

HUNTSVILLE HOUSING AUTHORITY
Huntsville, Alabama

FINANCIAL STATEMENTS
March 31, 2012

TABLE OF CONTENTS

	PAGE
INDEPENDENT AUDITOR’S REPORT	1
REQUIRED SUPPLEMENTAL INFORMATION	
Management’s Discussion and Analysis (MD&A)	3
FINANCIAL STATEMENTS	13
Statement of Net Assets	14
Statement of Revenue, Expenses and Changes in Net Assets	15
Statement of Cash Flows	16
Notes to Financial Statements	17
SUPPLEMENTAL INFORMATION	25
Financial Data Schedules:	
Entity-Wide Balance Sheet Summary	26
Entity-Wide Revenue and Expense Summary	28
Project Balance Sheet Summary	30
Project Revenue and Expense Summary	32
Statement and Certificate of Program Costs – Capital Fund Program	34
Schedule of Closed Grants	35
SINGLE AUDIT REPORT	36
Independent Auditor’s 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>	37
Independent Auditor’s Report on Compliance with Requirements that Could Have A Direct and Material Effect on Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133	39
Schedule of Expenditures of Federal Awards	41
Notes to Schedule of Expenditures of Federal Awards	42
Schedule of Findings and Questioned Costs	43
Schedule of Prior Year Findings and Questioned Costs	45



CliftonLarsonAllen

Independent Auditor's Report

Board of Commissioners
Huntsville Housing Authority
Huntsville, Alabama

We have audited the accompanying statement of net assets of the Huntsville Housing Authority (the Authority) as of March 31, 2012, and the related statements of revenue, expenses and changes in net assets, and cash flows for the year then ended. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of March 31, 2012, and the changes in its financial position and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 20, 2012, 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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 12 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. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The Financial Data Schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

CliftonLarsonAllen LLP

Baltimore, Maryland
August 20, 2012

**HUNTSVILLE HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
March 31, 2012**

Huntsville Housing Authority's (the Authority) Management's Discussion and Analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Authority's financial activity, (c) identify changes in the Authority's financial position, and (d) identify individual fund issues or concerns.

Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current years activities, resulting changes, and currently known facts, please read it in conjunction with the Authority's financial statements (beginning on page 13).

FINANCIAL HIGHLIGHTS

- The Authority's net assets were \$38.2 million for 2012 and \$38.5 million for 2011, a \$0.3 million decrease from 2011.
- The Authority's revenues decreased by \$8.1 million during 2012, and were \$23.0 million and \$31.1 million for 2012 and 2011, respectively.
- The total expenses of all Authority programs increased from \$22.1 million to \$23.1 million, for a total increase of \$1 million.

Entity-Wide Financial Statements

The entity-wide financial statements (see pages 14 - 16) are designed to be corporate-like in that all business-type activities are consolidated into columns which add to a total for the entire Authority.

Statement of Net Assets

These statements include a Statement of Net Assets, which is similar to a Balance Sheet. The Statement of Net Assets reports all financial and capital resources for the Authority. The statement is presented in the format where assets, minus liabilities, equals "Net Assets," formerly known as equity. Assets and liabilities are presented in order of liquidity, and are classified as "Current" (convertible into cash within one year), and "Non-current."

The focus of the Statement of Net Assets (the "Unrestricted Net Assets") is designed to represent the net available liquid (non-capital) assets, net of liabilities, for the entire Authority.

Statement of Revenues, Expenses, and Changes in Fund Net Assets

The entity-wide financial statements also include a Statement of Revenue, Expenses and Changes in Fund Net Assets (similar to an Income Statement). This statement includes Operating Revenues, such as rental income, Operating Expenses, such as administrative, utilities, maintenance, and depreciation, and Non-Operating Revenue and Expenses, such as investment income and interest expense.

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

**HUNTSVILLE HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
March 31, 2012**

Statement of Cash Flows

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

Notes to the Financial Statements

In addition to the entity-wide financial statements, the Authority is required to disclose certain information in the Notes to the Financial Statements. Notes to the Financial Statements provide additional information essential to a complete understanding of the data provided. These notes give a greater understanding of the overall activity of the Authority. They explain how values are assigned to certain assets and liabilities and the longevity of these values. In addition, notes reflect the impact (if any) of any uncertainties the Authority may face.

Fund Financial Statements

The Authority is accounted for as an Enterprise Fund. Enterprise funds utilize the full accrual basis of accounting. The enterprise method of accounting is similar to accounting utilized by the private sector.

Many of the programs maintained by the Authority are required by the Department of Housing and Urban Development (HUD). Others are segregated to enhance accountability and control.

The Authority's Programs

Conventional Public Housing – Under the Conventional Public Housing Program, the Authority rents units that it owns to low-income households. The Conventional Public Housing Program is operated under an Annual Contributions Contract (ACC) with HUD, and HUD provides Operating Subsidy and Capital Grant funding to enable the PHA to provide the housing at a rent that is based upon 30% of household income. The Conventional Public Housing Program also includes the Capital Fund Program, which is the primary funding source for physical and management improvements to the Authority's properties.

Housing Choice Voucher Program – Under the Housing Choice Voucher Program, the Authority administers contracts with independent landlords that own the property. The Authority subsidizes the family's rent through a Housing Assistance Payment made to the landlord. The program is administered under an Annual Contributions Contract (ACC) with HUD. HUD provides Annual Contributions Funding to enable the Authority to structure a lease that sets the participants' rent at 30% of household income.

American Recovery and Reinvestment Act (ARRA) Grants – During the fiscal year ended 3/31/2010, the Authority received three grants funded by ARRA (stimulus funding) as follows:

1. Capital Fund Recovery Competitive (CFRC) – The Authority received a grant totaling \$5,953,200 to assist in the financing of Gateway Place, an 86-unit state-of-the-art senior facility. During the previous fiscal year, the Authority expended \$5,503,484 of the total grant amount. During the current year, \$249,716 was expensed, with \$200,000 remaining.

**HUNTSVILLE HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
March 31, 2012**

2. Capital Fund Recovery Grant (CFRG) – The Authority received a grant totaling \$4,093,829 to fund modernization activities at various developments. Approximately \$1 million was expended during the fiscal year ended 3/31/2010, and approximately \$2 million was expended during the previous fiscal year, with the remainder of approximately \$1 million expended during the current fiscal year.
3. Alabama Housing Finance Authority (AHFA) – Section 1602 Exchange Funds – The Authority received a grant from AHFA totaling \$9,795,250 for a tax credit award for Gateway Place. During the previous fiscal year, \$3,265,411 was expended, with the balance of \$6,529,839 expended during the current fiscal year.

Neighborhood Stabilization Program (NSP) - The Authority was awarded a pass-through grant from the Alabama Department of Economic and Community Affairs (ADECA) totaling \$3.8 million. Approximately \$1.1 million was expended during the fiscal year ended 3/31/2010. Approximately \$2.4 million was expended during the previous fiscal year. Approximately \$.2 million was expended during the current fiscal year.

Other Programs – In addition to the major programs above, the Authority also maintains the following non-major programs.

Resident Opportunities and Self-Sufficiency Grant – a grant program funded by the Department of Housing and Urban Development that encourages self-sufficiency among the Authority's resident population.

Shelter Plus Care – In 2005, the Authority assumed a Shelter Plus Grant from the City of Huntsville. This grant provides funding to house 42 homeless and mentally ill participants. The Authority also receives a small Shelter Plus Grant to house an additional 8 homeless families.

Other Federal Programs – This year the Authority continued its participation in the Disaster Voucher Program (DVP). This program was created to provide housing assistance to those who lost their homes in the Hurricanes Katrina and Rita disaster areas. This program is expected to be closed in the near future.

Central Office Cost Center (COCC) – As part of its conversion to Asset Management, the Authority established the COCC to manage and oversee the operations of the Public Housing Developments, Housing Choice Voucher Program, and other grant programs. Utilizing a "fee for service" approach, the COCC recognizes revenues through management and service fees charged to the other programs. Management fees cannot exceed the "safe harbor" amount established by HUD.

HOME Funds – The City of Huntsville awarded a \$500,000 grant to HHA toward the construction of the Gateway development. In the prior fiscal year, \$321,346 was expended from this grant source. The remaining \$178,654 was expended during the current fiscal year.

**HUNTSVILLE HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
March 31, 2012**

AUTHORITY-WIDE STATEMENTS

The following table reflects the condensed Statement of Net Assets compared to prior year. The Authority is engaged only in Business-Type Activities.

**Table 1
Statements of Net Assets**

	2012 (in millions of dollars)	2011 (in millions of dollars)	Variance
Assets			
Current and restricted assets	\$ 12.5	\$ 11.3	\$ 1.2
Non-current assets	<u>39.1</u>	<u>34.7</u>	<u>4.4</u>
Total assets	<u>51.6</u>	<u>46.0</u>	<u>5.6</u>
Liabilities			
Current liabilities	2.3	2.2	0.1
Non-current liabilities	<u>11.1</u>	<u>5.3</u>	<u>5.8</u>
Total liabilities	<u>13.4</u>	<u>7.5</u>	<u>5.9</u>
Net assets			
Invested in capital assets:			
Net of related debt	28.8	29.1	(0.3)
Restricted net assets	1.2	1.0	0.2
Unrestricted net assets	<u>8.2</u>	<u>8.4</u>	<u>(0.2)</u>
Total net assets	<u>\$ 38.2</u>	<u>\$ 38.5</u>	<u>\$ (0.3)</u>

For more detailed information see page 14 for the Statement of Net Assets.

Major Factors Affecting the Statement of Net Assets

As illustrated in the condensed Statement of Net Assets, the overall Net Assets of the Authority had a decrease of \$.3 million to \$38.2 million. "Invested in Capital Assets, Net of Related Debt" decreased by \$.3 million. This change in Capital Assets is explained in the section Capital Assets and Debt Administration found on Pages 9 – 10 of this report. Unrestricted Net Assets decreased by \$.2 million. Restricted Net Assets increased by \$.2 million.

Below is a brief explanation of significant changes in various accounts relative to the Statement of Net Assets.

Current and restricted assets increased by \$1.2 million. The major source of this change is restricted cash, which increased due to the establishment of reserve accounts for Gateway Place (Huntsville Senior Apartments, LP) in the amount of \$980,243. There was also an increase in the HCV and VASH Restricted Assets of \$271,548. This increase resulted from non-expended Housing Assistance Payments (HAP) funding. Non-current assets increased by

**HUNTSVILLE HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
March 31, 2012**

\$4.4 million. Capital assets, net of depreciation, increased by \$4.2 million and is explained in tables 3 and 4 on page 9.

There was a minimal increase of \$.1 million in current liabilities from the prior year. Non-current liabilities increased by \$5.8 million. This increase is due to the loan liability to AHFA on the Gateway Project increasing by \$6,529,971, with an offsetting decrease of \$765,000 in the CFFP bond debt.

A breakdown of assets, liabilities, and equity by program can be found in the supplemental information on Pages 26 - 33.

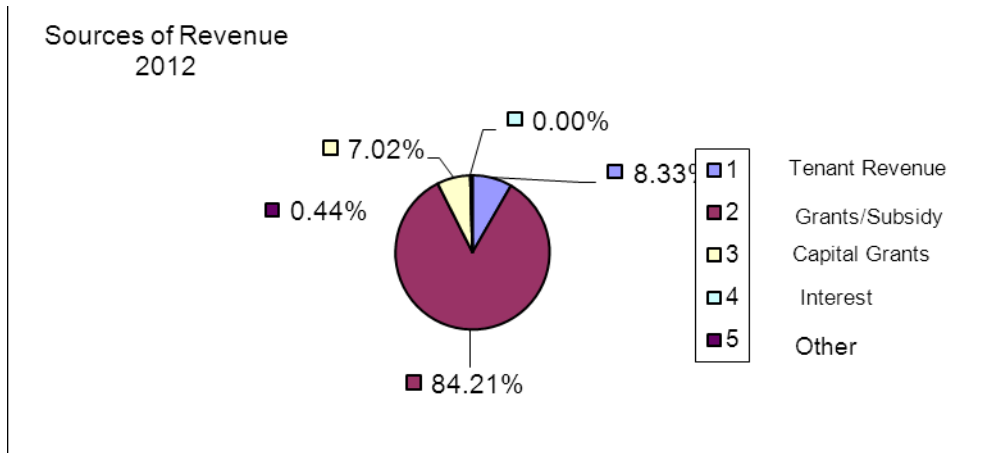
Table 2 compares the revenues and expenses for the current year and previous fiscal year. The Authority is engaged only in Business-Type Activities.

**Table 2
Statement of Revenues, Expenses and Changes in Net Assets**

	2012 (in millions of dollars)	2011 (in millions of dollars)	Variance
Revenues			
Tenant revenue	\$ 1.9	\$ 1.9	\$ -
Program grants and subsidies	19.2	26.9	(7.7)
Capital grants	1.6	2.0	(0.4)
Other income	<u>0.3</u>	<u>0.3</u>	<u>-</u>
Total revenues	<u>23.0</u>	<u>31.1</u>	<u>(8.1)</u>
Expenses			
Administrative	5.0	4.1	0.9
Tenant services	0.8	0.8	-
Utilities	1.2	1.3	(0.1)
Maintenance	3.6	3.5	0.1
Protective services	0.4	0.4	-
General expenses	0.6	0.6	-
Housing assistance payments	8.5	8.3	0.2
Other expenses	0.4	0.6	(0.2)
Depreciation	<u>2.8</u>	<u>2.5</u>	<u>0.3</u>
Total expenses	<u>23.3</u>	<u>22.1</u>	<u>1.2</u>
Net increase (decrease)	(0.3)	9.0	(9.3)
Beginning net assets	<u>38.5</u>	<u>29.5</u>	<u>9.0</u>
Ending net assets	<u>\$ 38.2</u>	<u>\$ 38.5</u>	<u>\$ (0.3)</u>

**HUNTSVILLE HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
March 31, 2012**

The pie chart below illustrates revenues by funding source. Please note that 84% of funding is derived from grants and subsidy payments from HUD.



MAJOR FACTORS AFFECTING THE STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS

Operating subsidy/grants decreased by \$7.7 million, from \$26.9 million to \$19.2 million. This decrease is due to a \$351,322 decrease in public housing operating subsidy, a decrease of \$5,253,768 in ARRA Capital Fund Stimulus, and a decrease of \$2,251,349 in NSP funding. The decreases in the ARRA and NSP grants are because these grants are nearing the end and fewer funds are available.

Capital Grant Revenue decreased from \$2 million to \$1.6 million. This decrease is due to the expenditure of the ARRA Capital Fund Stimulus Grant for roofing and windows at various projects. The amount expended during the current fiscal year is \$1 million less than the prior fiscal year. There was an increase of \$.6 million in the CFP grants. Of this amount, \$.2 million was related to development activities. The remaining \$.4 million was for various contracts at multiple sites.

Total expenses increased by \$1.2 million, from \$22.1 million to \$23.3 million. A breakdown of revenues and expenses by program can be found on Pages 28 and 29 of the supplemental information. The major source of this increase is in administrative expenses, which had an overall increase of \$.9 million. This increase was due to many factors including the following: (1) the addition of two positions which were not funded in 3/31/2011, the Director of Housing Operations and the Community Relations Manager, (2) hiring of consultants to complete a salary comparability study and to evaluate the intake process for Public Housing, (3) the purchase of a Family Self Sufficiency software package to aid personnel in monitoring its objectives in meeting FSS goals, and (4) expenditures incurred due to the completion of the Gateway Place project, including pre-leasing expenses, legal expenses and furnishings.

**HUNTSVILLE HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
March 31, 2012**

Capital Assets and Debt Administration

As of year-end, the Authority had \$38.8 million invested in a variety of capital assets as reflected in the following schedule, which represents a net increase (additions, deletions and depreciation) of \$4.2 million from the end of last year. This increase is primarily linked to the construction of the Gateway Project.

**Table 3
Capital Assets at Year-End (Net of Depreciation)**

	<u>2012</u>	<u>2011</u>	<u>Variance</u>	<u>% Change</u>
Land	\$ 3,598,962	\$ 3,664,861	\$ (65,899)	-2.00%
Buildings	84,653,062	66,910,935	17,742,127	27.00%
Equipment - administration	2,089,816	2,116,088	(26,272)	1.00%
Accumulated depreciation	(51,571,701)	(48,993,820)	(2,577,881)	5.00%
Construction in progress	<u>72,063</u>	<u>10,927,101</u>	<u>(10,855,038)</u>	<u>-99.00%</u>
Total capital assets	<u>\$ 38,842,202</u>	<u>\$ 34,625,165</u>	<u>\$ 4,217,037</u>	<u>12.00%</u>

The following reconciliation summarizes the change in Capital Assets, which is presented in detail on page 21 of the notes.

**Table 4
Change in Capital Assets**

	<u>Business-Type Activities</u>
Beginning balance, April 1, 2011	<u>\$ 34,625,165</u>
Additions	<u>7,743,616</u>
Retirements	(948,698)
Less accumulated depreciation on retirements	<u>(205,648)</u>
Net retirements	<u>(743,050)</u>
Depreciation	<u>(2,783,529)</u>
Ending balance, March 31, 2012	<u>\$ 38,842,202</u>
This year's major additions are:	
Business-type activities:	
Capital improvement programs	\$ 7,502,777
Equipment purchases	<u>240,839</u>
Total additions	<u>\$ 7,743,616</u>

**HUNTSVILLE HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
March 31, 2012**

Debt Outstanding

As of year-end, the Authority had \$11.4 million in debt outstanding compared to \$5.6 million last year. A portion of the debt consists of bond issue obligations through the Public Housing Finance Corporation to be used for modernization of Public Housing developments. The repayment of this loan is to be made from the Capital Fund Program. In the event the Capital Fund Program ceases to exist, HUD will assume the balance of the loan. The balance on this loan is \$1,560,000.

During the fiscal year, the debt that was created during the previous fiscal year as a result of the mixed finance development, Gateway Place was increased as funding related to this debt was expended. This debt is a cash assistance agreement utilizing Tax Credit Exchange Funds and is between Huntsville Senior Partners, LP, and the Alabama Housing Finance Agency (AHFA) in the amount of \$9,795,382. The cash assistance, evidenced by a promissory note, does not have to be repaid unless a default occurs under any Exchange Program Funding Document on or prior to the last day of the 15-year compliance period.

Outstanding Debt at Year End

	2012	2011
Bonds payable (CFFP)	\$ 1,560,000	\$ 2,295,000
Note payable (AHFA)	9,795,250	3,265,411

FINANCIAL ANALYSIS OF THE AUTHORITY

The Real Estate Assessment Center (REAC) performs a financial evaluation on the Public Housing Authority as it compares to its peers. This evaluation is known as the Financial Assessment SubSystem (FASS). Through regulation, the Authority is provided with the information needed to project its score. During this fiscal year, REAC will score the Authority's financial operations based on current interim regulations. The Authority estimates the following score for 2012:

**Public Housing Assessment System
Financial Condition Indicators
March 31, 2012**

	Maximum Score	HHA Score
Financial indicator:		
Current ratio	12	12
Number of months expendable fund balance	11	11
Debt ratio	2	2
Total	25	25

**HUNTSVILLE HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
March 31, 2012**

ECONOMIC FACTORS

Significant economic factors affecting the Authority are as follows:

- Federal funding of the Department of Housing and Urban Development:

Public Housing – currently funded on a calendar year basis with the calendar year 2011 funded at 100%; calendar year 2012 is currently estimated at 95%. However, the CY 2012 funding included an offset to operating reserves. HHA's portion of this offset is \$1,216,412. This amount reduces revenue available during calendar year 2012, thus affects FYE 3/31/2012 and 3/31/2013 negatively. The FY 2013 spending bill currently under consideration funds operating subsidy at an estimated 86-90%.

Capital Fund – The 2011 Capital Fund was 14% lower than 2010 and the 2012 Capital Fund is 10% below 2011. For FY 2013, Congress proposes increasing the Capital Fund by approximately 6%, which is not sufficient to meet the needs of housing authorities.

Section 8 – Calendar year 2011 continued the same method of funding for administrative fees as CY 2010 (based on leaseup and subject to proration). This same process continues for CY 2012. HUD is funding administrative fees for CY 2012 at an approximate proration of 80%. This proration will result in a loss in administrative fees for fiscal year ending March 31, 2013 of approximately \$213,000. There is an estimated increase being considered in Congress of approximately 17% above the prior year appropriation; however, this still results in an 87% proration and is not sufficient to meet the needs of the Authority. In order to continue operations, the Central Office Cost Center is aiding the agency's HCV program through an operating transfer during the fiscal year ending March 31, 2013.

Section 8 – For Calendar Year 2011, the total HAP eligibility after proration was \$7,777,949. HHA also received set-a-side funding for that year in the amount of \$382,386, for a total of \$8,160,335. This represents an increase of \$287,893 over the prior calendar year. For Calendar Year 2012, HHA's estimated HAP subsidy after proration is \$8,302,101, with an NRA offset of \$213,064. HHA has also received \$20,592 in Portability set-a-side funding and continues to receive VASH funding for its latest VASH award in the amount of \$49,445. The total funding for CY 2012 is \$8,159,074, which is a minimal decrease of \$1,261 from the prior year. The amount projected for 2013 is equal to level funding for 2012. HAP funding is based on prior year data and does not consider an increase in HAP due to unemployment or changes in the economy.

- Beginning 4/1/08, the Authority began its first compliance year with the Asset Management guidelines mandated by HUD. The Central Office Cost Center (COCC) was established in accordance with HUD guidance. The COCC has begun a "fee for service" approach and is billing the asset management projects (AMPS) and other funds for its management service. These fees are in accordance with HUD regulation and meet the safe-harbor requirement of being reasonable; therefore, the funds are de-federalized.
- Local labor supply and demand may affect salary and wage rates.

**HUNTSVILLE HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
March 31, 2012**

- Local inflationary, recessionary and employment trends can affect resident incomes and therefore the amount of rental income. Unemployment in the Huntsville, Alabama area decreased from 7.6% in March, 2011 to 6.3% in March, 2012.¹
- Moving to Work (MTW) – HHA has submitted a MTW application to HUD requesting that HHA be allowed to participate in the Moving to Work Demonstration Program. This program does not provide additional funding to the Authority; however, if awarded, HHA will be afforded the opportunity to relax many of the constraints governing public housing authorities through the 1937 Housing Act and implementing regulations. Over time, HHA will be able to reshape the way it does business to better address the needs of residents and help them with “moving on up and out” of public housing.
- Passage of Senate Bill 205 in the Alabama State Legislature – In early May, 2012, the Senate and the House of Representatives passed Senate Bill 205. The original measure was presented in response to HHA’s 2009 purchase of Stone Manor Apartments in South Huntsville. The law requires the Authority to disclose all future property purchases in a newspaper legal advertisement for three consecutive weeks prior to execution of any binding agreement to purchase the property. It would also need the Huntsville City Council’s consent before seizing property through eminent domain. It is management’s opinion that this law could result in “public pressure” during the 3-week advertising period that could make property owners reluctant to sell to the Authority. People could also try to scuttle the deal by offering more money. Either situation would hinder the agency’s federally-mandated mission to further affordable housing opportunities in the City.

FINANCIAL CONTACT

The individual to be contacted regarding this report is Sandra Eddlemon, Director of Finance/CFO, of the Huntsville Housing Authority at (256) 532-5647. Specific requests may be submitted to Sandra Eddlemon, Director of Finance/CFO, Huntsville Housing Authority, P.O. Box 486, Huntsville, Alabama 35804-0486.

¹ Bureau of Labor Statistics Data website www.bls.gov

FINANCIAL STATEMENTS

HUNTSVILLE HOUSING AUTHORITY
STATEMENT OF NET ASSETS
March 31, 2012

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 8,436,828
Cash and cash equivalents - restricted	3,622,119
Accounts receivable	225,115
Tenant accounts receivable	7,221
Allowance for doubtful accounts	(354)
Prepaid expenses and other assets	<u>183,692</u>
Total current assets	<u>12,474,621</u>

CAPITAL ASSETS

Land	3,598,962
Buildings and improvements	84,653,062
Furniture and equipment	2,089,816
Construction in progress	72,063
Less accumulated depreciation	<u>(51,571,701)</u>
Net capital assets	<u>38,842,202</u>

OTHER ASSETS

Bond costs net of amortization	22,552
Other assets	<u>228,085</u>
Total other assets	<u>250,637</u>

TOTAL ASSETS

\$ 51,567,460

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 860,003
Accrued wages and payroll taxes	165,212
Accrued compensated absences	181,657
Interest payable	15,893
Accounts payable - other governments	91,435
Tenant security deposits	165,077
Deferred revenues	39,117
Bonds payable - current	765,000
Other current liabilities	<u>1,755</u>
Total current liabilities	<u>2,285,149</u>

LONG-TERM LIABILITIES

Bonds payable - non-current	795,000
Loan liability - non-current	9,795,250
Non-current liabilities - other	<u>503,773</u>
Total long-term liabilities	<u>11,094,023</u>
Total liabilities	<u>13,379,172</u>

NET ASSETS

Investment in capital assets net of related debt	28,791,248
Restricted net assets	1,172,313
Unrestricted net assets	<u>8,224,727</u>
Total net assets	<u>38,188,288</u>

TOTAL LIABILITIES AND NET ASSETS

\$ 51,567,460

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

HUNTSVILLE HOUSING AUTHORITY
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS
Year Ended March 31, 2012

OPERATING REVENUES	
Dwelling rent	\$ 1,900,911
Operating grants	19,205,129
Other revenue	<u>315,621</u>
 Total operating revenues	 <u>21,421,661</u>
OPERATING EXPENSES	
Administrative	5,017,385
Tenant services	769,628
Utilities	1,200,934
Maintenance and operations	3,610,477
Protective services	433,996
General expense	556,115
Housing assistance payments	8,548,434
Other operating expenses	<u>57,183</u>
 Total operating expenses	 <u>20,194,152</u>
 Operating income before depreciation	 1,227,509
 Depreciation and amortization	 <u>2,829,835</u>
 Total operating loss	 <u>(1,602,326)</u>
NON-OPERATING REVENUES (EXPENSES)	
Investment income	45,856
Loss on disposal of capital assets	(224,655)
Interest expense	<u>(84,949)</u>
Total non-operating revenues (expenses)	<u>(263,748)</u>
 Decrease in net assets before capital contributions	 (1,866,074)
 Capital grants	 <u>1,572,248</u>
 DECREASE IN NET ASSETS	 (293,826)
 NET ASSETS, BEGINNING	 <u>38,482,114</u>
 NET ASSETS, ENDING	 <u><u>\$ 38,188,288</u></u>

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

**HUNTSVILLE HOUSING AUTHORITY
STATEMENT OF CASH FLOWS
Year Ended March 31, 2012**

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from dwelling rent	\$ 1,922,924
Cash received from grants	19,530,577
Cash received from other sources	315,621
Cash payments for salaries and benefits	(6,236,316)
Cash payments to vendors and landlords	<u>(14,012,857)</u>
Net cash flows provided by operating activities	<u>1,519,949</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition of capital assets	(7,743,616)
Proceeds from sale of assets	489,003
Increase in notes payable	6,529,839
Principal paid on bond payable	(734,998)
Interest paid on bond payable	(84,949)
Capital grants	<u>1,572,248</u>
Net cash flows provided by capital and related financing activities	<u>27,527</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment interest	<u>45,856</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,593,332
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>10,465,615</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 12,058,947</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating loss	\$ (1,602,326)
Adjustment to reconcile operating income to net cash provided by operating activities:	
Depreciation	2,812,921
Amortization	16,914
Provision for bad debts	52,984
Effects of changes in operating assets and liabilities:	
Accounts receivable	272,464
Tenant accounts receivable	16,981
Tenant security deposit	5,032
Prepaid	38,119
Other assets	(192,859)
Deferred revenue	(16,859)
Accounts payable	18,963
Accrued liabilities	37,579
Compensated absences	5,433
Other liabilities	(1,361)
Non-current other liabilities	<u>55,964</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 1,519,949</u>

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

**HUNTSVILLE HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
March 31, 2012**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Huntsville Housing Authority (the Authority) was organized in 1941 under the laws of the State of Alabama for the purpose of providing decent, safe, and sanitary dwelling accommodations for persons of low income. The Authority is engaged in the acquisition, modernization, and administration of low-rent housing.

The Authority is administered by a governing Board of Commissioners (the Board), whose members are appointed by the Mayor of the City of Huntsville, Alabama. Each member serves a five-year term. A substantial portion of the Authority's revenue is derived from subsidy contracts with the U.S. Department of Housing and Urban Development (HUD). The Annual Contributions Contracts entered into by the Authority and HUD provide operating subsidies for Authority-owned public housing facilities and Housing Choice Voucher housing assistance payments for eligible families.

The Authority is not a component unit of the City of Huntsville. The Authority is the owner of Neighborhood Acquisition and Redevelopment, Inc. (NARI), a non-profit organization. This organization's assets are included in the financial statements as a blended component unit.

Use of Estimates in Preparing Financial Statements

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, revenues and expenses in the financial statements and in the disclosures of contingent assets and liabilities. Accordingly, actual results could differ from those estimates.

Basis of Presentation

The financial statements of the Authority have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Authority is a Special Purpose Government engaged only in business-type activities and therefore, presents only the financial statements required for the enterprise fund, in accordance with GASB Statement 34 paragraph 138.

The Authority has multiple programs which are accounted for in one enterprise fund, which is presented in the basic financial statements as follows:

In accordance with the Enterprise Fund Method, activity is recorded using the accrual basis of accounting and the measurement focus is on the flow of economic resources. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. This requires the Authority to account for operations in a manner similar to private business.

**HUNTSVILLE HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
March 31, 2012**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (continued)

The Authority has applied all applicable GASB pronouncements as well as pronouncements issued by the Financial Accounting Standards Board (FASB) on or before November 30, 1989, and those issued after November 30, 1989 except for those that conflict with or contradict GASB pronouncements.

Basis of Accounting and Measurement Focus

The basis of accounting for the fund used by the Authority is determined by measurement focus. The flow of economic resources measurement focus and the accrual basis of accounting are used to account for the Authority's funds. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. All assets and liabilities associated with the operation of this fund are included on the Statement of Net Assets.

Cash and Cash Equivalents

The Authority considers cash on hand, cash in checking, and money market funds to be cash equivalents. Cash on hand is not included in calculation of collateral required.

Accounts Receivable

Tenant accounts receivables are carried at the amount considered by management to be collectible. Other accounts receivable consist of amounts due from HUD and State and Local governments for grant income.

Prepaid Items

Prepaid items consist of payments made to vendors for services that will benefit future periods.

Capital Assets

Capital assets are recorded at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. The costs of maintenance and repairs are expensed while significant renewals and betterments are capitalized. Small dollar value minor equipment items are expensed. Depreciation on assets has been expensed in the Statement of Income. Estimated useful lives are as follows:

Buildings	15 - 30 years
Furniture, fixtures and equipment	5 - 7 years

Revenue Recognition

Dwelling rent income, HUD grants received for operations, other operating fund grants and operating miscellaneous income are shown as operating income. HUD grants received for capital assets and all other revenue is shown as non-operating revenue.

**HUNTSVILLE HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
March 31, 2012**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

These financial statements do not contain material inter-fund revenues and expenses for internal activity. The policy is to eliminate any material inter-fund revenues and expenses for these financial statements.

Deferred Revenue

The Authority recognizes revenues as earned. An amount received in advance of the period in which it is earned is recorded as a liability under Deferred Revenue.

Cost Allocation Plan

In accordance with OMB Circular A-87, the Authority utilizes a Cost Allocation Plan. The Authority allocates indirect costs to programs on the basis of a number of methods including but not limited to direct salaries and wages, employees per department, percentage of office square footage, number of vouchers and/or units, estimated/actual time spent, number of checks processed or the allotment stipulated in contractual agreements.

Net Assets Classifications

Net assets are displayed in three components:

Net Assets, Invested in Capital Assets, Net of Related Debt: This component of Net Assets consists of all Capital Assets, reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

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

Unrestricted Net Assets: This component consists of Net Assets that do not meet the definition of "Net Assets Invested in Capital Assets, Net of Related Debt," or "Restricted Net Assets."

NOTE 2 – CASH AND CASH EQUIVALENTS

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of failure of the counterparty, the Authority will not be able to recover the value of its collateral securities that are in the possession of an outside party. FDIC limits for the year ended March 31, 2012 equaled \$250,000 per financial institution.

Credit Risk – The Authority's policy is to limit credit risk by adherence to the list of HUD permitted investments, which are backed by the full faith and credit of or a guarantee of principal and interest by the U.S. Government.

HUNTSVILLE HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
March 31, 2012

NOTE 2 – CASH AND CASH EQUIVALENTS (CONTINUED)

Interest Rate Risk – The Authority does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from interest rate volatility.

The Authority's cash and cash equivalents consist of cash held in interest and non-interest bearing checking accounts and certificates of deposit totaling \$8,436,828. The restricted cash consists of interest bearing checking accounts, certificates of deposit, and U.S. Treasury Money Market Funds totaling \$3,622,119. Deposits with financial institutions are fully secured by federal deposit insurance or collateralized securities held in the Authority's name.

All investments are carried at cost plus accrued interest, which approximates market. The Authority had no realized gains or losses on the sale of investments. The calculation of realized gains or losses is independent of a calculation of the net change in the fair value of investments.

NOTE 3 – RESTRICTED CASH AND CASH EQUIVALENTS

Restricted assets consist of the following:

Restricted for payment of current bonds payable	\$ 765,000
Restricted bond fund proceeds	230,991
Restricted for HAP (net restricted assets)	938,322
Restricted Section 8 Rental	3,000
Restricted - Financial Literacy Grant	14,500
Restricted funds - Wachovia Grant	100,000
Restricted for Gateway Place reserves	980,243
Restrictions for tenant security deposits	165,077
FSS escrow	<u>424,986</u>
Total restricted assets	<u>\$ 3,622,119</u>

**HUNTSVILLE HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
March 31, 2012**

NOTE 4 – CAPITAL ASSETS

Capital assets consist of the following as of March 31, 2012:

	<u>FDS Balance,</u> <u>April 1, 2011</u>	<u>Additions</u>	<u>Transfers &</u> <u>Deletions</u>	<u>Balance,</u> <u>March 31, 2012</u>
Land	\$ 3,664,861	\$ 29,101	\$ (95,000)	\$ 3,598,962
Construction in process	<u>10,927,101</u>	<u>59,922</u>	<u>(10,914,960)</u>	<u>72,063</u>
Total assets not being depreciated	<u>14,591,962</u>	<u>89,023</u>	<u>(11,009,960)</u>	<u>3,671,025</u>
Buildings and improvements	66,910,935	7,413,754	10,328,373	84,653,062
Furniture and equipment	<u>2,116,088</u>	<u>240,839</u>	<u>(267,111)</u>	<u>2,089,816</u>
Total property and equipment	<u>69,027,023</u>	<u>7,654,593</u>	<u>10,061,262</u>	<u>86,742,878</u>
Less accumulated depreciation	<u>(48,993,820)</u>	<u>(2,783,529)</u>	<u>205,648</u>	<u>(51,571,701)</u>
Net book value	<u>\$ 34,625,165</u>	<u>\$ 4,960,087</u>	<u>\$ (743,050)</u>	<u>\$ 38,842,202</u>

NOTE 5 – DEFERRED FINANCING COSTS

Cost relating to obtaining the Revenue Bond financing are capitalized and amortized over the term of the related debt using the straight-line method. Accumulated amortization at March 31, 2012 was \$146,589. Amortization expense for the year was \$16,914. When a loan is paid in full, any unamortized financing costs are removed from the related accounts and charged to operations.

NOTE 6 – INTERPROGRAM ACTIVITY

The Authority manages several programs. Many charges, i.e., payroll, benefits, insurance, etc. are paid by and subsequently reimbursed to the COCC or the Housing Choice Voucher Program. Balances due for such charges are reflected in the Inter-program Due to/Due from account balances on the Financial Data Schedule. Inter-programs at March 31, 2012 consisted of the following:

COCC	\$ (299,052)
Low Rent Public Housing	(153,114)
Disaster Housing Assistance	88,718
DVP	31,308
Shelter Plus Care	(3,891)
NSP	479,892
ROSS	(216)
Housing Choice Vouchers	<u>(143,645)</u>
Total	<u>\$ -</u>

**HUNTSVILLE HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
March 31, 2012**

NOTE 7 – COMPENSATED ABSENCES

Compensated absences are absences for which employees will be paid. The Authority accrues the liability for those absences that the employee has earned the rights to the benefits. Accrued amounts are based on a prescribed formula based on length of service. Full-time, permanent employees, depending on tenure with the Authority, are granted vacation and sick leave benefits in varying amounts to specified maximums. Vacation pay is recorded as an expense and related liability in the period earned by employees. Leave accrued but not yet paid as of March 31, 2011, is shown as a liability allocated between current and non-current. As of March 31, 2012, \$259,641 was accrued for compensated absences.

NOTE 8 – BONDS AND NOTES PAYABLE

The Authority pledged a portion of its annual Capital Fund Grant from HUD to secure the Authority's allocable portion of bonds issued jointly by the Authority and other participating Alabama housing authorities. The Authority's allocable share of the net proceeds, \$6,835,000 was used to acquire, construct, equip, renovate and improve public housing developments owned and operated by the Authority for rental to and occupancy by qualified tenants under the applicable HUD rules and regulations. The bonds are designated as Capital Program Revenue Bonds, Series 2003. The entire proceeds of \$6,835,000 were deposited with the Trustee (Wachovia Bank), which was authorized and directed to apply and disburse such monies for the purposes and in the order specified in the Master Trust Indenture. The bonds bear interest at a rate not to exceed six percent and are paid semi-annually.

Interest paid and expensed during the year was \$84,949. Future bond payments are as follows:

	Principal	Interest
Fiscal Year		
2013	\$ 765,000	\$ 63,593
2014	795,000	32,992
Total payments	\$ 1,560,000	\$ 96,585

In addition, the Authority, in conjunction with the Huntsville Senior Apartments, L.P., has been awarded a Promissory Note in the amount of \$9,795,250 on July 30, 2010 from the Alabama Housing Finance Authority under the U.S. Department of Treasury's Tax Credit Exchange Program for Gateway Place. The project was placed into service on November 18, 2011. As of March 31, 2012, the full amount of the award was expended. The note does not have to be repaid unless a default occurs under any Exchange Program Funding Document on or prior to the last day of the 15-year compliance period.

**HUNTSVILLE HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
March 31, 2012**

NOTE 9 – LONG-TERM LIABILITIES

Long-term debt consists of the following:

	Balance, March 31, 2011	Increases	Decreases	Balance, March 31, 2012
Bonds payable	\$ 2,295,000	\$ -	\$ 735,000	\$ 1,560,000
Loan liability	3,265,411	6,529,839	-	9,795,250
Accrued compensated absences	252,358	7,283	-	259,641
FSS escrows	370,268	54,718	-	424,986
Bond premium	1,407	-	604	803
Total debt	6,184,444	6,591,840	735,604	12,040,680
Less: current portion compensated absences	176,224	5,433	-	181,657
Less: current portion bonds payable	<u>735,000</u>	<u>30,000</u>	<u>-</u>	<u>765,000</u>
Total long-term debt	<u>\$ 5,273,220</u>	<u>\$ 6,556,407</u>	<u>\$ 735,604</u>	<u>\$ 11,094,023</u>

NOTE 10 – EMPLOYEE BENEFIT PLANS

The Authority has a defined contribution plan for all employees having at least three months of service. Participants do not contribute to the plan and become fully vested in employer contributions and investments earnings after five years of participation in the plan. Total employer contributions to the plan were \$1,682,286 for the year.

The Authority sponsors a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan permits all employees to defer a portion of their salary until future years. Such amounts are not available to employees until termination, retirement, death, or unforeseeable emergency.

Assets in the plan are recorded at market value but are administered by a private corporation under contract with the Authority. It is the opinion of the Authority's legal counsel that the Authority has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor.

NOTE 11 – RISK MANAGEMENT

The Authority is exposed to various risks of losses related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority carries commercial insurance for all risks of loss, including workman's compensation and employee health and accident insurance. The Authority has not had any significant reductions in insurance coverage or any claims not reimbursed.

The Authority is party to litigation with the Contractor for the Gateway Place Project. The Authority and the Contractor are disputing amounts due to the Contractor under terms of the Agreement for liquidated damages and non conforming work. The Authority is withholding final payment until the issue is resolved and the Contractor has retained counsel. The balance due of approximately \$300,000 is included in the financial statements in accounts payable at March 31, 2012.

**HUNTSVILLE HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
March 31, 2012**

NOTE 12 – CONCENTRATION OF RISK

The Authority receives most of its funding from HUD. These funds and grants are subject to modification by HUD depending on the availability of funding.

NOTE 13 – COMMITMENTS AND CONTINGENCIES

Amounts received or receivable from HUD are subject to audit and adjustment by grantor agencies. If expenses are disallowed as a result of these audits, the claims for reimbursement to the grantor agency would become a liability of the Authority. In the opinion of management, any such adjustments would not be significant.

NOTE 14 – RELATED PARTY

The Authority is the 100% owner of Neighborhood Acquisition and Redevelopment, Inc. (NARI). NARI owns 90% of Huntsville Senior Housing, Inc., a for profit organization. Huntsville Senior Housing, Inc. is 1% General Partner of Huntsville Senior Apartments, L.P., which is the owner of the new Gateway Place Project which is located on the site where the Eastside of Council Courts was previously located.

The Authority currently has several construction loan agreements with Huntsville Senior Apartments, L.P. for the development and construction of Gateway Place, an 86-unit elderly apartment complex.

As of year end, the following amounts are due from Huntsville Senior Apartments, L.P. These amounts are eliminated in the Statement of Net Assets.

Capital Fund Recovery Competition	\$ 5,503,484
HOME Investment Partnerships Program	500,000
Capital Fund Recovery Grant	<u>725,099</u>
Total	<u>\$ 6,728,583</u>

This information is an integral part of the accompanying financial statements.

SUPPLEMENTAL INFORMATION

HUNTSVILLE HOUSING AUTHORITY
ENTITY-WIDE BALANCE SHEET SUMMARY
March 31, 2012

Line Item #	Accounts Description	Project Totals	Disaster Housing Assistance	Disaster Voucher	VASH	Shelter Plus Care	Competitive Capital Fund Stimulus Grant	Formula Capital Fund Stimulus Grant	CDBG/NSP	ROSS	Housing Choice Vouchers	Business Activities	State and Local	COCC	Elimination	Total
CURRENT ASSETS																
Cash:																
111	Unrestricted	\$ 5,657,972	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 409,777	\$ 180,739	\$ -	\$ 2,188,340	\$ -	\$ 8,436,828
112	Cash - restricted - modernization and development	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
113	Other restricted	430,327	-	-	-	-	-	-	-	-	1,163,972	980,243	-	117,500	-	2,692,042
114	Tenant security deposits	165,077	-	-	-	-	-	-	-	-	-	-	-	-	-	165,077
115	Restricted for payment of current liability	765,000	-	-	-	-	-	-	-	-	-	-	-	-	-	765,000
100	Total cash	7,018,376	-	-	-	-	-	-	-	-	1,573,749	1,160,982	-	2,305,840	-	12,058,947
Accounts and notes receivable:																
121	Accounts receivable - PHA projects	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
122	HUD other projects	32,031	-	-	-	89,571	-	-	-	5,321	48,531	-	-	-	-	175,454
124	Other government	-	-	-	-	-	-	-	8,686	-	-	-	-	-	-	8,686
125	Miscellaneous	6,694	-	-	-	-	-	-	-	-	125	21,040	-	8,231	-	36,090
126	Tenants	7,221	-	-	-	-	-	-	-	-	-	-	-	-	-	7,221
126.1	Allowance for doubtful accounts - tenants	(354)	-	-	-	-	-	-	-	-	-	-	-	-	-	(354)
127	Notes, loans, & mortgages receivable - current	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
128	Fraud recovery	2,203	-	-	-	-	-	-	-	-	-	-	-	-	-	2,203
129	Accrued interest receivable	2,012	-	-	-	-	-	-	-	-	335	-	-	335	-	2,682
120	Total receivables, net of allowances for uncollectibles	49,807	-	-	-	89,571	-	-	8,686	5,321	48,991	21,040	-	8,566	-	231,982
131	Investments - unrestricted	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
132	Investments - restricted	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
135	Investments - restricted for payment of current liability	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
142	Prepaid expenses and other assets	119,781	-	-	-	-	-	-	-	-	15,206	14,313	-	34,392	-	183,692
143	Inventories	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
143.1	Allowance for obsolete inventories	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
144	Interprogram - due from	-	88,718	31,308	-	-	-	-	479,892	-	-	-	-	-	(599,918)	-
145	Assets held for sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
150	Total current assets	7,187,964	88,718	31,308	-	89,571	-	-	488,578	5,321	1,637,946	1,196,335	-	2,348,798	(599,918)	12,474,621
NONCURRENT ASSETS																
Fixed assets:																
161	Land	2,957,031	-	-	-	-	-	-	77,600	-	-	1	-	564,330	-	3,598,962
162	Buildings	67,589,927	-	-	-	-	-	-	370,530	-	-	15,330,066	-	1,362,539	-	84,653,062
163	Furniture, equipment & mach - dwellings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
164	Furniture, equipment & mach - admin.	1,195,677	-	-	-	-	-	-	-	1,344	68,881	154,965	-	668,949	-	2,089,816
165	Leasehold improvements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
166	Accumulated depreciation	(49,488,212)	-	-	-	-	-	-	(17,501)	(941)	(40,774)	(265,497)	-	(1,758,776)	-	(51,571,701)
167	Construction in progress	-	-	-	-	-	-	-	72,063	-	-	-	-	-	-	72,063
168	Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
160	Total fixed assets, net of accumulated depreciation	22,254,423	-	-	-	-	-	-	502,692	403	28,107	15,219,535	-	837,042	-	38,842,202
171	Notes, loans and mortgages receivable - noncurrent	-	-	-	-	-	5,503,484	725,099	-	-	-	-	500,000	-	(6,728,583)	-
174	Other assets	22,552	-	2,260	-	-	-	-	-	-	-	192,860	-	32,965	-	250,637
176	Investment in joint ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
180	Total noncurrent assets	22,276,975	-	2,260	-	-	5,503,484	725,099	502,692	403	28,107	15,412,395	500,000	870,007	(6,728,583)	39,092,839
190	TOTAL ASSETS	\$ 29,464,939	\$ 88,718	\$ 33,568	\$ -	\$ 89,571	\$ 5,503,484	\$ 725,099	\$ 991,270	\$ 5,724	\$ 1,666,053	\$ 16,608,730	\$ 500,000	\$ 3,218,805	\$ (7,328,501)	\$ 51,567,460

HUNTSVILLE HOUSING AUTHORITY
ENTITY-WIDE BALANCE SHEET SUMMARY
March 31, 2012
(continued)

Line		Disaster				Competitive Capital		Formula Capital			Housing		State and			
Item #	Accounts Description	Project Totals	Housing Assistance	Disaster Voucher	VASH	Shelter Plus Care	Fund Stimulus Grant	Fund Stimulus Grant	CDBG/NSP	ROSS	Choice Vouchers	Business Activities	Local	COCC	Elimination	Total
CURRENT LIABILITIES																
311	Bank overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
312	Accounts payable < 90 days	127,987	-	-	-	85,680	-	-	255	-	47,849	461,029	-	137,203	-	860,003
321	Accrued wage/payroll taxes payable	79,593	-	-	-	-	-	-	1,095	5,105	15,093	21,894	-	42,432	-	165,212
322	Accrued compensated absences - current portion	103,687	-	-	-	-	-	-	-	-	15,096	-	-	62,874	-	181,657
324	Accrued contingency liability	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
325	Accrued interest payable	15,893	-	-	-	-	-	-	-	-	-	-	-	-	-	15,893
331	Accounts payable - HUD PHA programs	-	-	4,026	-	-	-	-	-	-	14,441	-	-	-	-	18,467
333	Accounts payable - other gov.	69,939	-	-	-	-	-	-	-	-	977	-	-	2,052	-	72,968
341	Tenant security deposits	165,077	-	-	-	-	-	-	-	-	-	-	-	-	-	165,077
342	Deferred revenues	24,542	-	-	-	-	-	-	-	-	75	-	-	14,500	-	39,117
343	Current portion of LT debt - capital projects / mortg	765,000	-	-	-	-	-	-	-	-	-	-	-	-	-	765,000
344	Current portion of LT debt - operating borrowings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
345	Other current liabilities	1,755	-	-	-	-	-	-	-	-	-	-	-	-	-	1,755
346	Accrued liabilities - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
347	Interprogram (due to)	153,114	-	-	-	3,891	-	-	-	216	143,645	-	-	299,052	(599,918)	-
348	Loan liability - current	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
310	Total current liabilities	<u>1,506,587</u>	<u>-</u>	<u>4,026</u>	<u>-</u>	<u>89,571</u>	<u>-</u>	<u>-</u>	<u>1,350</u>	<u>5,321</u>	<u>237,176</u>	<u>482,923</u>	<u>-</u>	<u>558,113</u>	<u>(599,918)</u>	<u>2,285,149</u>
NON-CURRENT LIABILITIES																
351	Capital projects / mortgage revenue bonds	795,000	-	-	-	-	-	-	-	-	-	-	-	-	-	795,000
352	Long-term debt, net of current - operating borrowings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
353	Non-current liabilities - other	200,139	-	-	-	-	-	-	-	-	225,650	-	-	-	-	425,789
354	Accrued compensated absences - non-current	41,241	-	-	-	-	-	-	-	-	9,529	-	-	27,214	-	77,984
355	Loan liability - non current	-	-	-	-	-	-	-	-	-	-	16,523,833	-	-	(6,728,583)	9,795,250
357	Accrued pension and OPEB liability	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
350	Total non-current liabilities	<u>1,036,380</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>235,179</u>	<u>16,523,833</u>	<u>-</u>	<u>27,214</u>	<u>(6,728,583)</u>	<u>11,094,023</u>
300	Total liabilities	<u>2,542,967</u>	<u>-</u>	<u>4,026</u>	<u>-</u>	<u>89,571</u>	<u>-</u>	<u>-</u>	<u>1,350</u>	<u>5,321</u>	<u>472,355</u>	<u>17,006,756</u>	<u>-</u>	<u>585,327</u>	<u>(7,328,501)</u>	<u>13,379,172</u>
EQUITY																
508.1	Invested in capital assets	20,694,421	-	-	-	-	-	-	502,692	403	28,107	-	-	837,042	6,728,583	28,791,248
511.1	Restricted net assets	230,991	-	-	-	-	-	-	-	-	938,322	-	-	3,000	-	1,172,313
512.1	Unrestricted net assets	<u>5,996,560</u>	<u>88,718</u>	<u>29,542</u>	<u>-</u>	<u>-</u>	<u>5,503,484</u>	<u>725,099</u>	<u>487,228</u>	<u>-</u>	<u>227,269</u>	<u>(398,026)</u>	<u>500,000</u>	<u>1,793,436</u>	<u>(6,728,583)</u>	<u>8,224,727</u>
513	Total equity/net assets	<u>26,921,972</u>	<u>88,718</u>	<u>29,542</u>	<u>-</u>	<u>-</u>	<u>5,503,484</u>	<u>725,099</u>	<u>989,920</u>	<u>403</u>	<u>1,193,698</u>	<u>(398,026)</u>	<u>500,000</u>	<u>2,633,478</u>	<u>-</u>	<u>38,188,288</u>
600	TOTAL LIABILITIES AND EQUITY/NET ASSETS	<u>\$ 29,464,939</u>	<u>\$ 88,718</u>	<u>\$ 33,568</u>	<u>\$ -</u>	<u>\$ 89,571</u>	<u>\$ 5,503,484</u>	<u>\$ 725,099</u>	<u>\$ 991,270</u>	<u>\$ 5,724</u>	<u>\$ 1,666,053</u>	<u>\$ 16,608,730</u>	<u>\$ 500,000</u>	<u>\$ 3,218,805</u>	<u>\$ (7,328,501)</u>	<u>\$ 51,567,460</u>

HUNTSVILLE HOUSING AUTHORITY
ENTITY-WIDE REVENUE AND EXPENSE SUMMARY
Year Ended March 31, 2012

Line Item #	Accounts Description	Project Totals	Disaster Housing Assistance	Disaster Voucher	VASH	Shelter Plus Care	Competitive Capital Fund Stimulus Grant	Formula Capital Fund Stimulus Grant	CDBG/ NSP	ROSS	Housing Choice Vouchers	Business Activities	State and Local	COCC	Elimination	Total
REVENUE																
70300	Net tenant rental revenue	\$ 1,843,754	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,539	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,853,293
70400	Tenant revenue - other	47,468	-	-	-	-	-	-	150	-	-	-	-	-	-	47,618
70500	Total tenant revenue	1,891,222	-	-	-	-	-	-	9,689	-	-	-	-	-	-	1,900,911
70600	HUD PHA operating grants	8,545,131	-	-	-	245,477	249,716	100,878	-	223,701	9,493,919	-	-	-	-	18,858,822
706.10	Capital grants	664,613	-	-	-	-	-	907,635	-	-	-	-	-	-	-	1,572,248
70700	Total fee revenue	-	-	-	-	-	-	-	-	-	-	-	-	2,772,258	(2,772,258)	-
70800	Other governmental grants	-	-	-	-	-	-	-	167,653	-	-	-	178,654	-	-	346,307
71100	Investment income - unrestricted	39,366	-	-	-	-	-	-	-	-	1,061	-	-	2,730	-	43,157
71200	Mortgage interest income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
71300	Proceeds from disposition of assets held for sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
713.10	Cost of sales of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
71400	Fraud recovery	-	-	-	-	-	-	-	-	-	99,923	-	-	-	-	99,923
71500	Other revenue	123,131	-	-	-	-	-	-	617	-	42,551	-	-	49,399	-	215,698
71600	Gain or loss on the sale of fixed assets	(310)	-	-	-	-	-	-	(199,925)	-	-	-	-	(24,420)	-	(224,655)
72000	Investment income - unrestricted	667	-	-	-	-	-	-	-	-	2,032	-	-	-	-	2,699
70000	Total revenue	11,263,820	-	-	-	245,477	249,716	1,008,513	(21,966)	223,701	9,639,486	-	178,654	2,799,967	(2,772,258)	22,815,110
EXPENSES																
Administrative:																
91100	Administrative salaries	785,243	-	-	-	982	-	-	53,515	-	394,347	23,830	-	1,229,308	-	2,487,225
91200	Auditing fees	14,325	-	-	-	-	-	-	-	-	14,325	-	-	19,100	-	47,750
91300	Management fee	1,388,090	-	-	-	-	249,716	100,878	-	21,475	216,732	12,000	-	-	(1,976,891)	12,000
913.10	Bookkeeping fee	153,655	-	-	-	-	-	-	-	-	135,458	-	-	-	(289,113)	-
91400	Advertising and marketing	27,910	-	-	-	-	-	-	-	-	789	5,748	-	6,350	-	40,797
91500	Employee benefit contributions - administrative	325,094	-	-	-	384	-	-	13,696	-	181,750	6,197	-	437,311	-	964,432
91600	Office expenses	337,107	-	-	-	-	-	-	-	-	131,529	17,323	-	198,139	-	684,098
91700	Legal expense	91,189	-	-	-	-	-	-	12,459	-	1,208	61,733	-	117,065	-	283,654
91800	Travel	75,812	-	-	-	-	-	-	-	4,043	18,357	3,105	-	111,289	-	212,606
918.10	Allocated overhead	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
91900	Other	116,390	-	-	-	-	-	-	-	-	467	-	-	167,966	-	284,823
	Total administrative	3,314,815	-	-	-	1,366	249,716	100,878	79,670	25,518	1,094,962	129,936	-	2,286,528	(2,266,004)	5,017,385
92000	Asset management fee	198,440	-	-	-	-	-	-	-	-	-	-	-	-	(198,440)	-
Tenant services:																
92100	Salaries	151,397	-	-	-	-	-	-	-	117,544	7,082	-	-	-	-	276,023
92200	Relocation costs	12,264	-	-	-	-	-	-	8,085	-	-	-	-	-	-	20,349
92300	Employee benefit contributions	58,032	-	-	-	-	-	-	-	68,280	4,341	-	-	-	-	130,653
92400	Other	324,933	-	-	-	-	-	-	-	12,359	377	-	-	4,934	-	342,603
	Total tenant services	546,626	-	-	-	-	-	-	8,085	198,183	11,800	-	-	4,934	-	769,628
Utilities:																
93100	Water	235,422	-	-	-	-	-	-	438	-	-	-	-	1,263	-	237,123
93200	Electricity	347,197	-	-	-	-	-	-	1,321	-	-	1,292	-	20,958	-	370,768
93300	Gas	27,100	-	-	-	-	-	-	183	-	-	-	-	3,448	-	30,731
93400	Fuel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
93600	Sewer	482,543	-	-	-	-	-	-	389	-	-	-	-	1,961	-	484,893
93800	Other utilities expense	54,089	-	-	-	-	-	-	1,353	-	-	-	-	21,977	-	77,419
	Total utilities	1,146,351	-	-	-	-	-	-	3,684	-	-	1,292	-	49,607	-	1,200,934
Ordinary maintenance & operations:																
94100	Labor	1,368,224	-	-	-	-	-	-	771	-	-	-	-	96,275	-	1,465,270
94200	Materials and other	1,036,361	-	-	-	-	-	-	10,777	-	2,343	-	-	65,936	-	1,115,419
94300	Contracts	709,659	-	-	-	-	-	-	-	-	-	-	-	40,744	(307,814)	442,589
94500	Employee benefits contribution	533,498	-	-	-	-	-	-	55	-	-	-	-	53,648	-	587,201
	Total ordinary maintenance & operations	3,647,742	-	-	-	-	-	-	11,603	-	2,343	-	-	256,603	(307,814)	3,610,477

**HUNTSVILLE HOUSING AUTHORITY
ENTITY-WIDE REVENUE AND EXPENSE SUMMARY
Year Ended March 31, 2012**

Line Item #	Accounts Description	Project Totals	Disaster Housing Assistance	Disaster Voucher	VASH	Shelter Plus Care	Competitive Capital Fund Stimulus Grant	Formula Capital Fund Stimulus Grant	CDBG/NSP	ROSS	Housing Choice Vouchers	Business Activities	State and Local	COCC	Elimination	Total
EXPENSES (Continued)																
Protective services:																
95100	Labor	\$ 228,485	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 228,485
95200	Other contract costs	110,198	-	-	-	-	-	-	134	-	-	-	-	-	-	110,332
95300	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
95500	Employee benefit contributions	95,179	-	-	-	-	-	-	-	-	-	-	-	-	-	95,179
	Total protective services	<u>433,862</u>	-	-	-	-	-	-	<u>134</u>	-	-	-	-	-	-	<u>433,996</u>
96100	Total Insurance premiums	371,715	-	-	-	-	-	-	2,747	-	20,262	1,301	-	29,655	-	425,680
General expenses:																
96200	Other general expenses	-	-	-	-	-	-	-	-	-	7,042	-	-	-	-	7,042
96210	Compensated absences	(1,820)	-	-	-	-	-	-	-	-	6,954	-	-	2,147	-	7,281
96300	Payments in lieu of taxes	63,128	-	-	-	-	-	-	-	-	-	-	-	-	-	63,128
96400	Bad debt - tenant rents	52,984	-	-	-	-	-	-	-	-	-	-	-	-	-	52,984
96000	Total general expenses	<u>114,292</u>	-	-	-	-	-	-	-	-	<u>13,996</u>	-	-	<u>2,147</u>	-	<u>130,435</u>
96700	Total interest expense and amortization cost	<u>101,863</u>	-	-	-	-	-	-	-	-	-	-	-	-	-	<u>101,863</u>
96900	Total operating expenses	<u>9,875,706</u>	-	-	-	<u>1,366</u>	<u>249,716</u>	<u>100,878</u>	<u>105,923</u>	<u>223,701</u>	<u>1,143,363</u>	<u>132,529</u>	-	<u>2,629,474</u>	<u>(2,772,258)</u>	<u>11,690,398</u>
97000	Excess of operating revenue over operating expenses	<u>1,388,114</u>	-	-	-	<u>244,111</u>	-	<u>907,635</u>	<u>(127,889)</u>	-	<u>8,496,123</u>	<u>(132,529)</u>	<u>178,654</u>	<u>170,493</u>	-	<u>11,124,712</u>
97100	Extraordinary maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
97200	Casualty losses - non capitalized	57,183	-	-	-	-	-	-	-	-	-	-	-	-	-	57,183
97300	Housing assistance payments	-	-	3,558	-	244,111	-	-	-	-	8,300,765	-	-	-	-	8,548,434
97400	Depreciation expense	2,397,407	-	-	-	-	-	-	27,049	269	8,643	265,497	-	114,056	-	2,812,921
90000	Total expenses	<u>12,330,296</u>	-	<u>3,558</u>	-	<u>245,477</u>	<u>249,716</u>	<u>100,878</u>	<u>132,972</u>	<u>223,970</u>	<u>9,452,771</u>	<u>398,026</u>	-	<u>2,743,530</u>	<u>(2,772,258)</u>	<u>23,108,936</u>
Other financing sources (uses):																
10010	Operating transfer in	1,820,512	-	-	-	-	-	-	-	-	-	-	-	-	(1,820,512)	-
10020	Operating transfer out	(1,820,512)	-	-	-	-	-	-	-	-	-	-	-	-	1,820,512	-
10070	Extraordinary items, net gain / loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10091	Inter project excess cash transfer in	370,000	-	-	-	-	-	-	-	-	-	-	-	-	(370,000)	-
10092	Inter project excess cash transfer out	(370,000)	-	-	-	-	-	-	-	-	-	-	-	-	370,000	-
10100	Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10000	EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENSES	<u>\$ (1,066,476)</u>	<u>\$ -</u>	<u>\$ (3,558)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 907,635</u>	<u>\$ (154,938)</u>	<u>\$ (269)</u>	<u>\$ 186,715</u>	<u>\$ (398,026)</u>	<u>\$ 178,654</u>	<u>\$ 56,437</u>	<u>\$ -</u>	<u>\$ (293,826)</u>
Memo Account Information																
11020	Required annual debt principal payments	\$ 735,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 735,000
11030	Beginning equity	25,382,870	88,718	33,100	273,997	-	5,503,484	725,099	2,842,801	672	732,986	-	321,346	2,577,041	-	38,482,114
11040	Prior period adjustments, equity transfers & correction	2,605,578	-	-	(273,997)	-	-	(907,635)	(1,697,943)	-	273,997	-	-	-	-	-
11170	Administrative fee equity	-	-	-	-	-	-	-	-	-	255,376	-	-	-	-	255,376
11180	Housing assistance payments equity	-	-	-	-	-	-	-	-	-	938,322	-	-	-	-	938,322
11190	Unit months available	19,467	-	-	-	576	-	-	-	-	18,398	-	-	-	-	38,441
11210	Unit months leased	19,256	-	-	-	576	-	-	-	-	18,128	-	-	-	-	37,960
11270	Excess cash	4,378,349	-	-	-	-	-	-	-	-	-	-	-	-	-	4,378,349
11610	Land purchases	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11620	Building purchases	1,407,435	-	-	-	-	-	-	-	-	-	-	-	-	-	1,407,435
11630	Furniture & equipment - dwelling purchases	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11640	Furniture & equipment - administrative purchases	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13510	CFFP debt service payments	827,073	-	-	-	-	-	-	-	-	-	-	-	-	-	827,073
13901	Replacement Housing Factor funds	164,813	-	-	-	-	-	-	-	-	-	-	-	-	-	164,813

**HUNTSVILLE HOUSING AUTHORITY
PROJECT BALANCE SHEET SUMMARY
March 31, 2012**

Line	Accounts Description	AMP 001	AMP 002	AMP 003	AMP 004	AMP 006	AMP 007	AMP 008	AMP 010	AMP 011	AMP 014	AMP 016	AMP 018	AMP 019	AMP 020	AMP 051	AMP 052	Project Totals
CURRENT ASSETS																		
Cash:																		
111	Unrestricted	\$ 439,312	352,460	\$ 506,072	\$ 408,079	\$ 655,882	\$ 611,991	\$ 346,879	\$ 286,170	\$ 308,569	\$ 346,886	\$ 169,695	\$ 197,612	\$ 269,716	\$ 73,505	\$ 153,510	\$ 531,634	\$ 5,657,972
112	Cash - restricted - modernization and development	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
113	Other restricted	-	28,224	17,144	18,090	82,042	6,799	-	23,493	806	31,703	75,700	23,594	41,948	2,978	19,850	57,956	430,327
114	Tenant security deposits	-	12,320	16,170	13,190	21,530	20,620	13,410	8,200	10,140	10,630	2,500	1,400	5,030	2,400	7,170	20,367	165,077
115	Restricted for payment of current liability	-	84,523	1,305	38,367	242,391	-	-	43,558	1,994	67,383	83,849	-	-	-	65,421	136,209	765,000
100	Total cash	<u>439,312</u>	<u>477,527</u>	<u>540,691</u>	<u>477,726</u>	<u>1,001,845</u>	<u>639,410</u>	<u>360,289</u>	<u>361,421</u>	<u>321,509</u>	<u>456,602</u>	<u>331,744</u>	<u>222,606</u>	<u>316,694</u>	<u>78,883</u>	<u>245,951</u>	<u>746,166</u>	<u>7,018,376</u>
Accounts and notes receivable:																		
121	Accounts receivable - PHA projects	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
122	HUD other projects	2,791	1,855	2,587	2,039	1,737	878	3,603	1,344	3,823	1,674	108	49	207	8,234	298	804	32,031
124	Other government	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
125	Miscellaneous	-	5	243	6	1,088	62	42	19	40	5	867	-	125	3,716	3	473	6,694
126	Tenants	-	897	485	57	139	1,189	1,091	851	280	137	-	-	946	-	-	1,149	7,221
126.1	Allowance for doubtful accounts - tenants	-	(83)	(59)	(5)	(9)	(26)	(14)	(49)	(4)	(11)	-	-	(29)	-	-	(65)	(354)
127	Notes, loans, & mortgages receivable - current	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
128	Fraud recovery	-	198	-	565	-	-	-	-	-	1,440	-	-	-	-	-	-	2,203
129	Accrued interest receivable	106	165	160	143	227	229	153	95	124	136	55	70	98	-	66	185	2,012
120	Total receivables, net of allowances for uncollectibles	<u>2,897</u>	<u>3,037</u>	<u>3,416</u>	<u>2,805</u>	<u>3,182</u>	<u>2,332</u>	<u>4,875</u>	<u>2,260</u>	<u>4,263</u>	<u>3,381</u>	<u>1,030</u>	<u>119</u>	<u>1,347</u>	<u>11,950</u>	<u>367</u>	<u>2,546</u>	<u>49,807</u>
131	Investments - unrestricted	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
132	Investments - restricted	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
135	Investments - restricted for payment of current liability	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
142	Prepaid expenses and other assets	-	8,167	6,227	4,704	6,868	6,501	8,044	2,211	7,765	14,909	410	860	2,496	427	25,901	24,291	119,781
143	Inventories	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
143.1	Allowance for obsolete inventories	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
144	Interprogram - due from	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
145	Assets held for sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
150	Total current assets	<u>442,209</u>	<u>488,731</u>	<u>550,334</u>	<u>485,235</u>	<u>1,011,895</u>	<u>648,243</u>	<u>373,208</u>	<u>365,892</u>	<u>333,537</u>	<u>474,892</u>	<u>333,184</u>	<u>223,585</u>	<u>320,537</u>	<u>91,260</u>	<u>272,219</u>	<u>773,003</u>	<u>7,187,964</u>
NONCURRENT ASSETS																		
Fixed assets:																		
161	Land	792,061	150,737	181,456	155,799	145,200	76,612	25,918	71,092	5,400	158,992	260,000	111,000	500,000	107,900	58,159	156,705	2,957,031
162	Buildings	2,693,666	5,236,532	4,365,532	2,696,344	9,839,095	13,160,092	3,355,661	3,132,510	2,513,019	5,460,688	935,679	608,694	2,407,962	1,770,649	2,855,975	6,557,829	67,589,927
163	Furniture, equipment & mach - dwellings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
164	Furniture, equipment & mach - admin.	-	258,565	122,437	48,271	183,652	130,528	112,472	57,668	101,369	36,206	1,303	-	56,898	-	18,000	68,308	1,195,677
165	Leasehold improvements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
166	Accumulated depreciation	(2,665,002)	(4,100,830)	(3,360,933)	(1,733,451)	(7,448,996)	(10,403,831)	(3,039,252)	(2,400,536)	(2,393,077)	(3,655,882)	(200,390)	(100,733)	(377,977)	(70,816)	(2,402,787)	(5,133,719)	(49,488,212)
167	Construction in progress	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
168	Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
160	Total fixed assets, net of accumulated depreciation	<u>820,725</u>	<u>1,545,004</u>	<u>1,308,492</u>	<u>1,166,963</u>	<u>2,718,951</u>	<u>2,963,401</u>	<u>454,799</u>	<u>860,734</u>	<u>226,711</u>	<u>2,000,004</u>	<u>996,592</u>	<u>618,961</u>	<u>2,586,883</u>	<u>1,807,733</u>	<u>529,347</u>	<u>1,649,123</u>	<u>22,254,423</u>
Notes, loans and mortgages receivable - noncurrent																		
171	Notes, loans and mortgages receivable - noncurrent	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
174	Other assets	-	2,492	38	1,131	7,145	-	-	1,285	59	1,986	2,472	-	-	-	1,929	4,015	22,552
176	Investment in joint ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
180	Total noncurrent assets	<u>820,725</u>	<u>1,547,496</u>	<u>1,308,530</u>	<u>1,168,094</u>	<u>2,726,096</u>	<u>2,963,401</u>	<u>454,799</u>	<u>862,019</u>	<u>226,770</u>	<u>2,001,990</u>	<u>999,064</u>	<u>618,961</u>	<u>2,586,883</u>	<u>1,807,733</u>	<u>531,276</u>	<u>1,653,138</u>	<u>22,276,975</u>
190	TOTAL ASSETS	<u>\$ 1,262,934</u>	<u>\$ 2,036,227</u>	<u>\$ 1,858,864</u>	<u>\$ 1,653,329</u>	<u>\$ 3,737,991</u>	<u>\$ 3,611,644</u>	<u>\$ 828,007</u>	<u>\$ 1,227,911</u>	<u>\$ 560,307</u>	<u>\$ 2,476,882</u>	<u>\$ 1,332,248</u>	<u>\$ 842,546</u>	<u>\$ 2,907,420</u>	<u>\$ 1,898,993</u>	<u>\$ 803,495</u>	<u>\$ 2,426,141</u>	<u>\$ 29,464,939</u>

HUNTSVILLE HOUSING AUTHORITY
PROJECT BALANCE SHEET SUMMARY
March 31, 2012
(Continued)

Line Item #	Accounts Description	AMP 001	AMP 002	AMP 003	AMP 004	AMP 006	AMP 007	AMP 008	AMP 010	AMP 011	AMP 014	AMP 016	AMP 018	AMP 019	AMP 020	AMP 051	AMP 052	Project Totals
CURRENT LIABILITIES																		
311	Bank overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
312	Accounts payable < 90 days	4,342	9,761	15,932	10,437	18,933	12,101	4,178	11,077	7,546	2,772	1,067	463	5,647	1,377	4,447	17,907	127,987
321	Accrued wage/payroll taxes payable	-	6,118	6,616	6,583	9,860	8,264	8,809	3,497	8,733	5,444	554	221	3,243	500	2,846	8,305	79,593
322	Accrued compensated absences - current portion	-	8,768	3,372	11,279	10,490	12,755	12,474	5,195	13,120	8,638	927	349	1,881	741	5,916	7,782	103,687
324	Accrued contingency liability	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
325	Accrued interest payable	-	1,756	27	797	5,036	-	-	905	41	1,400	1,742	-	-	-	1,359	2,830	15,893
331	Accounts payable - HUD PHA programs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
333	Accounts payable - other gov.	670	325	2,180	1,442	9,617	13,260	14,470	1,300	7,297	673	757	3	4,243	2,898	5,477	5,327	69,939
341	Tenant security deposits	-	12,320	16,170	13,190	21,530	20,620	13,410	8,200	10,140	10,630	2,500	1,400	5,030	2,400	7,170	20,367	165,077
342	Deferred revenues	-	-	50	4,612	-	3,956	-	-	-	5,583	3,012	-	-	-	-	7,329	24,542
343	Current portion of LT debt - capital projects / mortg	-	84,523	1,305	38,367	242,391	-	-	43,558	1,994	67,383	83,849	-	-	-	65,421	136,209	765,000
344	Current portion of LT debt - operating borrowings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
345	Other current liabilities	-	14	34	55	184	51	126	315	480	24	38	13	121	-	5	295	1,755
346	Accrued liabilities - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
347	Interprogram (due to)	5,043	10,317	14,794	11,454	20,427	19,632	7,298	6,431	5,891	9,126	2,386	1,833	4,324	10,800	6,438	16,920	153,114
348	Loan liability - current	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
310	Total current liabilities	<u>10,055</u>	<u>133,902</u>	<u>60,480</u>	<u>98,216</u>	<u>338,468</u>	<u>90,639</u>	<u>60,765</u>	<u>80,478</u>	<u>55,242</u>	<u>111,673</u>	<u>96,832</u>	<u>4,282</u>	<u>24,489</u>	<u>18,716</u>	<u>99,079</u>	<u>223,271</u>	<u>1,506,587</u>
NON-CURRENT LIABILITIES																		
351	Capital projects / mortgage revenue bonds	-	87,837	1,356	39,872	251,897	-	-	45,266	2,073	70,025	87,137	-	-	-	67,987	141,550	795,000
352	Long-term debt, net of current - operating borrowings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
353	Non-current liabilities - other	-	2,791	16,751	6,546	9,106	6,799	-	10,387	206	11,427	50,470	23,594	41,948	2,978	165	16,971	200,139
354	Accrued compensated absences - non-current	-	4,129	327	5,355	3,018	4,616	3,079	2,382	6,412	4,033	447	169	724	361	2,910	3,279	41,241
357	Accrued pension and OPEB liability	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
350	Total non-current liabilities	<u>-</u>	<u>94,757</u>	<u>18,434</u>	<u>51,773</u>	<u>264,021</u>	<u>11,415</u>	<u>3,079</u>	<u>58,035</u>	<u>8,691</u>	<u>85,485</u>	<u>138,054</u>	<u>23,763</u>	<u>42,672</u>	<u>3,339</u>	<u>71,062</u>	<u>161,800</u>	<u>1,036,380</u>
300	Total liabilities	<u>10,055</u>	<u>228,659</u>	<u>78,914</u>	<u>149,989</u>	<u>602,489</u>	<u>102,054</u>	<u>63,844</u>	<u>138,513</u>	<u>63,933</u>	<u>197,158</u>	<u>234,886</u>	<u>28,045</u>	<u>67,161</u>	<u>22,055</u>	<u>170,141</u>	<u>385,071</u>	<u>2,542,967</u>
EQUITY																		
508.1	Invested in capital assets	820,725	1,372,644	1,305,830	1,088,724	2,224,663	2,963,401	454,799	771,911	222,644	1,862,596	825,606	618,961	2,586,883	1,807,733	395,939	1,371,362	20,694,421
511.1	Restricted net assets	-	25,522	394	11,585	73,190	-	-	13,152	602	20,346	25,318	-	-	-	19,754	41,128	230,991
512.1	Unrestricted net assets	<u>432,154</u>	<u>409,402</u>	<u>473,726</u>	<u>403,031</u>	<u>837,649</u>	<u>546,189</u>	<u>309,364</u>	<u>304,335</u>	<u>273,128</u>	<u>396,782</u>	<u>246,438</u>	<u>195,540</u>	<u>253,376</u>	<u>69,205</u>	<u>217,661</u>	<u>628,580</u>	<u>5,996,560</u>
513	Total equity/net assets	<u>1,252,879</u>	<u>1,807,568</u>	<u>1,779,950</u>	<u>1,503,340</u>	<u>3,135,502</u>	<u>3,509,590</u>	<u>764,163</u>	<u>1,089,398</u>	<u>496,374</u>	<u>2,279,724</u>	<u>1,097,362</u>	<u>814,501</u>	<u>2,840,259</u>	<u>1,876,938</u>	<u>633,354</u>	<u>2,041,070</u>	<u>26,921,972</u>
600	TOTAL LIABILITIES AND EQUITY/NET ASSETS	<u>\$ 1,262,934</u>	<u>\$ 2,036,227</u>	<u>\$ 1,858,864</u>	<u>\$ 1,653,329</u>	<u>\$ 3,737,991</u>	<u>\$ 3,611,644</u>	<u>\$ 828,007</u>	<u>\$ 1,227,911</u>	<u>\$ 560,307</u>	<u>\$ 2,476,882</u>	<u>\$ 1,332,248</u>	<u>\$ 842,546</u>	<u>\$ 2,907,420</u>	<u>\$ 1,898,993</u>	<u>\$ 803,495</u>	<u>\$ 2,426,141</u>	<u>\$ 29,464,939</u>

**HUNTSVILLE HOUSING AUTHORITY
PROJECT REVENUE AND EXPENSE SUMMARY
Year Ended March 31, 2012**

Line Item #	Accounts Description	AMP 001	AMP 002	AMP 003	AMP 004	AMP 006	AMP 007	AMP 008	AMP 010	AMP 011	AMP 014	AMP 016	AMP 018	AMP 019	AMP 020	AMP 051	AMP 052
REVENUE																	
70300	Net tenant rental revenue	\$ -	\$ 82,571	\$ 37,003	\$ 109,370	\$ 274,765	\$ 254,018	\$ 305,471	\$ 81,386	\$ 238,082	\$ 11,406	\$ 11,022	\$ 4,209	\$ 85,234	\$ 45,979	\$ 104,520	\$ 198,718
70400	Tenant revenue - other	-	3,660	3,830	4,120	6,888	6,100	1,670	2,030	2,400	2,870	1,770	320	2,520	1,120	1,800	6,370
70500	Total tenant revenue	-	86,231	40,833	113,490	281,653	260,118	307,141	83,416	240,482	14,276	12,792	4,529	87,754	47,099	106,320	205,088
70600	HUD PHA operating grants	370,453	691,449	1,044,869	690,730	1,201,607	839,123	419,775	455,954	421,048	600,143	193,236	50,682	278,167	42,635	293,362	951,898
706.10	Capital grants	-	132,232	91,363	133,408	-	-	-	-	-	-	-	-	-	168,813	138,797	-
70700	Total fee revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
70800	Other governmental grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
71100	Investment income - unrestricted	3,082	3,067	3,554	1,954	4,855	3,636	1,760	3,402	1,361	3,689	917	880	2,143	-	1,351	3,715
71200	Mortgage interest income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
71300	Proceeds from disposition of assets held for sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
713.10	Cost of sales of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
71400	Fraud recovery	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
71500	Other revenue	-	6,731	8,417	1,676	5,910	17,982	131	5,790	35	3,377	24,057	-	1,629	7,785	2,681	36,930
71600	Gain or loss on the sale of fixed assets	-	-	3,218	-	-	(3,218)	-	-	-	-	-	-	(310)	-	-	-
72000	Investment income - unrestricted	-	74	1	33	212	-	-	38	1	59	73	-	-	-	57	119
70000	Total revenue	373,535	919,784	1,192,255	941,291	1,494,237	1,117,641	728,807	548,600	662,927	621,544	231,075	56,091	369,383	266,332	542,568	1,197,750
EXPENSES																	
Administrative:																	
91100	Administrative salaries	-	48,579	90,738	53,468	101,652	87,914	53,200	55,065	43,418	43,450	14,042	6,013	40,307	9,840	31,808	105,749
91200	Auditing fees	-	1,037	1,470	1,159	2,032	1,833	1,037	674	865	951	224	104	432	207	623	1,677
91300	Management fee	50,719	97,661	132,707	108,826	191,628	173,149	97,767	63,059	81,477	89,331	21,152	9,809	40,351	13,932	58,794	157,728
913.10	Bookkeeping fee	7,248	10,665	14,310	11,880	20,940	18,930	10,680	6,878	8,902	9,750	2,310	1,072	4,395	1,980	6,428	17,287
91400	Advertising and marketing	2,144	1,334	1,430	1,471	7,022	1,733	1,376	800	465	661	1,230	68	581	2,135	3,000	2,460
91500	Employee benefit contributions - administrative	-	22,420	43,223	25,122	36,578	32,449	18,715	31,272	15,561	20,412	6,277	2,307	11,131	3,564	11,439	44,624
91600	Office expenses	-	27,901	36,509	20,014	36,578	29,944	32,931	19,943	21,301	16,054	4,582	1,290	45,257	1,905	11,215	31,683
91700	Legal expense	13,217	8,732	2,568	1,310	22,972	2,084	2,972	30,695	3,083	2,612	-	153	253	897	-	2,613
91800	Travel	-	6,983	7,211	8,720	9,179	9,870	4,915	5,800	3,568	3,490	885	863	4,225	1,090	2,218	6,795
918.10	Allocated overhead	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
91900	Other	13,950	4,496	12,514	6,271	9,545	8,538	4,159	11,077	9,885	4,396	1,409	505	3,302	559	2,840	22,944
	Total administrative	87,278	229,808	342,680	238,241	438,126	366,444	224,780	225,263	188,525	191,107	52,111	22,184	150,234	36,109	128,365	393,560
92000	Asset management fee	-	14,400	20,240	16,080	28,200	25,440	14,400	9,360	12,000	13,200	3,120	1,440	6,000	2,640	8,640	23,280
Tenant services:																	
92100	Salaries	-	10,776	15,267	12,038	21,102	19,033	10,776	7,007	8,984	9,882	2,335	1,070	7,654	1,591	6,469	17,413
92200	Relocation costs	4,130	-	-	-	-	-	-	-	-	-	-	-	-	8,134	-	-
92300	Employee benefit contributions	-	4,203	5,953	4,694	8,228	7,422	4,202	2,733	3,503	3,853	911	416	2,005	594	2,523	6,792
92400	Other	-	48,937	70,449	41,132	41,866	10,609	4,969	50,333	7,589	31,898	12	6	2,553	288	9,594	4,698
	Total tenant services	4,130	63,916	91,669	57,864	71,196	37,064	19,947	60,073	20,076	45,633	3,258	1,492	12,212	10,607	18,586	28,903
Utilities:																	
93100	Water	9,379	17,799	31,269	20,171	38,715	25,220	11,021	14,204	10,786	350	51	1,827	8,417	2,077	8,937	35,199
93200	Electricity	-	17,938	38,479	19,219	12,262	9,297	98,355	11,579	111,644	6,167	607	1,131	8,493	-	3,971	8,055
93300	Gas	-	370	6,224	3,145	2,393	653	11,429	13	492	843	8	-	104	-	774	652
93400	Fuel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
93600	Sewer	974	42,315	55,615	43,865	91,030	58,542	935	37,083	20,347	416	55	3,909	11,250	3,962	21,855	90,390
93800	Other utilities expense	320	1,601	5,349	5,908	3,054	1,475	9,180	1,296	10,159	1,672	219	2,705	4,249	3,084	1,632	2,186
	Total utilities	10,673	80,023	136,936	92,308	147,454	95,187	130,920	64,175	153,428	9,448	940	9,572	32,513	9,123	37,169	136,482
Ordinary maintenance & operations:																	
94100	Labor	319	127,073	170,551	113,902	160,148	164,311	85,195	82,590	87,417	104,635	3,612	3,983	67,587	1,576	50,082	145,243
94200	Materials and other	-	86,029	121,306	72,347	115,857	118,596	64,435	100,313	41,655	55,333	31,920	34,061	63,623	13,333	22,846	94,707
94300	Contracts	24,000	40,486	85,270	43,730	105,342	145,810	24,955	28,277	16,212	39,373	5,899	6,673	22,933	15,179	27,792	77,728
94500	Employee benefits contribution	24	58,082	67,325	51,837	69,402	59,312	35,763	23,370	31,154	43,392	266	208	30,976	176	17,942	44,269
	Total ordinary maintenance & operations	24,343	311,670	444,452	281,816	450,749	488,029	210,348	234,550	176,438	242,733	41,697	44,925	185,119	30,264	118,662	361,947

HUNTSVILLE HOUSING AUTHORITY
PROJECT REVENUE AND EXPENSE SUMMARY
Year Ended March 31, 2012
(Continued)

Line Item #	Accounts Description	AMP 001	AMP 002	AMP 003	AMP 004	AMP 006	AMP 007	AMP 008	AMP 010	AMP 011	AMP 014	AMP 016	AMP 018	AMP 019	AMP 020	AMP 051	AMP 052	Project Totals
	Protective services:																	
95100	Labor	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 105,569	\$ -	\$ 122,916	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 228,485
95200	Other contract costs	5,684	8,818	12,491	9,845	17,264	15,575	-	5,729	-	8,080	1,908	880	3,678	702	5,292	14,252	110,198
95300	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
95500	Employee benefit contributions	-	-	-	-	-	-	41,235	-	53,944	-	-	-	-	-	-	-	95,179
	Total protective services	5,684	8,818	12,491	9,845	17,264	15,575	146,804	5,729	176,860	8,080	1,908	880	3,678	702	5,292	14,252	433,862
96100	Total Insurance premiums	19,473	30,866	30,483	17,655	40,784	29,421	17,587	23,567	15,672	37,105	4,781	4,553	15,700	3,813	49,182	31,073	371,715
	General expenses:																	
96200	Other general expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
96210	Compensated absences	-	(906)	(2,100)	3,648	1,514	404	219	(1,021)	(218)	(1,315)	184	(73)	(298)	1,102	(321)	(2,639)	(1,820)
96300	Payments in lieu of taxes	-	303	-	701	9,286	12,815	14,103	1,035	6,976	63	751	-	3,914	2,898	5,473	4,810	63,128
96400	Bad debt - tenant rents	(2,968)	316	801	11,121	17,995	1,155	1,229	4,677	2,816	4,562	753	-	3,614	656	955	5,302	52,984
96000	Total general expenses	(2,968)	(287)	(1,299)	15,470	28,795	14,374	15,551	4,691	9,574	3,310	1,688	(73)	7,230	4,656	6,107	7,473	114,292
96700	Total interest expense and amortization cost	-	11,254	174	5,109	32,275	-	-	5,800	266	8,972	11,165	-	-	-	8,711	18,137	101,863
96900	Total operating expenses	148,613	750,468	1,077,826	734,388	1,254,843	1,071,534	780,337	633,208	752,839	559,588	120,668	84,973	412,686	97,914	380,714	1,015,107	9,875,706
97000	Excess of operating revenue over operating expenses	224,922	169,316	114,429	206,903	239,394	46,107	(51,530)	(84,608)	(89,912)	61,956	110,407	(28,882)	(43,303)	168,418	161,854	182,643	1,388,114
97100	Extraordinary maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
97200	Casualty losses - non capitalized	-	-	10,850	-	-	-	-	10,355	-	-	-	-	-	-	-	35,978	57,183
97300	Housing assistance payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
97400	Depreciation expense	7,242	154,135	94,686	87,693	308,282	732,128	173,184	116,338	102,321	194,544	31,858	29,372	95,430	59,023	48,527	162,644	2,397,407
90000	Total expenses	155,855	904,603	1,183,362	822,081	1,563,125	1,803,662	953,521	759,901	855,160	754,132	152,526	114,345	508,116	156,937	429,241	1,213,729	12,330,296
	Other financing sources (uses):																	
10010	Operating transfer in	-	139,982	144,884	90,222	304,576	14,898	154,280	99,621	188,124	109,335	92,062	961	240,062	1,018	81,347	159,140	1,820,512
10020	Operating transfer out	-	(134,334)	(144,884)	(95,870)	(304,363)	(21,107)	(152,317)	(95,587)	(183,031)	(113,827)	(92,662)	(961)	(238,817)	(1,418)	(73,864)	(167,470)	(1,820,512)
10070	Extraordinary items, net gain / loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10091	Inter project excess cash transfer in	-	-	100,000	-	-	-	50,000	100,000	50,000	-	-	-	-	70,000	-	-	370,000
10092	Inter project excess cash transfer out	(370,000)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(370,000)
10100	Total other financing sources (uses)	(370,000)	5,648	100,000	(5,648)	213	(6,209)	51,963	104,034	55,093	(4,492)	(600)	-	1,245	69,600	7,483	(8,330)	-
10000	EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENSES	\$ (152,320)	\$ 20,829	\$ 108,893	\$ 113,562	\$ (68,675)	\$ (692,230)	\$ (172,751)	\$ (107,267)	\$ (137,140)	\$ (137,080)	\$ 77,949	\$ (58,254)	\$ (137,488)	\$ 178,995	\$ 120,810	\$ (24,309)	\$ (1,066,476)
	Memo Account Information																	
11020	Required annual debt principal payments	\$ -	\$ 81,208	\$ 1,254	\$ 36,862	\$ 232,885	\$ -	\$ -	\$ 41,849	\$ 1,916	\$ 64,740	\$ 80,560	\$ -	\$ -	\$ -	\$ 62,856	\$ 130,870	\$ 735,000
11030	Beginning equity	1,405,199	1,750,643	1,393,253	1,311,825	3,204,177	4,201,820	936,914	899,057	633,514	2,389,299	969,999	872,755	2,977,747	-	512,544	1,924,124	25,382,870
11040	Prior period adjustments, equity transfers & correction	-	36,096	277,804	77,953	-	-	-	297,608	-	27,505	49,414	-	-	1,697,943	-	141,255	2,605,578
11170	Administrative fee equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11180	Housing assistance payments equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11190	Unit months available	-	1,440	1,921	1,596	2,775	2,544	1,436	818	1,200	1,256	312	144	588	264	864	2,309	19,467
11210	Unit months leased	-	1,422	1,896	1,572	2,756	2,524	1,424	800	1,187	1,236	308	143	574	264	857	2,293	19,256
11270	Excess cash	422,317	262,376	389,254	309,514	486,876	458,837	243,616	211,190	210,165	272,707	152,078	188,541	220,027	61,707	100,004	389,140	4,378,349
11610	Land purchases	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11620	Building purchases	-	168,328	369,167	211,361	-	-	-	297,608	-	27,505	49,414	-	-	4,000	138,797	141,255	1,407,435
	Furniture & equipment - dwelling purchases																	
11630	Furniture & equipment - administrative purchases	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13510	CFFP debt service payments	-	91,381	1,411	41,480	262,059	-	-	47,092	2,156	72,850	90,652	-	-	-	70,730	147,262	827,073
13901	Replacement Housing Factor funds	-	-	-	-	-	-	-	-	-	-	-	-	-	164,813	-	-	164,813

**HUNTSVILLE HOUSING AUTHORITY
STATEMENT AND CERTIFICATE OF PROGRAM COSTS –
CAPITAL FUND PROGRAM
March 31, 2012**

2008 Capital Fund Program Grant

AL09P047501-08

Funds approved	\$	3,124,216
Funds expended		<u>3,124,216</u>
Excess of funds approved	\$	<u>-</u>
Funds advanced	\$	3,124,216
Funds expended		<u>3,124,216</u>
Excess of funds advanced	\$	<u>-</u>

2009 American Reinvestment and Recovery Act (ARRA)

AL09S047501-09

Funds approved	\$	4,093,829
Funds expended		<u>4,093,829</u>
Excess of funds approved	\$	<u>-</u>
Funds advanced	\$	4,093,829
Funds expended		<u>4,093,829</u>
Excess of funds advanced	\$	<u>-</u>

**HUNTSVILLE HOUSING AUTHORITY
SCHEDULE OF CLOSED GRANTS
March 31, 2012**

2009 ROSS Grant

AL047RFS003A009

Funds approved	\$	55,000
Funds expended		<u>55,000</u>
Excess of funds approved	\$	<u><u>-</u></u>

Funds advanced	\$	55,000
Funds expended		<u>55,000</u>
Excess of funds advanced	\$	<u><u>-</u></u>

Shelter Plus Care Grant

AL09C503002

Funds approved	\$	227,520
Funds expended		<u>227,520</u>
Excess of funds approved	\$	<u><u>-</u></u>

Funds advanced	\$	227,520
Funds expended		<u>227,520</u>
Excess of funds advanced	\$	<u><u>-</u></u>

Shelter Plus Care Grant

AL0046C4C030802

Funds approved	\$	307,008
Funds expended		<u>191,264</u>
Excess of funds approved	\$	<u><u>115,744</u></u>

Funds advanced	\$	191,264
Funds expended		<u>191,264</u>
Excess of funds advanced	\$	<u><u>-</u></u>

SINGLE AUDIT REPORT



CliftonLarsonAllen

Independent Auditor's 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 of the
Huntsville Housing Authority
Huntsville, Alabama

We have audited the financial statements of the Huntsville Housing Authority (the Authority) as of and for the year ended March 31, 2012, and have issued our report thereon dated August 20, 2012. 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.

Internal Control Over Financial Reporting

Management of the Authority is responsible for establishing and maintaining internal control over financial reporting. In planning and performing our audit, we considered the Authority's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over financial reporting.

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 misstatements on a timely basis. A *material weakness* is a deficiency, or 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of 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*.

We noted certain matters that we reported to management of the Authority in a separate letter dated August 20, 2012.

This report is intended solely for the information and use of management, the Board of Commissioners, others within the Authority, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

CliftonLarsonAllen LLP

Baltimore, Maryland
August 20, 2012



**Independent Auditor's Report on Compliance with Requirements That
Could Have a Direct and Material Effect on Each Major Program and on
Internal Control over Compliance in Accordance with OMB Circular A-133**

Board of Commissioners of the
Huntsville Housing Authority
Huntsville, Alabama

Compliance

We have audited the compliance of the Huntsville Housing Authority (the Authority) with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement that could have a direct and material effect on each of its major federal programs for the year ended March 31, 2012. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Authority's management. Our responsibility is to express an opinion on the Authority's compliance based on our audit.

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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 the Authority's 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. Our audit does not provide a legal determination of the Authority's compliance with those requirements.

In our opinion, the Authority complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended March 31, 2012.

Internal Control Over Compliance

The management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Authority's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 the Authority's 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.

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 that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, Board of Commissioners, others within the Authority, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

CliftonLarsonAllen LLP

Baltimore, Maryland
August 20, 2012

HUNTSVILLE HOUSING AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended March 31, 2012

	<u>CFDA Number</u>	<u>Federal Expenditures</u>
U.S. Department of Housing and Urban Development (HUD)		
Community Development Block Grant/State's Program (NSP)	14.228	\$ 167,653
Pass-through entity:		
Alabama Department of Economic and Community Affairs		
Shelter Plus Care	14.238	245,477
Low Rent Public Housing	14.850	6,338,040
Resident Opportunity and Supportive Services	14.870	223,701
Housing Choice Vouchers	14.871	<u>9,452,771</u>
Capital Fund Program Cluster		
Public Housing Capital Fund Program	14.872	2,871,704
Public Housing Capital Fund Competitive (Recovery Act Funded)	14.884	249,716
Public Housing Capital Fund Stimulus (Formula)		
Recovery Act Funded	14.885	<u>1,008,513</u>
Capital Fund Program Cluster Total		<u>4,129,933</u>
TOTAL FEDERAL EXPENDITURES		<u><u>\$ 20,557,575</u></u>

See accompanying notes.

HUNTSVILLE HOUSING AUTHORITY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
March 31, 2012

NOTE 1 – BASIS OF PRESENTATION

The Schedule of Expenditures of Federal Awards is presented on the accrual basis of accounting and includes all expenditures of federal awards administered by the Authority. Several programs are funded jointly by the State in accordance with requirements of the various federal grants. Costs incurred for such programs are applied to Federal grant funds in accordance with the terms of the related Federal grants with the remainder applied to funds provided by the State.

All costs charged to Federal Awards are determined based on the applicable Federal grants and OMB Circular A-87, *Costs Principles Applicable to Grants and Contracts with State and Local Governments*.

NOTE 2 – FEDERAL COGNIZANT AGENCY

The Federal cognizant agency for the Authority is the U.S. Department of Housing and Urban Development (HUD).

NOTE 3 – FINDINGS AND QUESTIONED COSTS

Any findings and questioned costs identified in connection with the 2012 Single Audit would be disclosed in Schedule I and the status of prior year findings and questioned costs would be disclosed in Schedule II.

See accompanying schedule.

**HUNTSVILLE HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended March 31, 2012**

I. Summary of Independent Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ Yes X None reported

Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiencies identified that are not considered to be material weaknesses? _____ Yes X None reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? _____ Yes X No

Identification of Major Programs

<u>Name of Federal Program</u>	<u>CFDA Number</u>	<u>Expenditures</u>
Low Rent Public Housing	14.850	\$ 6,338,040
Capital Fund Program Cluster	14.872/14.884/14.885	4,129,933

Dollar threshold used to distinguish between type A and type B programs: \$ 616,727

Auditee qualified as low-risk auditee? X Yes No

**HUNTSVILLE HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended March 31, 2012**

II. Financial Statement Findings

None

III. Federal Award Findings and Questioned Costs

None

**HUNTSVILLE HOUSING AUTHORITY
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
Year Ended March 31, 2012**

None