed at least annually to determine if the unit meets the Housing Quality Standards.

Cause: The Authority was unaware the housing units were due for their bi-annual housing quality inspection.

Effect: The Authority is not in compliance with program requirements for inspections.

Repeat Finding: No.

Recommendation: We recommend the Authority design controls to ensure an adequate internal control process is in place to identify the units on which housing quality inspections are due and properly document the result of these inspections.

Views of responsible officials: There is no disagreement with the audit finding.

Appendix B.

CERTIFICATIONS

Certification by State or Local Official of PHA Plans Consistency with the Consolidated Plan or State Consolidated Plan ***(All PHAs)***	**U. S Department of Housing and Urban Development** Office of Public and Indian Housing OMB No. 2577-0226 **Expires 3/31/2024**

Certification by State or Local Official of PHA Plans Consistency with the Consolidated Plan or State Consolidated Plan

I, Gerald Minott, the Interim Executive Director
Official's Name *Official's Title*

certify that the Annual PHA Plan for fiscal year 2023 of the Housing Authority of Maricopa County is consistent with the Consolidated Plan or State Consolidated Plan including the Analysis of Impediments (AI) to Fair Housing Choice or Assessment of Fair Housing (AFH) as applicable to the Maricopa County, pursuant to 24 CFR Part 91 and 24 CFR §§ 903.7(o)(3) and 903.15.

Provide a description of how the PHA Plan's contents are consistent with the Consolidated Plan or State Consolidated Plan.

The Housing Authority's Plan and the Maricopa County Consolidated Plan each outline priorities to provide affordable housing opportunities to low-income residents and opportunities to assist residents in reaching self-sufficiency. Both the Housing Authority and Maricopa County seek to reduce impediments to fair housing by aligning fair housing efforts with the regional Analysis of Impediments to Fair Housing.

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate. **Warning:** HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Name of Authorized Official:	Title:
Gerald Minott	Interim Executive Director
Signature:	Date: 1/31/2023

The United States Department of Housing and Urban Development is authorized to solicit the information requested in this form by virtue of Title 12, U.S. Code, Section 1701 et seq., and regulations promulgated thereunder at Title 12, Code of Federal Regulations. Responses to the collection of information are required to obtain a benefit or to retain a benefit. The information requested does not lend itself to confidentiality. This information is collected to ensure consistency with the consolidated plan or state consolidated plan.

Public reporting burden for this information collection is estimated to average 0.16 hours per year per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. HUD may not collect this information, and respondents are not required to complete this form, unless it displays a currently valid OMB Control Number.