

Texoma Housing Partners

Annual Financial Report

Year Ended March 31, 2018

Texoma Housing Partners
March 31, 2018

Table of Contents

<i>Independent Auditors' Report</i>	1 - 2
 <u>Required Supplementary Information</u>	
Management's Discussion and Analysis.....	3 - 6
 Basic Financial Statements	
Statement of Net Position.....	7
Statement of Revenues, Expenses, and Changes in Net Position	8
Statement of Cash Flows	9
<i>Notes to Financial Statements</i>	10 - 15
 Supplemental Information Required by HUD	
Supplemental Schedule - Financial Data Schedules.....	16 - 23
 Report Required by Government Auditing Standards	
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 <i>Government Auditing Standards</i>	24 - 25
 Reports Required by Uniform Guidance	
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance.....	26 - 27
Schedule of Findings and Questioned Costs	28
Summary Schedule of Prior Audit Findings	29
Schedule of Expenditures of Federal Awards.....	30
Notes on Accounting Policies for Federal Awards.....	31

McClanahan and Holmes, LLP
CERTIFIED PUBLIC ACCOUNTANTS

STEVEN W. MOHUNDRO, CPA
GEORGE H. STRUVE, CPA
ANDREW B. REICH, CPA
RUSSELL P. WOOD, CPA
DEBRA J. WILDER, CPA
TEFFANY A. KAVANAUGH, CPA
APRIL J. HATFIELD, CPA

228 SIXTH STREET S.E.
PARIS, TEXAS 75460
903-784-4316
FAX 903-784-4310

304 WEST CHESTNUT
DENISON, TEXAS 75020
903-465-6070
FAX 903-465-6093

1400 WEST RUSSELL
BONHAM, TEXAS 75418
903-583-5574
FAX 903-583-9453

Independent Auditors' Report

Board of Directors
Texoma Housing Partners
Bonham, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of Texoma Housing Partners, as of and for the year ended March 31, 2018, and the related notes to the financial statements, which collectively comprise Texoma Housing Partners' basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of Texoma Housing Partners as of March 31, 2018, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Board of Directors
Texoma Housing Partners
Bonham, Texas

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Texoma Housing Partners' basic financial statements. The financial data schedules listed in the table of contents are presented for purposes of additional analysis as required by the U.S. Department of Housing and Urban Development and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the basic financial statements.

The financial data schedules and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the financial data schedules and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2018 on our consideration of Texoma Housing Partners' 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 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 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 Texoma Housing Partners' internal control over financial reporting and compliance.

McClanahan and Holmes, LLP

Certified Public Accountants

Bonham, Texas
December 13, 2018

**Texoma Housing Partners
Management's Discussion and Analysis
Year Ended March 31, 2018**

Management's discussion and analysis (MD&A) of Texoma Housing Partners' (THP) financial performance offers the readers a narrative overview and analysis of THP's financial activities and performance for the fiscal year ended March 31, 2018. The information contained in this MD&A should be considered in conjunction with the Authority's basic financial statements which begin on page 7.

Financial Highlights

- For the fiscal year ended March 31, 2018, current assets increased \$204,637, or 8%.
- Capital assets net of accumulated depreciation decreased by \$199,593.
- Total liabilities decreased by \$79,542, or 21%. The remaining loan maturities are all current.
- Net position decreased by \$82,036 after depreciation expense of \$810,720.
- On April 1, 2017, THP welcomed the Housing Authority of the City of Leonard (Leonard) with its 50 dwelling units as its newest member PHA.

Overview of the Financial Statements

This report includes this Management's Discussion and Analysis, the Basic Financial Statements, and the Notes to the Financial Statements. In addition, the report also contains supplemental information required by the U.S. Department of Housing and Urban Development (HUD), as well as auditor reports and schedules required by *Government Auditing Standards* and Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

THP is classified as a special purpose government engaged in business-type activities. Accordingly, these financial statements are presented as fund level financial statements for a proprietary fund.

The basic financial statements include the *Statement of Net Position*, *Statement of Revenues, Expenses, and Changes in Net Position*, and *Statement of Cash Flows*. These statements are presented in a manner consistent with Governmental Accounting Standards Board (GASB) Statement 34, as amended by GASB Statement 63. THP presents its financial data as a single program business-type activity, which is similar to enterprise fund accounting historically used by governmental entities. Consistent with GASB 34, assets, liabilities, revenues, expenses, gains, and losses are reported using the economic resources measurement focus and accrual basis of accounting; accordingly, revenues are recorded as earned and expenses are recorded when the liability is incurred.

The *Statement of Net Position* presents a snapshot of THP's financial position as of March 31, 2018. Assets and liabilities are regarded as either current or non-current, and the remainder interests are recorded as Net Position. Net Position is divided into amounts Invested in Capital (e.g., buildings and equipment), Restricted, or Unrestricted.

The *Statement of Revenues, Expenses, and Changes in Net Position* is a cumulative summary of THP's financial activities for the twelve-month period ended March 31, 2018.

**Texoma Housing Partners
Management's Discussion and Analysis
Year Ended March 31, 2018**

The *Statement of Cash Flows* provides an analysis of THP's cash position for the year. The statement reports cash used or provided by (1) operating activities; (2) non-capital financing activities; (3) capital and related financing activities; and (4) investing activities.

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

The section Supplemental Financial Information Required by HUD contains the Financial Data Schedules (FDS). HUD has established Uniform Financial Reporting Standards that require THP to submit financial information for its member PHAs electronically to HUD using the FDS format. This financial information has been electronically transmitted to the Real Estate Assessment Center (REAC) for the year ended March 31, 2018.

Financial Analysis

THP's overall financial position for the past two years is summarized below based on the information included in the current and prior financial statements.

**Condensed Statement of Net Position
As of March 31,**

	2018	2017	Variance	
Current Assets	\$ 2,840,794	\$ 2,636,157	\$ 204,637	7%
Non-Current Assets				
Capital Assets, Net of				
Accumulated Depreciation	6,666,062	6,865,655	(199,593)	-3%
Total Assets	<u>\$ 9,506,856</u>	<u>\$ 9,501,812</u>	<u>\$ 5,044</u>	0%
Current Liabilities	\$ 303,217	\$ 363,027	\$ (59,810)	-20%
Long-Term Liabilities	-	19,732	(19,732)	
Total Liabilities	<u>303,217</u>	<u>382,759</u>	<u>(79,542)</u>	-26%
Deferred Inflows	<u>166,622</u>	<u>-</u>	<u>166,622</u>	
Net Position				
Invested in Capital Assets	6,646,303	6,813,433	(167,130)	-3%
Unrestricted	<u>2,390,714</u>	<u>2,305,620</u>	<u>85,094</u>	4%
Total Net Position	<u>\$ 9,037,017</u>	<u>\$ 9,119,053</u>	<u>\$ (82,036)</u>	-1%

Total assets were largely unchanged, but that is certainly not representative of the results of operations for the current fiscal year. Total current assets increased by \$204,637, or 7%. This increase includes an increase in total cash and investments of \$239,030. This increase was offset by a decrease in prepaid expenses. After depreciation expense of \$810,720, Net Capital Assets only decreased \$199,593. Further discussion of these changes can be found in the Capital Assets section of this report.

Unrestricted net position can be a measure of the liquidity of an organization. THP's unrestricted net position at March 31, 2018 represents 8.88 months of expenses maintained in reserves.

**Texoma Housing Partners
Management's Discussion and Analysis
Year Ended March 31, 2018**

THP's change in net position resulting from of its activities for the year ended March 31, 2018, with comparative numbers to the prior year, are summarized below from the current and prior year reports.

**Schedule of Increases and Decreases in Net Position
For the Fiscal Years Ended March 31,**

	2018	2017	Variance	
Revenues and Other Increases				
Tenant Revenues	\$ 1,364,510	\$ 1,170,336	\$ 194,174	14%
Operating Subsidies and Grants	2,026,407	1,837,398	189,009	9%
Other Revenues and Increases	99,833	95,258	4,575	5%
Interest and Investment Income	2,662	1,098	1,564	59%
Contributed Capital	467,039	-	467,039	
Total Revenues and Other Increases	<u>3,960,451</u>	<u>3,104,090</u>	<u>856,361</u>	22%
Operating Expenses				
Administrative	1,134,068	952,529	181,539	16%
Tenant Services	47,352	11,707	35,645	75%
Utilities	381,222	349,821	31,401	8%
Maintenance	1,392,635	1,005,686	386,949	28%
Protective Services	5,400	5,100	300	6%
Insurance and General	207,524	164,541	42,983	21%
Interest Expense	1,261	2,807	(1,546)	-123%
Casualty Loss	62,305	75,385	(13,080)	-21%
Depreciation Expense	810,720	772,086	38,634	5%
Total Operating Expenses	<u>4,042,487</u>	<u>3,339,662</u>	<u>702,825</u>	17%
Increase (Decrease) in Net Position	<u>\$ (82,036)</u>	<u>\$ (235,572)</u>	<u>\$ 153,536</u>	-187%

Contributed Capital is included in Total Increases reflects the Housing Authority of the City of Leonard joining Texoma Housing Partners April 1, 2017. The addition of the 50 dwelling units is reflected in the increases in Tenant Revenues and HUD Subsidies and Grants. See Note 6 on page 15 of this report for further information.

Overall expenses increased by \$702,824, an increase of 17%. Of course, a lot is attributable to an increase of more than 10% in total units. Maintenance expense reflects increased costs due to efforts to bring those up to THP standards. Utilities and Depreciation directly reflect the increase. Administrative costs increased due to the initial costs of establishing and maintaining all new accounting and internet technology systems after THP ended its long-standing management contract with Texoma Council of Governments on August 31, 2017. THP also incurred additional administrative costs associated with the blending of Leonard tenants into the THP processing system.

**Texoma Housing Partners
Management's Discussion and Analysis
Year Ended March 31, 2018**

Capital Assets

At March 31, 2018, THP had \$6,646,303 invested in capital assets, net of related debt. The decrease of \$167,130 is the result of current year depreciation of \$810,720 offset by contributed net capital assets from Leonard and current year additions of \$308,132. Included in additions were new high energy efficient HVAC replacement in Leonard for \$130,000. Major equipment purchases included 2 maintenance trucks, a wood chipper, and mirrored computer servers to accommodate the implementation of self-management.

More information on the composition and changes in capital assets can be found in Note 4, on page 14 of the accompanying Notes to Financial Statements.

THP is currently planning a major capital improvement program which includes replacing windows with more energy efficient windows at several sites.

Long-Term Debt

THP's only note payable will be fully paid on April 5, 2019. At this time, THP does not foresee the need for any capital borrowings in the immediate future. Additional information on THP's indebtedness can be found in Note 5 which begins on page 14 of this report.

Economic Factors

THP receives program funding from HUD and is affected more by the federal budget than by local economic conditions. The funding of programs could be significantly affected by the 2018-2019 federal budget.

The Board of Directors of THP voted to cancel the management contract with Texoma Council of Governments (TCOG) effective August 31, 2017. As of September 1, 2017, all THP staff previously employed by TCOG became employees of THP. The transition was planned to ensure that all staff were not adversely affected. The THP Board approved and implemented a benefit package to insure uninterrupted insurance coverage of all staff. Additionally, THP assumed responsibility for all accounting and technology functions which are now fully functional.

Contacting THP

This financial report represents a general overview of THP's financial position and accounting for funds received. It is available to the public for review and comment. To request additional financial information, contact:

Ms. Allison Reider, Executive Director,
Texoma Housing Partners
810 W 16th Street
Bonham, Texas 75418

Texoma Housing Partners
Statement of Net Position
March 31, 2018

Assets	
Current Assets	
Cash on Hand and in Banks	\$ 2,659,009
Short-Term Investments	96,008
Accounts Receivable - Tenants	14,673
Accounts Receivable - Others	410
Prepaid Expenses	70,694
Total Current Assets	<u>2,840,794</u>
Noncurrent Assets	
Capital Assets	
Land	168,493
Site Improvements	7,406,970
Buildings	22,583,069
Equipment	642,641
Accumulated Depreciation	<u>(24,135,111)</u>
Net Capital Assets	<u>6,666,062</u>
Deferred Outflows of Resources	<u>-</u>
Total Assets and Deferred Outflows	<u>\$ 9,506,856</u>
Liabilities and Net Position	
Current Liabilities	
Accounts Payable	\$ 81,975
Prepaid Tenant Rents	12,092
Tenants' Security Deposits	47,990
Payments in Lieu of Taxes	99,077
Accrued Compensated Absences	17,883
Accrued Payroll	24,441
Current Portion of Note Payable	19,759
Total Current Liabilities	<u>303,217</u>
Long-Term Liabilities	
Long-Term Note Payable (less Current Portion)	<u>-</u>
Total Long-Term Liabilities	<u>-</u>
Total Liabilities	<u>303,217</u>
Deferred Inflows of Resources	<u>166,622</u>
Net Position	
Net Investment in Capital Assets	6,646,303
Restricted	-
Unrestricted	<u>2,390,714</u>
Total Net Position	<u>9,037,017</u>
Total Liabilities, Deferred Inflows, and Net Position	<u>\$ 9,506,856</u>

The accompanying notes are an integral part of these financial statements.

Texoma Housing Partners
Statement of Revenues, Expenses, and Changes in Net Position
Year Ended March 31, 2018

Operating Revenues	
Dwelling Rental	\$ 1,343,435
Excess Utilities	21,075
HUD Operating Grants	2,026,407
Other Income	<u>99,833</u>
Total Operating Income	<u>3,490,750</u>
Operating Expenses	
Administrative	1,134,068
Tenant Services	47,352
Utilities	381,222
Maintenance	1,392,635
Protective Services	5,400
Insurance and General	207,524
Casualty Loss	62,305
Depreciation Expense	<u>810,720</u>
Total Operating Expenses	<u>4,041,226</u>
Operating Income (Loss)	<u>(550,476)</u>
Non-Operating Revenues (Expenses)	
Interest and Investment Income	2,662
Interest Expense	<u>(1,261)</u>
Net Non-Operating Revenues (Expenses)	<u>1,401</u>
Income (Loss) Before Contributions and Other Additions	<u>(549,075)</u>
Contributed Capital	
Received from New Partner - Note 6	<u>467,039</u>
Increase (Decrease) in Net Position	(82,036)
Net Position - Beginning of Year	<u>9,119,053</u>
Net Position - End of Year	<u><u>\$ 9,037,017</u></u>

The accompanying notes are an integral part of these financial statements.

**Texoma Housing Partners
Statement of Cash Flows
Year Ended March 31, 2018**

Cash Flows from Operating Activities	
Receipts from Operating Grants and Subsidies - HUD	\$ 2,026,407
Receipts from Tenants	1,370,785
Other Operating Receipts	99,423
Payments to or on Behalf of Employees	(1,327,532)
Payments to Suppliers for Goods and Services	<u>(1,754,900)</u>
Net Cash Flows from Operating Activities	<u>414,183</u>
Cash Flows from Noncapital Financing Activities	
Cash Received from New Partner	<u>164,045</u>
Cash Flows from Capital and Related Financing Activities	
Fixed Asset Acquisitions	(308,132)
Principal Reduction of Mortgage Note	(32,467)
Interest Paid on Debt	<u>(1,261)</u>
Net Cash Flows from Capital and Related Financing Activities	<u>(341,860)</u>
Cash Flows from Investing Activities	
Proceeds from Interest Earnings	<u>2,236</u>
Net Increase (Decrease) in Cash	238,604
Cash at Beginning of Year	<u>2,420,405</u>
Cash at End of Year	<u><u>\$ 2,659,009</u></u>
Reconciliation of Operating Income to Net Cash	
Provided by Operating Activities	
Net Income (Loss) from Operations	\$ (550,476)
Noncash Changes to Income:	
Depreciation	810,720
Cash from net (Increase) Decrease in:	
Accounts Receivable - Tenants	4,728
Accounts Receivable - Others	(410)
Prepaid Expenses	30,078
Cash from net Increase (Decrease) in:	
Accounts Payable	(118,330)
Prepaid Tenant Rents	(2,113)
Tenants' Security Deposits	3,664
Payments in Lieu of Taxes	27,376
Accrued Compensated Absences	17,883
Accrued Payroll	24,441
Deferred Inflows of Resources	<u>166,622</u>
Net Cash Flows from Operating Activities	<u><u>\$ 414,183</u></u>
Interest Earnings Added to Investments	<u><u>\$ 426</u></u>

The accompanying notes are an integral part of these financial statements.

**Texoma Housing Partners
Notes to Financial Statements
March 31, 2018**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization - Texoma Housing Partners (THP) is a Consortium, as defined by HUD regulations, of nineteen (19) chartered public housing corporations (PHAs) which was created as a vehicle to combine the total resources of its members to meet the public housing needs of their communities beyond each member's individual capabilities. THP is governed by a Board of Directors with each member PHA appointing one director. The Housing Authority of the City of Bonham (Bonham) serves as the lead Agency, as defined by HUD regulations, for THP. Since all of the PHAs are local government entities, THP is also defined as a local government entity which is exempt from federal and state income taxes. Any member PHA can withdraw from THP at the end of a fiscal year by providing written notice at least 90 days in advance to the Board of Directors.

The members of THP are the Housing Authority of the Cities of Bells, Bonham, Celeste, Ector, Farmersville, Gunter, Honey Grove, Howe, Ladonia, Leonard, Pottsboro, Princeton, Savoy, Tioga, Tom Bean, Trenton, Van Alstyne, Whitewright, and Windom. THP is supported by rents and other fees from tenants, subsidy payments from HUD, and capital grants from HUD.

Under the United States Housing Act of 1937, the U S Department of Housing and Urban Development (HUD) has direct responsibility for administering low-rent housing programs in the United States. Accordingly, HUD has entered into various contracts with the member PHAs for the purpose of constructing, owning and operating public housing facilities. The member PHAs currently own five hundred twenty dwelling units which are operated under the Low Rent Public Housing Program. The financial liability of the member PHAs is supported by operating subsidies received under contracts from the Federal Government. Additionally, the member PHAs receives other grants to enhance tenant services and for capital improvements and non-routine maintenance.

The following significant accounting policies were applied in the preparation of the accompanying financial statements:

Reporting Entity - THP's basic financial statements include all organizations, activities and functions that comprise Texoma Housing Partners. Component units are legally separate entities for which the THP is financially accountable. Financial accountability is defined as the ability to appoint a voting majority of the component unit's governing body and either (1) THP's ability to impose its will over the component unit or (2) the potential that the component unit will provide a financial benefit to, or impose a financial burden on, THP. Using the criteria for a component unit, THP has no component units.

THP receives funding from HUD and must comply with its spending, reporting, and recordkeeping requirements. THP is not a component unit of HUD or any other governmental entity. THP owns and operates the following properties that are not low-income housing subject to HUD policies and regulations:

"The Meadows" are three duplexes constructed on land owned by Bonham, the lead agency. Bonham leases the land to THP for \$1 a year. If at any time Bonham decides to leave the partnership, the duplexes will become the property of Bonham.

"Deer Run" is an apartment complex located in Trenton, Texas that was purchased by THP in August 2013.

The activities of these properties are included with Bonham in HUD required financial reporting.

Texoma Housing Partners
Notes to Financial Statements (continued)
March 31, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Accounting - The financial statements of THP are presented in accordance with accounting principles generally accepted in the United States of America applicable to governmental entities. The accounts of THP are organized on the basis of funds and account groups. In analyzing the activities of THP it was determined that a Proprietary Fund type was most appropriate for on-going activities. Proprietary Funds use the economic resources measurement focus and the accrual basis of accounting to account for activities which are similar to those often found in the private sector. Revenues are recognized when earned and all expenses are recorded when they have been reduced to a legal or contractual obligation to pay. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

THP applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. THP previously implemented GASB Statements No. 62 and 63. GASB 62 is a recodification of previously issued guidance which did not significantly impact financial reporting. GASB 63 defines *deferred outflows of resources* as "a consumption of net assets by a government that is applicable to a future reporting period" and is not an asset. It defines *deferred inflows of resources* as an acquisition of net assets by a government that is applicable to a future reporting period" that is not a liability. THP has identified unexpended insurance proceeds of \$166,622 as meeting the criteria of deferred inflows of resources as of March 31, 2018.

Fund Financial Statements – THP is considered a special purpose government and reports all of its activities in a proprietary fund type. The proprietary fund statement of net position, statement of revenues, expenses and changes in net position, and the statement of cash flows comprise the basic financial statements. They report information on all of the activities of THP. THP has no fiduciary funds or component units that are fiduciary in nature.

Revenue Classifications - THP distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with THP's principal ongoing operations. The principal operating revenue is rental income and operating subsidy from HUD. Operating revenues include capital fund grants, state grants, and local donations. Program-specific grants and contributions arise from non-exchange transactions with other governments, organizations or individuals that are restricted for use in a particular program. Revenues in this category include program-specific grants and contracts with federal, state and other organizations, and investment income restricted to a specific program.

Non-operating revenues include all revenues that are not classified as operating revenue as discussed above. Revenues in this category include investment earnings that are not restricted to a specific program.

Cash and Deposits

For purposes of the statement of cash flows, cash and cash equivalents include cash on hand and demand and time deposit accounts with original maturities of three months or less from the date of acquisition. Certificates of deposit with original maturities greater than three months are classified as short-term investments in these financial statements.

Texoma Housing Partners
Notes to Financial Statements (continued)
March 31, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Accounts Receivable - Accounts receivable are stated without an allowance for doubtful accounts. THP utilizes the direct write-off method of recognizing bad debts, which is not consistent with generally accepted accounting principles. Accounts are written off as collection losses only after the tenant has vacated the unit and THP has taken reasonable actions to collect. Management does not believe that the results of operations would differ materially if the allowance method were used as prescribed by generally accepted accounting principles. Prepaid rental revenues received and related to periods after the end of the fiscal year are recognized as a liability.

Inventories – THP maintains a limited amount of maintenance materials, supplies, and appliances in order to minimize its response time for maintenance emergencies of its tenants. Management has elected to expense the cost of these inventoried items at the time of purchase. Management does not believe that the results of operations would differ materially if the value of the inventory was recorded as an asset of THP.

Accrued Compensated Absences – THP records vacation earned and unpaid at the end of the fiscal year. This amount would be due and payable to the employee upon termination. Sick pay is not accrued as it is only payable when used and does not vest upon termination.

Retirement Plan – The Board of Directors of THP adopted a defined contribution retirement benefit plan in the form of the ICMA Retirement Corporation Governmental Money Purchase Plan and Trust. The effective date of the plan was September 1, 2017. The plan provides for eligibility for all full time employees upon hiring. Participants are required to contribute 3% of eligible compensation and the employer contributes 7%. Participants become 20% vested in employer contributions and plan earnings upon the completion of 3 years of service and increase by 20% annually until 100% vested after 7 years.

Estimates - The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 - BUDGETARY INFORMATION

THP's annual budget is a management tool that assists its users in analyzing financial activity for its fiscal year ending March 31st. The Board approves the financial plan for revenue and expenditures for THP. Although the financial plans are reviewed and approved by the Board, they are not considered legally adopted annual budgets or appropriations. Accordingly, comprehensive budget and actual comparisons are not presented in this report.

NOTE 3 - CASH AND INVESTMENTS

THP has adopted a formal investment policy in compliance with Chapter 2256, Texas Government Code, the "Public Funds Investment Act." The investment policy authorizes THP to invest in 1) interest bearing checking accounts at the designated depository bank; 2) certificates of deposit; 3) Texpool; 4) Treasury bills, and 5) other investments as the governing body may specifically authorize.

Texoma Housing Partners
Notes to Financial Statements (continued)
March 31, 2018

NOTE 3 - CASH AND INVESTMENTS (continued)

Custodial credit risk for deposits is the risk that in the event of a bank failure, THP's deposits may not be returned or THP will not be able to recover collateral securities in the possession of an outside party. THP does not have a policy for custodial credit risk. Demand and time deposit accounts at Chase Bank are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per category, for a total of \$500,000 in FDIC coverage. As of March 31, 2018, and for the fiscal year then ended, cash and certificates of deposits in excess of the FDIC coverage were covered by collateral held by Chase Bank in THP's name.

Cash and short-term investments include the following accounts at March 31:

	2018
Cash and Cash Equivalents	
THP General Fund	\$ 1,383,809
THP Savings	1,307,233
	<u>2,691,042</u>
Short-Term Investments	
Certificate of Deposit	<u>96,008</u>
Total Cash Subject to Custodial Credit Risk	<u><u>\$ 2,787,050</u></u>

NOTE 4 - CAPITAL ASSETS

Capital assets are stated at cost. Donated capital assets are valued at their estimated fair market value on the date received. THP's capitalization policy includes real or personal property with a value equal to or greater than \$5,000 and has an estimated life of greater than three years. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. The following lives are used:

Buildings	40 years
Facilities and Site Improvements	15 – 25 years
Furniture, Vehicles, and Other Equipment	7 – 10 years
Telecommunications and IT Equipment	7 years

All land, improvements, and buildings of the Low Rent Housing Program are encumbered by a Declaration of Trust in favor of the United States of America as security for obligations guaranteed by the government and to protect other interests of the government.

Information on the Contributed Fixed Assets can be found in Note 6 below.

Texoma Housing Partners
Notes to Financial Statements (continued)
March 31, 2018

NOTE 4 - CAPITAL ASSETS (continued)

The following schedule summarizes the changes in capital assets for the current fiscal year:

	Balance March 31, 2017	Contributed Fixed Assets	Additions	Retirements	Balance March 31, 2018
Not Depreciated					
Land	\$ 54,252	\$ 114,241	\$ -	\$ -	\$ 168,493
Depreciable Capital Assets					
Buildings	21,147,055	1,261,864	174,150	-	22,583,069
Furnishings and Equipment	482,287	26,372	133,982	-	642,641
Site Improvements	7,218,718	188,252	-	-	7,406,970
Subtotal	28,848,060	1,476,488	308,132	-	30,632,680
Total Capital Assets	28,902,312	1,590,729	308,132	-	30,801,173
Accumulated Depreciation	(22,036,656)	(1,287,735)	(810,720)	-	(24,135,111)
Net Capital Assets	\$ 6,865,656	\$ 302,994	\$ (502,588)	\$ -	\$ 6,666,062

NOTE 5 – LONG-TERM DEBT

At March 31, 2018, THP is indebted to JPMorgan Chase Bank, N.A.(Chase) on a note which originated on July 17, 2002 in the amount of \$250,000 to finance the completion of construction on The Meadows (Chase Bank 5002). The note has been renewed and extended several times. The current note was renewed on April 2, 2014 in the original principal balance of \$84,460. It provides for monthly installments of \$1,526 and bears interest at the rate of 3.17% per annum. The note is secured by the certificate of deposit held at the institution. Although the final payment is scheduled for April 5, 2019, management has elected to report the entire balance as current.

A second note payable (Chase Bank 5015), was paid off during the current fiscal year. That note originated on August 27, 2013, in the original principal balance of \$112,500. Proceeds were used to purchase the Deer Run apartment complex.

A summary of the changes in short-term and long-term debt is presented below.

	Balance 3/31/17	Additions	Retirements & Reclassifications	Balance 3/31/18
Short-Term Debt				
Current Portion of Long-Term Debt	\$ 32,490	\$ 19,759	\$ (32,490)	\$ 19,759
Total Short-Term Debt	\$ 32,490	\$ 19,759	\$ (32,490)	\$ 19,759
Long-Term Debt				
Chase Bank 5002	\$ 37,133	\$ -	\$ (37,133)	\$ -
Chase Bank 5015	15,089	-	(15,089)	-
Less Current Portion	(32,490)	-	32,490	-
Total Long-Term Liabilities	\$ 19,732	\$ -	\$ (19,732)	\$ -

Texoma Housing Partners
Notes to Financial Statements (continued)
March 31, 2018

NOTE 6 – CONTRIBUTED CAPITAL

On April 1, 2018, Texoma Housing Partners welcomed the Housing Authority of the City of Leonard as its newest partner agency. This resulted in 50 additional dwelling units added to the housing stock of THP. THP recognized additional contributed capital of \$467,039, as a result of this transaction, comprised of \$302,994 in Net Position Invested in Fixed Assets and \$164,045 in Unrestricted Net Position.

NOTE 7 - RELATED PARTY TRANSACTIONS

Since inception, THP operated under a management contract with Texoma Council of Governments (TCOG). Under the terms of that contract, TCOG provided administrative services including management oversight, accounting and grant administration and compliance. The terms of that contract were such that either party could terminate at will with 30 days notice. During the fiscal year ended March 31, 2018, the Board of Directors of THP voted to terminate that contract effective August 31, 2017.

Prior to the termination, all THP staff members were employees of TCOG and they participated in the TCOG employee benefits package. As of September 1, 2017, all THP staff members became employees of Texoma Housing Partners. All THP employees were given credit for their years of service at TCOG. THP also adopted a benefits package which insured the employees were not adversely affected. Additionally, THP adopted a defined contribution retirement benefit plan and all employee vested and unvested accounts were transferred intact.

Amounts paid by THP to TCOG for administrative services during the year ended March 31, 2018 was \$842,686. Additionally, THP assumed the liability for accrued compensated absences for the employees who became employees of THP upon termination of the contract.

NOTE 8 - PENDING LITIGATION

As of March 31, 2018, there are no material lawsuits and claims pending or threatened against THP.

NOTE 9 – CONTINGENCIES

Compliance - THP is subject to possible examination made by federal authorities who determine compliance with terms, conditions, laws, and regulations governing grants given to the PHAs in the current and prior fiscal years. These examinations could result in required refunds by THP to federal grantors and/or program beneficiaries.

Risk Management - THP is exposed to various risks of loss relating to torts; theft of, damage to, and destruction of assets, errors and omissions; injuries to employees; and natural disasters. THP purchases commercial insurance and retains no risk of loss for these coverages. There have been no significant reductions in insurance coverage and no settlements have exceeded insurance coverage in the past three fiscal years.

Note 10 – Subsequent Events

On May 21, 2018 the Board of Commissioners approved a bid of \$254,793 for the Honey Grove Tri-Plex project. On November 14, 2018 the Executive Officers Committee approved a bid of \$485,000 for a window replacement project.

Texoma Housing Partners
Supplemental Schedule - Financial Data Schedules
Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit
Fiscal Year End: 03/31/2018

	TX038 Bonham	TX088 Ector	TX089 Bells	TX091 Pottsboro	TX092 Ladonia
111 Cash - Unrestricted	\$ 540,827	\$ 45,347	\$ 90,917	\$ 52,108	\$ 105,195
114 Cash - Tenant Security Deposits	13,807	850	1,550	1,362	1,250
125 Accounts Receivable - Miscellaneous	410	-	-	-	-
126 Accounts Receivable - Tenants	2,422	-	63	703	1,059
131 Investments - Unrestricted	96,008	-	-	-	-
142 Prepaid Expenses and Other Assets	13,428	1,414	2,828	1,414	2,828
150 Total Current Assets	666,902	47,611	95,358	55,587	110,332
161 Land	7,860	1,000	1,000	1,000	1,000
162 Buildings	7,165,967	417,158	577,056	298,820	1,071,844
164 Furniture & Equipment - Administration	642,641	-	-	-	-
165 Leasehold Improvements	1,330,947	111,868	251,450	342,838	305,544
166 Accumulated Depreciation	(7,018,842)	(455,830)	(676,229)	(545,234)	(1,200,622)
160 Total Capital Assets, Net of Depreciation	2,128,573	74,196	153,277	97,424	177,766
180 Total Non-Current Assets	2,128,573	74,196	153,277	97,424	177,766
200 Deferred Outflow of Resources	-	-	-	-	-
290 Total Assets and Deferred Outflow of Resources	\$ 2,795,475	\$ 121,807	\$ 248,635	\$ 153,011	\$ 288,098
312 Accounts Payable <= 90 Days	\$ 32,073	\$ 1,232	\$ 2,464	\$ 1,232	\$ 2,464
321 Accrued Wage/Payroll Taxes Payable	24,441	-	-	-	-
322 Accrued Compensated Absences	17,883	-	-	-	-
333 Accounts Payable - Other Government	11,868	1,914	2,256	2,716	2,434
341 Tenant Security Deposits	13,807	850	1,550	1,362	1,250
342 Unearned Revenue	2,092	86	1,313	71	108
348 Loan Liability - Current	19,759	-	-	-	-
310 Total Current Liabilities	121,923	4,082	7,583	5,381	6,256
300 Total Liabilities	121,923	4,082	7,583	5,381	6,256
400 Deferred Inflow of Resources	-	-	-	-	-
508.4 Net Investment in Capital Assets	2,108,814	74,196	153,277	97,424	177,766
512.4 Unrestricted Net Position	564,738	43,529	87,775	50,206	104,076
513 Total Equity - Net Assets / Position	2,673,552	117,725	241,052	147,630	281,842
600 Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 2,795,475	\$ 121,807	\$ 248,635	\$ 153,011	\$ 288,098

Texoma Housing Partners
Supplemental Schedule - Financial Data Schedules (Continued)
Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit
Fiscal Year End: 03/31/2018

	TX093 Honey Grove	TX097 Savoy	TX100 Leonard	TX107 Whitewright	TX108 Howe
111 Cash - Unrestricted	\$ 325,975	\$ 112,727	\$ 235,315	\$ 158,087	\$ 112,449
114 Cash - Tenant Security Deposits	4,940	2,300	4,342	2,325	2,025
125 Accounts Receivable - Miscellaneous	-	-	-	-	-
126 Accounts Receivable - Tenants	2,443	509	1,177	932	881
131 Investments - Unrestricted	-	-	-	-	-
142 Prepaid Expenses and Other Assets	9,190	3,535	6,363	4,242	2,828
150 Total Current Assets	342,548	119,071	247,197	165,586	118,183
161 Land	1,000	1,000	114,241	1,000	1,000
162 Buildings	2,540,035	472,558	1,391,863	1,409,490	490,617
164 Furniture & Equipment - Administration	-	-	-	-	-
165 Leasehold Improvements	812,610	725,482	188,252	439,002	514,989
166 Accumulated Depreciation	(2,710,542)	(986,362)	(1,284,431)	(1,495,459)	(854,716)
160 Total Capital Assets, Net of Depreciation	643,103	212,678	409,925	354,033	151,890
180 Total Non-Current Assets	643,103	212,678	409,925	354,033	151,890
200 Deferred Outflow of Resources	-	-	-	-	-
290 Total Assets and Deferred Outflow of Resources	\$ 985,651	\$ 331,749	\$ 657,122	\$ 519,619	\$ 270,073
312 Accounts Payable <= 90 Days	\$ 8,009	\$ 3,081	\$ 5,545	\$ 3,697	\$ 2,464
321 Accrued Wage/Payroll Taxes Payable	-	-	-	-	-
322 Accrued Compensated Absences	-	-	-	-	-
333 Accounts Payable - Other Government	10,379	4,063	20,999	5,328	2,109
341 Tenant Security Deposits	4,940	2,300	4,342	2,325	2,025
342 Unearned Revenue	1,750	711	655	585	175
348 Loan Liability - Current	-	-	-	-	-
310 Total Current Liabilities	25,078	10,155	31,541	11,935	6,773
300 Total Liabilities	25,078	10,155	31,541	11,935	6,773
400 Deferred Inflow of Resources	166,622	-	-	-	-
508.4 Net Investment in Capital Assets	643,103	212,678	409,925	354,033	151,890
512.4 Unrestricted Net Position	150,848	108,916	215,656	153,651	111,410
513 Total Equity - Net Assets / Position	793,951	321,594	625,581	507,684	263,300
600 Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 985,651	\$ 331,749	\$ 657,122	\$ 519,619	\$ 270,073

Texoma Housing Partners
Supplemental Schedule - Financial Data Schedules (Continued)
Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit
Fiscal Year End: 03/31/2018

	TX115 Tom Bean	TX126 Celeste	TX127 Trenton	TX132 Van Alstyne	TX133 Princeton
111 Cash - Unrestricted	\$ 100,590	\$ 128,255	\$ 67,546	\$ 108,442	\$ 82,725
114 Cash - Tenant Security Deposits	1,450	2,275	1,700	1,462	1,075
125 Accounts Receivable - Miscellaneous	-	-	-	-	-
126 Accounts Receivable - Tenants	359	896	43	331	452
131 Investments - Unrestricted	-	-	-	-	-
142 Prepaid Expenses and Other Assets	2,828	3,535	2,121	2,828	2,121
150 Total Current Assets	105,227	134,961	71,410	113,063	86,373
161 Land	1,000	1,000	1,000	1,000	1,000
162 Buildings	455,725	611,423	701,153	1,634,852	809,890
164 Furniture & Equipment - Administration	-	-	-	-	-
165 Leasehold Improvements	696,476	272,092	251,963	194,569	173,303
166 Accumulated Depreciation	(898,091)	(734,033)	(795,908)	(1,066,352)	(794,371)
160 Total Capital Assets, Net of Depreciation	255,110	150,482	158,208	764,069	189,822
180 Total Non-Current Assets	255,110	150,482	158,208	764,069	189,822
200 Deferred Outflow of Resources	-	-	-	-	-
290 Total Assets and Deferred Outflow of Resources	\$ 360,337	\$ 285,443	\$ 229,618	\$ 877,132	\$ 276,195
312 Accounts Payable <= 90 Days	\$ 2,464	\$ 3,081	\$ 1,848	\$ 2,464	\$ 1,848
321 Accrued Wage/Payroll Taxes Payable	-	-	-	-	-
322 Accrued Compensated Absences	-	-	-	-	-
333 Accounts Payable - Other Government	3,083	4,541	2,496	3,816	3,690
341 Tenant Security Deposits	1,450	2,275	1,700	1,462	1,075
342 Unearned Revenue	571	489	52	1,656	198
348 Loan Liability - Current	-	-	-	-	-
310 Total Current Liabilities	7,568	10,386	6,096	9,398	6,811
300 Total Liabilities	7,568	10,386	6,096	9,398	6,811
400 Deferred Inflow of Resources	-	-	-	-	-
508.4 Net Investment in Capital Assets	255,110	150,482	158,208	764,069	189,822
512.4 Unrestricted Net Position	97,659	124,575	65,314	103,665	79,562
513 Total Equity - Net Assets / Position	352,769	275,057	223,522	867,734	269,384
600 Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 360,337	\$ 285,443	\$ 229,618	\$ 877,132	\$ 276,195

Texoma Housing Partners
Supplemental Schedule - Financial Data Schedules (Continued)
Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit
Fiscal Year End: 03/31/2018

	TX139 Gunter	TX199 Tioga	TX220 Windom	TX221 Farmersville	TOTALS
111 Cash - Unrestricted	\$ 53,201	\$ 26,891	\$ 25,674	\$ 238,748	\$ 2,611,019
114 Cash - Tenant Security Deposits	1,000	625	625	3,027	47,990
125 Accounts Receivable - Miscellaneous	-	-	-	-	410
126 Accounts Receivable - Tenants	-	637	353	1,413	14,673
131 Investments - Unrestricted	-	-	-	-	96,008
142 Prepaid Expenses and Other Assets	1,414	707	707	6,363	70,694
150 Total Current Assets	55,615	28,860	27,359	249,551	2,840,794
161 Land	1,000	30,392	1,000	1,000	168,493
162 Buildings	550,895	45,771	166,116	1,771,836	22,583,069
164 Furniture & Equipment - Administration	-	-	-	-	642,641
165 Leasehold Improvements	147,614	89,619	88,472	469,880	7,406,970
166 Accumulated Depreciation	(566,853)	(87,417)	(212,815)	(1,751,004)	(24,135,111)
160 Total Capital Assets, Net of Depreciation	132,656	78,365	42,773	491,712	6,666,062
180 Total Non-Current Assets	132,656	78,365	42,773	491,712	6,666,062
200 Deferred Outflow of Resources	-	-	-	-	-
290 Total Assets and Deferred Outflow of Resources	\$ 188,271	\$ 107,225	\$ 70,132	\$ 741,263	\$ 9,506,856
312 Accounts Payable <= 90 Days	\$ 1,232	\$ 616	\$ 616	\$ 5,545	\$ 81,975
321 Accrued Wage/Payroll Taxes Payable	-	-	-	-	24,441
322 Accrued Compensated Absences	-	-	-	-	17,883
333 Accounts Payable - Other Government	3,853	1,285	700	11,547	99,077
341 Tenant Security Deposits	1,000	625	625	3,027	47,990
342 Unearned Revenue	46	386	59	1,089	12,092
348 Loan Liability - Current	-	-	-	-	19,759
310 Total Current Liabilities	6,131	2,912	2,000	21,208	303,217
300 Total Liabilities	6,131	2,912	2,000	21,208	303,217
400 Deferred Inflow of Resources	-	-	-	-	166,622
508.4 Net Investment in Capital Assets	132,656	78,365	42,773	491,712	6,646,303
512.4 Unrestricted Net Position	49,484	25,948	25,359	228,343	2,390,714
513 Total Equity - Net Assets / Position	182,140	104,313	68,132	720,055	9,037,017
600 Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 188,271	\$ 107,225	\$ 70,132	\$ 741,263	\$ 9,506,856

Texoma Housing Partners
Supplemental Schedule - Financial Data Schedules
Entity Wide Income Statement Summary

Submission Type: Audited/Single Audit
Fiscal Year End: 03/31/2018

	TX038 Bonham	TX088 Ector	TX089 Bells	TX091 Pottsboro	TX092 Ladonia
70300 Net Tenant Rental Revenue	\$ 382,701	\$ 19,444	\$ 25,178	\$ 32,217	\$ 41,888
70600 HUD PHA Operating Grants	386,838	41,542	76,468	46,342	90,766
71100 Investment Income - Unrestricted	2,662	-	-	-	-
71500 Other Revenue	22,636	210	541	213	524
70000 Total Revenue	794,837	61,196	102,187	78,772	133,178
91100 Administrative Salaries	81,735	8,604	17,207	8,604	17,207
91200 Auditing Fees	3,372	355	710	355	710
91400 Advertising and Marketing	723	76	152	76	152
91500 Employee Benefits - Administrative	34,032	3,582	7,165	3,582	7,165
91600 Office Expenses	8,002	842	1,685	842	1,685
91700 Legal Expense	-	-	-	-	-
91800 Travel	4,454	469	937	469	938
91810 Allocated Overhead	36,382	3,830	7,659	3,830	7,659
91900 Other	45,745	4,935	9,867	4,934	9,869
91000 Total Operating - Administrative	214,445	22,693	45,382	22,692	45,385
92500 Total Tenant Services	8,997	947	1,893	947	1,894
93100 Water	63,337	-	529	2,257	11,083
93200 Electricity	75,079	304	373	666	1,436
93300 Gas	3,280	-	527	184	540
93400 Fuel	-	-	-	-	-
93600 Sewer	28,672	-	274	1,847	4,494
93000 Total Utilities	170,368	304	1,703	4,954	17,553
94100 Ordinary Maintenance - Labor	102,465	10,786	21,574	10,786	21,571
94200 Ordinary Maintenance - Materials	65,751	4,645	9,739	6,943	14,268
94300 Ordinary Maintenance Contracts	57,969	6,102	12,204	6,402	12,204
94500 Employee Benefits - Maintenance	42,041	4,425	8,851	4,425	8,851
94000 Total Maintenance	268,226	25,958	52,368	28,556	56,894
95200 Protective Services	798	84	168	84	768
96110 Property Insurance	20,410	2,149	4,297	2,148	4,297
96300 Payments in Lieu of Taxes	11,868	1,914	2,256	2,716	2,433
96400 Bad debt - Tenant Rents	5,766	-	916	240	-
96710 Interest of Mortgage (or Bonds) Payable	1,261	-	-	-	-
97200 Casualty Losses - Non-capitalized	-	-	-	-	-
97400 Depreciation Expense	293,789	13,943	23,557	20,562	17,441
90000 Total Expenses	995,928	67,992	132,540	82,899	146,665
10000 Excess Revenues Over (Under) Expenses	\$ (201,091)	\$ (6,796)	\$ (30,353)	\$ (4,127)	\$ (13,487)
11020 Required Annual Debt Principal Payments	\$ 32,467	\$ -	\$ -	\$ -	\$ -
11030 Beginning Equity	2,775,782	129,479	253,575	169,220	296,364
11040 Prior Period Adjustments & Equity Transfers	98,859	(4,958)	17,830	(17,463)	(1,035)

Texoma Housing Partners
Supplemental Schedule - Financial Data Schedules (Continued)
Entity Wide Income Statement Summary

Submission Type: Audited/Single Audit
Fiscal Year End: 03/31/2018

	TX093 Honey Grove	TX097 Savoy	TX100 Leonard	TX107 Whitewright	TX108 Howe
70300 Net Tenant Rental Revenue	\$ 129,208	\$ 42,284	\$ 121,988	\$ 77,688	\$ 48,765
70600 HUD PHA Operating Grants	274,018	89,180	135,811	130,404	89,920
71100 Investment Income - Unrestricted	-	-	-	-	-
71500 Other Revenue	8,439	57,971	2,050	1,376	358
70000 Total Revenue	411,665	189,435	259,849	209,468	139,043
91100 Administrative Salaries	55,924	21,509	38,716	25,811	17,207
91200 Auditing Fees	2,307	887	1,597	1,065	710
91400 Advertising and Marketing	495	190	343	228	152
91500 Employee Benefits - Administrative	23,285	8,956	16,121	10,747	7,165
91600 Office Expenses	5,475	2,106	3,790	2,527	1,685
91700 Legal Expense	-	-	-	-	-
91800 Travel	3,047	1,172	2,110	1,406	938
91810 Allocated Overhead	24,893	9,574	17,233	11,489	7,659
91900 Other	32,071	12,335	22,203	14,804	10,319
91000 Total Operating - Administrative	147,497	56,729	102,113	68,077	45,835
92500 Total Tenant Services	6,156	2,368	4,262	2,841	1,894
93100 Water	12,812	-	6,000	12,662	12,771
93200 Electricity	2,174	1,523	3,545	799	649
93300 Gas	1,566	-	788	350	768
93400 Fuel	-	-	-	-	-
93600 Sewer	8,735	-	5,295	10,594	13,785
93000 Total Utilities	25,287	1,523	15,628	24,405	27,973
94100 Ordinary Maintenance - Labor	70,107	26,964	48,536	32,357	21,571
94200 Ordinary Maintenance - Materials	42,805	11,557	28,845	19,492	12,131
94300 Ordinary Maintenance Contracts	39,663	15,255	27,459	18,306	12,990
94500 Employee Benefits - Maintenance	28,765	11,064	19,914	13,276	8,851
94000 Total Maintenance	181,340	64,840	124,754	83,431	55,543
95200 Protective Services	1,146	210	378	252	168
96110 Property Insurance	13,965	5,371	9,668	6,445	4,297
96300 Payments in Lieu of Taxes	10,379	4,063	10,628	5,328	2,109
96400 Bad debt - Tenant Rents	1,661	130	336	-	512
96710 Interest of Mortgage (or Bonds) Payable	-	-	-	-	-
97200 Casualty Losses - Non-capitalized	6,750	55,555	-	-	-
97400 Depreciation Expense	79,734	34,198	21,667	48,815	21,958
90000 Total Expenses	473,915	224,987	289,434	239,594	160,289
10000 Excess Revenues Over (Under) Expenses	\$ (62,250)	\$ (35,552)	\$ (29,585)	\$ (30,126)	\$ (21,246)
11020 Required Annual Debt Principal Payments	\$ -	\$ -	\$ -	\$ -	\$ -
11030 Beginning Equity	1,047,584	349,479	485,245	533,691	285,508
11040 Prior Period Adjustments & Equity Transfers	(191,383)	7,667	169,921	4,119	(962)

Texoma Housing Partners
Supplemental Schedule - Financial Data Schedules (Continued)
Entity Wide Income Statement Summary

Submission Type: Audited/Single Audit
Fiscal Year End: 03/31/2018

	TX115 Tom Bean	TX126 Celeste	TX127 Trenton	TX132 Van Alstyne	TX133 Princeton
70300 Net Tenant Rental Revenue	\$ 42,777	\$ 61,375	\$ 25,759	\$ 51,893	\$ 52,731
70600 HUD PHA Operating Grants	76,785	108,419	65,819	72,450	60,374
71100 Investment Income - Unrestricted	-	-	-	-	-
71500 Other Revenue	453	506	498	432	330
70000 Total Revenue	120,015	170,300	92,076	124,775	113,435
91100 Administrative Salaries	17,207	21,509	12,905	17,207	12,905
91200 Auditing Fees	710	888	533	710	532
91400 Advertising and Marketing	152	190	114	152	114
91500 Employee Benefits - Administrative	7,165	8,956	5,374	7,165	5,374
91600 Office Expenses	1,685	2,106	1,263	1,685	1,263
91700 Legal Expense	155	-	-	-	-
91800 Travel	938	1,172	703	938	703
91810 Allocated Overhead	7,659	9,574	5,744	7,659	5,744
91900 Other	9,868	12,335	7,401	9,867	7,401
91000 Total Operating - Administrative	45,539	56,730	34,037	45,383	34,036
92500 Total Tenant Services	1,894	2,368	1,421	1,894	1,421
93100 Water	5,986	8,053	-	7,262	8,182
93200 Electricity	780	703	469	578	545
93300 Gas	264	-	92	277	131
93400 Fuel	-	-	-	-	6,966
93600 Sewer	3,632	7,206	8	5,617	-
93000 Total Utilities	10,662	15,962	569	13,734	15,824
94100 Ordinary Maintenance - Labor	21,571	26,964	16,179	21,571	16,179
94200 Ordinary Maintenance - Materials	11,702	16,212	7,027	16,795	8,483
94300 Ordinary Maintenance Contracts	12,204	15,255	9,153	12,204	9,153
94500 Employee Benefits - Maintenance	8,851	11,064	6,638	8,851	6,638
94000 Total Maintenance	54,328	69,495	38,997	59,421	40,453
95200 Protective Services	168	210	126	168	126
96110 Property Insurance	4,297	5,371	3,223	4,297	3,223
96300 Payments in Lieu of Taxes	3,083	4,541	2,496	3,816	3,689
96400 Bad debt - Tenant Rents	1,285	-	227	-	14
96710 Interest of Mortgage (or Bonds) Payable	-	-	-	-	-
97200 Casualty Losses - Non-capitalized	-	-	-	-	-
97400 Depreciation Expense	28,930	20,014	26,182	37,133	32,828
90000 Total Expenses	150,186	174,691	107,278	165,846	131,614
10000 Excess Revenues Over (Under) Expenses	\$ (30,171)	\$ (4,391)	\$ (15,202)	\$ (41,071)	\$ (18,179)
11020 Required Annual Debt Principal Payments	\$ -	\$ -	\$ -	\$ -	\$ -
11030 Beginning Equity	377,129	287,498	253,800	894,042	297,445
11040 Prior Period Adjustments & Equity Transfers	5,811	(8,050)	(15,076)	14,763	(9,882)

Texoma Housing Partners
Supplemental Schedule - Financial Data Schedules (Continued)
Entity Wide Income Statement Summary

Submission Type: Audited/Single Audit
Fiscal Year End: 03/31/2018

	TX139 Gunter	TX199 Tioga	TX220 Windom	TX221 Farmersville	TOTALS
70300 Net Tenant Rental Revenue	\$ 41,935	\$ 16,781	\$ 10,412	\$ 139,486	\$ 1,364,510
70600 HUD PHA Operating Grants	42,390	25,038	19,994	193,849	2,026,407
71100 Investment Income - Unrestricted	-	-	-	-	2,662
71500 Other Revenue	343	126	662	2,165	99,833
70000 Total Revenue	84,668	41,945	31,068	335,500	3,493,412
91100 Administrative Salaries	8,604	4,302	4,302	38,716	430,181
91200 Auditing Fees	355	178	178	1,597	17,749
91400 Advertising and Marketing	76	38	38	343	3,804
91500 Employee Benefits - Administrative	3,582	1,791	1,791	16,121	179,119
91600 Office Expenses	842	421	421	3,790	42,115
91700 Legal Expense	-	-	-	-	155
91800 Travel	469	234	234	2,109	23,440
91810 Allocated Overhead	3,830	1,915	1,915	17,233	191,481
91900 Other	4,934	2,467	2,467	22,202	246,024
91000 Total Operating - Administrative	22,692	11,346	11,346	102,111	1,134,068
92500 Total Tenant Services	947	473	473	4,262	47,352
93100 Water	1,960	2,588	2,374	11,744	169,600
93200 Electricity	58	152	-	1,213	91,046
93300 Gas	185	-	343	251	9,546
93400 Fuel	-	-	-	-	6,966
93600 Sewer	1,208	1,412	690	10,595	104,064
93000 Total Utilities	3,411	4,152	3,407	23,803	381,222
94100 Ordinary Maintenance - Labor	10,786	5,393	5,393	48,536	539,289
94200 Ordinary Maintenance - Materials	6,868	3,091	3,787	35,624	325,765
94300 Ordinary Maintenance Contracts	6,227	3,051	3,051	27,459	306,311
94500 Employee Benefits - Maintenance	4,425	2,213	2,213	19,914	221,270
94000 Total Maintenance	28,306	13,748	14,444	131,533	1,392,635
95200 Protective Services	84	42	42	378	5,400
96110 Property Insurance	2,148	1,074	1,074	9,668	107,422
96300 Payments in Lieu of Taxes	3,852	1,285	700	11,547	88,703
96400 Bad debt - Tenant Rents	-	97	-	215	11,399
96710 Interest of Mortgage (or Bonds) Payable	-	-	-	-	1,261
97200 Casualty Losses - Non-capitalized	-	-	-	-	62,305
97400 Depreciation Expense	13,886	3,784	7,655	64,644	810,720
90000 Total Expenses	75,326	36,001	39,141	348,161	4,042,487
10000 Excess Revenues Over (Under) Expenses	\$ 9,342	\$ 5,944	\$ (8,073)	\$ (12,661)	\$ (549,075)
11020 Required Annual Debt Principal Payments	\$ -	\$ -	\$ -	\$ -	\$ 32,467
11030 Beginning Equity	204,229	111,828	78,368	774,032	9,604,298
11040 Prior Period Adjustments & Equity Transfers	(31,431)	(13,459)	(2,163)	(41,316)	(18,208)

McClanahan and Holmes, LLP

CERTIFIED PUBLIC ACCOUNTANTS

STEVEN W. MOHUNDRO, CPA
GEORGE H. STRUVE, CPA
ANDREW B. REICH, CPA
RUSSELL P. WOOD, CPA
DEBRA J. WILDER, CPA
TEFFANY A. KAVANAUGH, CPA
APRIL J. HATFIELD, CPA

228 SIXTH STREET S.E.
PARIS, TEXAS 75460
903-784-4316
FAX 903-784-4310

304 WEST CHESTNUT
DENISON, TEXAS 75020
903-465-6070
FAX 903-465-6093

1400 WEST RUSSELL
BONHAM, TEXAS 75418
903-583-5574
FAX 903-583-9453

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 Directors
Texoma Housing Partners
Bonham, Texas

Regional Inspector General for Audit
U.S. Department of Housing and
Urban Development

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 of Texoma Housing Partners as of and for the year ended March 31, 2018, and the related notes to the financial statements, which collectively comprise Texoma Housing Partners' basic financial statements, and have issued our report thereon dated December 13, 2018.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Texoma Housing Partners' internal control over financial reporting (internal control) to determine the 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 Texoma Housing Partners' internal control. Accordingly, we do not express an opinion on the effectiveness of Texoma Housing Partners' 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Texoma Housing Partners' 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 determination of financial statement amounts. 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*.

Board of Directors
Texoma Housing Partners
Bonham, Texas

Purpose of this Report

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

McClanahan and Holmes, LLP
Certified Public Accountants

Bonham, Texas
December 13, 2018

McClanahan and Holmes, LLP

CERTIFIED PUBLIC ACCOUNTANTS

STEVEN W. MOHUNDRO, CPA
GEORGE H. STRUVE, CPA
ANDREW B. REICH, CPA
RUSSELL P. WOOD, CPA
DEBRA J. WILDER, CPA
TEFFANY A. KAVANAUGH, CPA
APRIL J. HATFIELD, CPA

228 SIXTH STREET S.E.
PARIS, TEXAS 75460
903-784-4316
FAX 903-784-4310

304 WEST CHESTNUT
DENISON, TEXAS 75020
903-465-6070
FAX 903-465-6093

1400 WEST RUSSELL
BONHAM, TEXAS 75418
903-583-5574
FAX 903-583-9453

Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance

Board of Directors
Texoma Housing Partners
Bonham, Texas

Regional Inspector General for Audit
U.S. Department of Housing and
Urban Development

Report on Compliance for Each Major Federal Program

We have audited Texoma Housing Partners' compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on Texoma Housing Partners' major federal program for the year ended March 31, 2018. Texoma Housing Partners' major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for Texoma Housing Partners' major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Texoma Housing Partners' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Texoma Housing Partners' compliance.

Opinion on Each Major Federal Program

In our opinion, Texoma Housing Partners complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended March 31, 2018.

Board of Directors
Texoma Housing Partners
Bonham, Texas

Report on Internal Control over Compliance

Management of Texoma Housing Partners is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Texoma Housing Partners' internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Texoma Housing Partners' internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.

McClanahan and Holmes, LLP
Certified Public Accountants

Bonham, Texas
December 13, 2018

**Texoma Housing Partners
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended March 31, 2018**

	<u>Yes</u>	<u>No</u>
Section I - Summary of Auditor's Results		
<i>Financial Statements</i>		
Type of auditor's report issued: <u>Unmodified</u>		
Internal control over financial reporting:		
Material weakness identified?		X
Significant deficiencies identified that are not considered to be material weaknesses?		X
Noncompliance material to financial statements?		X
<i>Federal Awards</i>		
Internal control over financial reporting:		
Material weakness identified?		X
Significant deficiencies identified that are not considered to be material weaknesses?		X
Type of auditor's report issued on compliance with major programs: <u>Unmodified</u>		
Any audit findings that are required to be reported in accordance with 2 CFR 200.516(a)?		X
Identification of major programs:		
CFDA #14.872 Public Housing Capital Fund Program		
Dollar threshold used to distinguish between Type A and B programs: \$750,000		
Auditee qualified as low-risk auditee?	X	
Section II – Findings Related to the Financial Statements Which are Required to be Reported in Accordance with Generally Accepted Government Auditing Standards		
Prior Year		X
Current Year		X
Section III – Findings and Questioned Costs for Awards Including Audit Findings		
Prior Year		X
Current Year		X

**Texoma Housing Partners
Summary Schedule of Prior Audit Findings
For the Fiscal Year Ended March 31, 2018**

None.

Texoma Housing Partners
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended March 31, 2018

<u>Federal Grantor/Program Title</u>	<u>Housing Authority</u>	<u>CFDA Number</u>	<u>Grant I.D.</u>	<u>Program Expenditures</u>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Direct Programs				
Public and Indian Housing				
Operating Subsidy	Bells	14.850	TX08900000116D	\$ 55,412
Operating Subsidy	Bonham	14.850	TX03800000116D	270,931
Operating Subsidy	Celeste	14.850	TX12600000116D	83,445
Operating Subsidy	Ector	14.850	TX08800000116D	28,664
Operating Subsidy	Farmersville	14.850	TX22100000116D	145,922
Operating Subsidy	Gunter	14.850	TX13900000116D	28,717
Operating Subsidy	Honey Grove	14.850	TX09300000116D	194,678
Operating Subsidy	Howe	14.850	TX10800000116D	67,225
Operating Subsidy	Ladonia	14.850	TX09200000116D	66,988
Operating Subsidy	Leonard	14.850	TX10000000116D	83,432
Operating Subsidy	Pottsboro	14.850	TX09100000116D	31,732
Operating Subsidy	Princeton	14.850	TX13300000116D	44,515
Operating Subsidy	Savoy	14.850	TX09700000116D	61,274
Operating Subsidy	Tioga	14.850	TX19900000116D	19,091
Operating Subsidy	Tom Bean	14.850	TX11500000116D	56,322
Operating Subsidy	Trenton	14.850	TX12700000116D	45,607
Operating Subsidy	Van Alstyne	14.850	TX13200000116D	48,178
Operating Subsidy	Whitewright	14.850	TX10700000116D	96,314
Operating Subsidy	Windom	14.850	TX22000000116D	13,049
Total Public and Indian Housing				<u>1,441,496</u>
Public Housing Capital Fund				
Capital Fund Program	Bells	14.872	TX21P08950115	21,057
Capital Fund Program	Bonham	14.872	TX21P03850115	115,906
Capital Fund Program	Celeste	14.872	TX21P12650015	24,974
Capital Fund Program	Ector	14.872	TX21P08850115	12,878
Capital Fund Program	Farmersville	14.872	TX21P22150115	47,927
Capital Fund Program	Gunter	14.872	TX21P13950115	13,673
Capital Fund Program	Honey Grove	14.872	TX21P09350015	79,340
Capital Fund Program	Howe	14.872	TX21P10850115	22,695
Capital Fund Program	Ladonia	14.872	TX21P09250115	23,778
Capital Fund Program	Leonard	14.872	TX21P10050115	52,379
Capital Fund Program	Pottsboro	14.872	TX21P09150115	14,610
Capital Fund Program	Princeton	14.872	TX21P13350115	15,859
Capital Fund Program	Savoy	14.872	TX21P09750115	27,906
Capital Fund Program	Tioga	14.872	TX21P19950115	5,947
Capital Fund Program	Tom Bean	14.872	TX21P11550115	20,463
Capital Fund Program	Trenton	14.872	TX21P12750115	20,212
Capital Fund Program	Van Alstyne	14.872	TX21P13250115	24,272
Capital Fund Program	Whitewright	14.872	TX21P10750115	34,090
Capital Fund Program	Windom	14.872	TX21P22050115	6,945
Total Public Housing Capital Fund				<u>584,911</u>
Total U.S. Department of Housing and Urban Development				<u>\$ 2,026,407</u>

The accompanying notes are an integral part of this financial statement.

Texoma Housing Partners
Notes on Accounting Policies for Federal Awards
Year Ended March 31, 2018

Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Texoma Housing Partners under programs of the federal government for the fiscal year ended March 31, 2018. 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 Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Texoma Housing Partners, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Texoma Housing Partners.

Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

Indirect Cost Rate

Texoma Housing Partners has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Noncash Awards

During the year, federal awards did not include non-cash assistance.