

**HUNTSVILLE HOUSING AUTHORITY**  
**Huntsville, Alabama**

**FINANCIAL STATEMENTS**  
**March 31, 2010**

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## 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, 2010, and the related statements of revenues, 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, 2010, 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 9, 2010, 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 audits.

The Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplemental information. 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 basic financial statements of the Authority taken as a whole. The accompanying information identified in the Table of Contents as supplemental information is presented for purposes of additional analysis and is not a required part of the basic financial statements. The financial data schedules and statement and certificate of program costs have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly presented, in all material respects, in relation to the basic financial statements taken as a whole. The schedule of closed grants has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

*Clifton Henderson LLP*

Baltimore, Maryland  
August 9, 2010

**HUNTSVILLE HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
March 31, 2010**

The Huntsville Housing Authority (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 14).

**FINANCIAL HIGHLIGHTS**

- The Authority's net assets were \$29.5 million for 2010, a \$1.6 million increase from 2009.
- The Authority's revenues increased by \$1.3 million during 2010, and were \$23.4 million and \$22.1 million for 2010 and 2009, respectively.
- The total expenses of all Authority programs had an increase of \$2.7 million. Total expenses were \$21.8 million and \$19.1 million for 2010 and 2009, respectively.

**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 Revenues, 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, and 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, 2010**

**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. 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 – This year, 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 85-unit state-of-the-art senior facility. No funds were expended from this grant during this fiscal year.

**HUNTSVILLE HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
March 31, 2010**

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 this fiscal year.
3. Alabama Housing Finance Authority (AHFA) – Section 1602 Exchange Funds – The Authority received a grant from AHFA totaling \$9,795,250 as an exchange for the Authority's tax credit award for Gateway Place. No funds were expended during this 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 \$4 million. Approximately \$1.1 million was expended during this fiscal year.

Other Programs – In addition to the programs above, the Authority also maintains the following smaller 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 Sponsor Based 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 Tenant Based 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. We also participated in the Disaster Housing Assistance Program (DHAP) designed to assist those disaster victims that weren't previously assisted with housing subsidies. This program was completed this fiscal year.

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.

**HUNTSVILLE HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
March 31, 2010**

**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**

	2010	2009	
	(in millions of dollars)	(in millions of dollars)	Variance
<b>Assets</b>			
Current and other assets	\$ 9.7	\$ 8.3	\$ 1.4
Non-current assets	<u>24.5</u>	<u>24.9</u>	<u>(0.4)</u>
<b>Total assets</b>	<u>34.2</u>	<u>33.2</u>	<u>1.0</u>
<b>Liabilities</b>			
Current liabilities	2.1	2.1	-
Non-current liabilities	<u>2.6</u>	<u>3.2</u>	<u>(0.6)</u>
<b>Total liabilities</b>	<u>4.7</u>	<u>5.3</u>	<u>(0.6)</u>
<b>Net assets</b>			
Invested in capital assets:			
Net of related debt	20.6	21.1	(0.5)
Restricted net assets	1.0	0.5	0.5
Unrestricted net assets	<u>7.9</u>	<u>6.3</u>	<u>1.6</u>
<b>Total net assets</b>	<u>\$ 29.5</u>	<u>\$ 27.9</u>	<u>\$ 1.6</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 an increase of \$1.6 million to \$29.5 million. Invested in Capital Assets, Net of Related Debt decreased by \$.5 million. This change in Capital Assets is explained in the section Capital Assets and Debt Administration found on page 9 of this report. Unrestricted Net Assets increased by \$1.6 million. Restricted Net Assets increased by .5 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 \$1.4 million. The major source of this increase is cash, which increased by \$1.2 million due to the net income for the year. Non-current assets decreased by \$.4 million due to the disposition of property (56 units) at Council Courts.

**HUNTSVILLE HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
March 31, 2010**

Current liabilities remained constant. There was no change from the prior year.

A breakdown of assets, liabilities, and equity by program can be found in the supplemental information on pages 27 and 28.

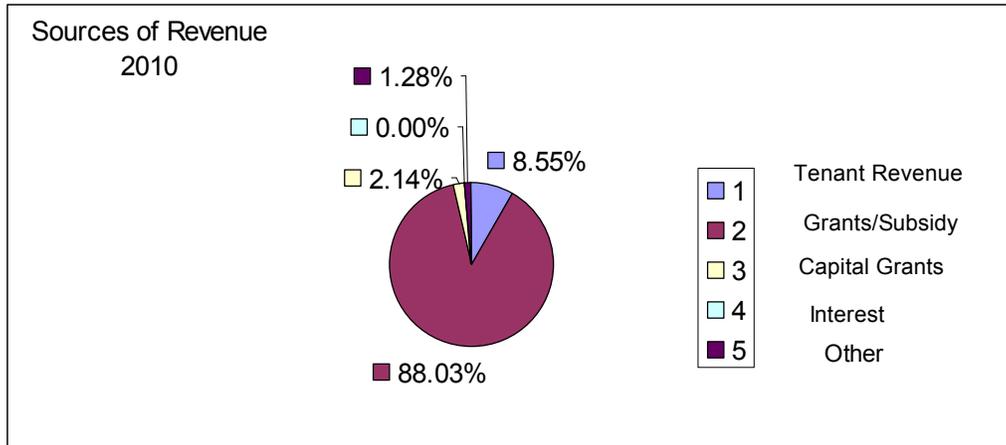
Table 2 compares the revenues and expenses for the current year and previous fiscal year. The Authority is engaged only in Business-Type Activities.

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

	<b>2010 (in millions of dollars)</b>	<b>2009 (in millions of dollars)</b>	<b>Variance</b>
<b>Revenues</b>			
Tenant revenue	\$ 2.0	\$ 1.8	\$ 0.2
Program grants and subsidies	20.6	16.2	4.4
Capital grants	0.5	1.7	(1.2)
Interest	-	0.1	(0.1)
Other income	0.3	2.3	(2.0)
<b>Total revenues</b>	<b>23.4</b>	<b>22.1</b>	<b>1.3</b>
<b>Expenses</b>			
Administrative	4.3	3.7	0.6
Tenant services	0.9	0.7	0.2
Utilities	1.3	1.3	-
Maintenance	3.3	2.8	0.5
Protective services	0.4	0.4	-
General expenses	0.7	0.7	-
Housing assistance payments	7.5	6.6	0.9
Other operating expenses	0.9	0.3	0.6
Depreciation	2.5	2.6	(0.1)
<b>Total expenses</b>	<b>21.8</b>	<b>19.1</b>	<b>2.7</b>
<b>Net increase (decrease) as a result of operations</b>	<b>1.6</b>	<b>3.0</b>	<b>(1.4)</b>
<b>Beginning net assets</b>	<b>27.9</b>	<b>24.9</b>	<b>3.0</b>
<b>Ending net assets</b>	<b>\$ 29.5</b>	<b>\$ 27.9</b>	<b>\$ 1.6</b>

**HUNTSVILLE HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
March 31, 2010**

The pie chart below illustrates revenues by funding source. Please note that 90% of funding is derived from grants and subsidy payments from the Department of Housing and Urban Development.



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

Capital Grant Revenue decreased from \$1.7 million to .5 million. In the prior year, the Authority had an increase in Capital Fund Grants from \$.3 million to \$1.7 million. This increase was related to the Authority's focus on a major redevelopment project in the downtown area. The Authority also purchased properties at Mahogany Row and Stone Manor utilizing a portion of Capital Grant Funds. The decrease this fiscal year re-aligns this revenue source to its average annual amount.

Operating subsidy/grants increased by \$4.4 million, from \$16.2 million to \$20.6 million. This increase is due to the Authority receiving additional grants including NSP and ARRA. Also, the Authority received funding for 181 new vouchers for replacement housing for the Council Courts Relocation and for relocating tenants at Paradise Apartments (per HUD request). Other income decreased by 2.0 million. The prior year included a gain on the sale of 22 units at Searcy Homes.

Total expenses increased by \$2.7 million. This increase is due to increased administrative expenses of \$.6 million for the administration of the new programs. Maintenance expenses increased by \$.5 million due to the additional maintenance expenses needed for the two developments purchased in the prior year, Stone Manor and Mahogany Row. Housing Assistance Payments (HAP) expenses increased by \$.9 million due to the 181 replacement housing vouchers received. A loss of \$.4 million was incurred from the demolition of 56 units at Council Courts. The Authority also incurred an expense of \$.3 million due to the settlement of an EPA issue at Searcy Homes. (See Note 1, Page 20) in the notes to the financial statements for more details.

A breakdown of revenues and expenses by program can be found on pages 29 and 30 of the supplemental information.

**HUNTSVILLE HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
March 31, 2010**

**Capital Assets and Debt Administration**

As of year-end, the Authority had \$24.4 million invested in a variety of capital assets as reflected in the following schedule, which represents a net decrease (additions, deletions and depreciation) of \$.4 million from the end of last year. This decrease is primarily linked to the disposition of 56 units at Councill Courts.

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

	<u>2010</u>	<u>2009</u>	<u>Variance</u>	<u>% Change</u>
Land	\$ 3,562,962	\$ 3,280,483	\$ 282,479	8.6%
Buildings	64,652,082	64,509,854	142,228	0.2%
Equipment - administration	1,992,155	1,865,094	127,061	6.8%
Accumulated depreciation	(46,640,278)	(45,245,059)	(1,395,219)	3.1%
Construction in progress	<u>828,953</u>	<u>364,348</u>	<u>464,605</u>	<u>127.5%</u>
<b>Total capital assets</b>	<u>\$ 24,395,874</u>	<u>\$ 24,774,720</u>	<u>\$ (378,846)</u>	<u>-1.5%</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>
<b>Beginning balance, April 1, 2009</b>	<u>\$ 24,774,720</u>
Additions	<u>2,363,594</u>
Retirements	(1,347,221)
Depreciation on retirements	<u>1,074,390</u>
Net retirements	<u>(272,831)</u>
Depreciation	<u>(2,469,609)</u>
<b>Ending balance, March 31, 2009</b>	<u>\$ 24,395,874</u>

This year's major additions are:

Business-type activities

Capital improvement programs	\$ 2,218,049
Equipment purchases	<u>145,545</u>
<b>Total additions</b>	<u>\$ 2,363,594</u>

**HUNTSVILLE HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
March 31, 2010**

**Debt Outstanding**

As of year-end, the Authority had \$3 million in debt outstanding compared to \$3.69 million last year. 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.

**Outstanding Debt at Year End**

	<b>2010</b>	<b>2009</b>
Bonds	<u>\$ 3,005,000</u>	<u>\$3,690,000</u>

**FINANCIAL ANALYSIS OF THE AUTHORITY**

The Real Estate Assessment Center (REAC) performs a financial evaluation on the 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 the first year of Asset Management, authorities were scored based on the prior fiscal year score. During this fiscal year, REAC scored the Authority's financial operations based on current regulation. The Authority estimates the following score for 2010:

**Public Housing Assessment System  
Financial Condition Indicators  
March 31, 2010**

	<b>Maximum Score</b>	<b>HHA Score</b>
Financial indicator		
Current ratio	9.00	9.00
Number of months expendable fund balance	9.00	9.00
Days receivables outstanding	4.50	4.10
Occupancy loss	4.50	4.50
Expense management	1.50	1.50
Net income	<u>1.50</u>	<u>1.50</u>
<b>Total</b>	<u><b>30.00</b></u>	<u><b>29.60</b></u>

**HUNTSVILLE HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
March 31, 2010**

**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 2009 funded at 88.42%; calendar year 2010 is estimated at 100%. The FY 2011 spending bill introduced by the House appropriations committee in July, 2010 estimates full funding of the Public Housing Operating Subsidy.

Capital Fund – The 2009 Capital Fund was 2.5% lower than 2008 and the 2010 Capital Fund, which was just allocated in July 2010 is 2% below the amount received for 2009. For FY 2011, the House appropriations committee provides for an appropriation equivalent to that of FY 2010.

Section 8 – Calendar year 2009 continued the same method of funding for administrative fees as CY 2008 (based on leaseup and subject to proration). Because the Authority added an additional 181 vouchers to its portfolio during this fiscal year, additional administrative fees were earned. The Authority anticipates earning more fees in FYE 3/31/2011 due to achieving full leaseup with these same vouchers.

Section 8 – For CY 2009, the total HAP eligibility was \$6,575,187 and prorated at 99.1%. The amount was further reduced by \$37,235 of Net Restricted Assets (HAP Reserves), bringing the total HAP funding to \$6,478,775. This amount represents an increase of 13% above the prior year. For CY 2010, the total HAP eligibility is \$7,474,975 with proration at 99.5%, for a total of \$7,437,600. This amount excludes \$414,551 that was previously authorized for the replacement housing vouchers. Also, the Authority received an additional \$20,291 of set-a-side funding for portability. This brings the total amount available for CY 2010 to \$7,872,442 or an increase of \$1,393,667 (22%) above the prior calendar year. Average HAP for the program exceeds the amount funded; therefore, the Authority will have a need to utilize reserves in order to fund the allotted number of families. The HAP funding is based on prior year data and does not consider an increase in rents 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 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.
- Local inflationary, recessionary and employment trends can affect resident incomes and therefore the amount of rental income. Unemployment in the Huntsville, Alabama area increased from 7.1% to 8.4% compared to the previous fiscal year.

**HUNTSVILLE HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
March 31, 2010**

- The Authority received four new grants during the current year: NSP, CFRC, CFRG, and AHFA Section 1602 Funds. The Authority will be increasing revenues and expenses during the upcoming fiscal year as the funds are expended quickly to meet expenditure guidelines established by these grants.

**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.

## **FINANCIAL STATEMENTS**

**HUNTSVILLE HOUSING AUTHORITY**  
**STATEMENT OF NET ASSETS**  
**March 31, 2010**

**ASSETS**

**CURRENT ASSETS**

Cash and cash equivalents	\$ 6,748,327
Accounts receivable	474,979
Tenants accounts receivable	49,472
Allowance for doubtful accounts	(4,538)
Prepaid expenses and assets	<u>122,762</u>
Total current assets	<u>7,391,002</u>

**RESTRICTED ASSETS**

Cash and cash equivalents	<u>2,218,405</u>
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**CAPITAL ASSETS**

Land	3,562,962
Buildings and improvements	64,652,082
Furniture and equipment	1,992,155
Construction in progress	828,953
Less accumulated depreciation	<u>(46,640,278)</u>
Net capital assets	<u>24,395,874</u>

**OTHER ASSETS**

Bond costs net of amortization	56,380
Other assets	<u>91,606</u>
Total other assets	<u>147,986</u>

**TOTAL ASSETS**

**\$ 34,153,267**

**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES**

Accounts payable	\$ 749,087
Accrued wages and payroll taxes	122,083
Accrued compensated absences	168,089
Interest payable	29,674
Accounts payable other governments	82,234
Tenant security deposits	160,485
Deferred revenues	48,878
Bonds payable - current	710,000
Other current liabilities	<u>2,509</u>
Total current liabilities	<u>2,073,039</u>

**LONG-TERM LIABILITES**

Bonds payable - non-current	2,295,000
Non-current liabilities - other	<u>315,502</u>
Total long-term liabilities	<u>2,610,502</u>
Total liabilities	<u>4,683,541</u>

**NET ASSETS**

Investment in capital assets net of related debt	20,564,822
Restricted net assets	1,001,238
Unrestricted net assets	<u>7,903,666</u>
Total net assets	<u>29,469,726</u>

**TOTAL LIABILITIES AND NET ASSETS**

**\$ 34,153,267**

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, 2010**

**OPERATING REVENUES**

Dwelling rent	\$ 1,988,893
Operating grants	20,648,895
Other revenue	<u>265,009</u>
Total operating revenues	<u>22,902,797</u>

**OPERATING EXPENSES**

Administrative	4,296,650
Tenant services	918,577
Utilities	1,308,694
Maintenance and operations	3,309,936
Protective services	394,821
General expense	680,899
Housing assistance payments	7,544,407
Other operating expenses	<u>490,127</u>

Total operating expenses 18,944,111

Operating income before depreciation 3,958,686

Depreciation and amortization 2,486,523

Total operating income 1,472,163

**NON-OPERATING REVENUES (EXPENSES)**

Investment income	48,791
Loss on disposal of capital assets	(272,831)
Interest expense	<u>(136,679)</u>
Total non-operating revenues (expenses)	<u>(360,719)</u>

Increase in net assets before capital contributions 1,111,444

Capital grants 455,826

**INCREASE IN NET ASSETS** 1,567,270

**NET ASSETS, BEGINNING** 27,902,456

**NET ASSETS, ENDING** \$ 29,469,726

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

**HUNTSVILLE HOUSING AUTHORITY**  
**STATEMENT OF CASH FLOWS**  
**Year Ended March 31, 2010**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Cash received from dwelling rent	\$ 2,034,268
Cash received from grants	20,452,777
Cash received from other sources	265,009
Cash payments for salaries and benefits	(5,579,281)
Cash payments to vendors and landlords	<u>(13,306,763)</u>
Net cash flows provided by operating activities	<u>3,866,010</u>

**CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES**

Acquisition of capital assets	(2,363,594)
Principal paid on bond payable	(685,001)
Interest paid on bond payable	(136,679)
Capital grants	<u>455,826</u>
Net cash flows used in capital and related financing activities	<u>(2,729,448)</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Investment interest	<u>48,791</u>
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**NET INCREASE IN CASH AND CASH EQUIVALENTS**

1,185,353

**CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR**

7,781,379

**CASH AND CASH EQUIVALENTS, END OF YEAR**

\$ 8,966,732

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

Operating income	\$ 1,472,163
Adjustment fo reconcile operating income to net cash provided by operating activities:	
Depreciation	2,469,609
Amortization	16,914
Provision for bad debts	129,712
Effects of changes in operating assets and liabilities:	
Accounts receivable	(196,118)
Tenant accounts receivable	(68,838)
Tenant security deposit	(15,499)
Prepaid	39,080
Other assets	(56,380)
Deferred revenue	(103,788)
Accounts payable	190,778
Accrued liabilities	(82,409)
Compensated absences	12,398
Other liabilities	(16,349)
Non-current other liabilities	<u>74,737</u>

**NET CASH PROVIDED BY OPERATING ACTIVITIES**

\$ 3,866,010

**NON-CASH CAPITAL ACTIVITIES**

Disposal of capital assets	<u>\$ 272,831</u>
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The accompanying notes are an integral part of the financial statements.

**HUNTSVILLE HOUSING AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
March 31, 2010**

**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, 2010**

**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 is 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 consists 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, 2010**

**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. Amounts 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 one of the following methods: direct salaries and wages, 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."

**New Accounting Pronouncements**

The Authority has adopted GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations* (GASB 49). The Statement addresses accounting and financial reporting standards for pollution (including contamination) remediation obligations, which are obligations to address the current or potential detrimental effects of existing pollution by participating in pollution remediation activities such as site assessments and cleanups. Once any one of five specified obligating events occurs, a government is required to estimate the components of expected pollution remediation outlays and determine whether outlays for those components should be accrued as a liability or, if appropriate, capitalized when goods and services are acquired.

**HUNTSVILLE HOUSING AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2010**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIE (CONTINUED)**

**New Accounting Pronouncements (continued)**

Obligating events include: 1) the government is compelled to take pollution remediation action because of imminent endangerment; 2) the government violates a pollution prevention-related permit or license; 3) the government is named or will be named as a responsible party for remediation or for sharing costs; 4) the government is named or will be named in a lawsuit to compel participating in pollution remediation; and 5) the government commences or legally obligates itself to commence pollution remediation.

For fiscal year 2010, the Authority has not encountered any obligating events which would result in an accrued liability or capitalized asset. However, the Authority was notified by the U.S. Environmental Protection Agency (EPA) that sampling and investigation of soil at a portion of Searcy Homes revealed the presence in the soil of contaminants left over from a very old historical industrial operation. This notification from EPA included EPA's decision that the contaminated soil should be removed. The area in question is approximately three acres. There are seven public housing residential buildings (thirteen units) located in the area. During the late 1800's into the 1940's, a manufactured gas plant was operated at this site. The contamination was discovered by the Alabama Department of Environmental Management when it conducted routine sampling around the State at properties formerly occupied by gas plants. Alagasco is the successor to the company that operated the manufactured gas plant. With the approval of the Board, the Authority entered into an agreement with Alagasco. The agreement states that for \$300,000 Alagasco will assume responsibility for the cleanup of the site and the Authority will be responsible for the relocation of the residents in the affected units. This payment is included as an operating expense in the financial statements.

The GASB Statement No. 45 required government-wide and proprietary financial statements to report Post-employment Benefit Plans Other than Pension Plans (OPEB). The effective date for the new OPEB accounting for the Authority is the fiscal year beginning April 1, 2008. The Annual Required Contribution is an actuarially calculated contribution that accrues a portion of the cost for future benefits.

The Authority does not have any post-employment benefit plans other than their pension.

**NOTE 2 – CASH AND CASH EQUIVALENTS**

*Custodial Credit Risk* – The Authority 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.

*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.

**HUNTSVILLE HOUSING AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2010**

**NOTE 2 – CASH AND CASH EQUIVALENTS (CONTINUED)**

The Authority's cash and cash equivalents consist of cash held in interest bearing checking accounts totaling \$6,908,812 and \$710,000 held for payment of current debt invested in short term U.S. Treasury Money Market Funds. The restricted cash consists of \$1,062,075 held in an interest bearing checking account and \$285,846 held in U.S. Treasury Money Market Funds. Deposits with financial institutions are secured as follows:

Insured by FDIC	\$ 250,000
Investments held in U.S. Treasury obligations	995,846
Collateralized with specific securities in the Authority name which are held by the financial institution	7,716,486
Cash on hand	<u>4,400</u>
<b>Total</b>	<b><u>\$ 8,966,732</u></b>

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 ASSETS**

Restricted assets consist of the following:

Restricted for payment of current bonds payable	\$ 710,000
Restricted bond fund proceeds	285,846
Restricted for HAP (net restricted assets)	636,547
Restricted for VASH HAP	60,847
Restricted Section 8 Rental	18,000
Restricted funds – Wachovia Grant	100,000
Restrictions for tenant security deposits	160,485
FSS escrow	<u>246,680</u>
<b>Total restricted assets</b>	<b><u>\$ 2,218,405</u></b>

**NOTE 4 – CAPITAL ASSETS**

Capital assets consist of the following as of March 31, 2010:

	<u>Balance, April 1, 2009</u>	<u>Additions</u>	<u>Transfers &amp; Deletions</u>	<u>Balance, March 31, 2010</u>
Land	\$ 3,280,483	\$ 170,401	\$ 112,078	\$ 3,562,962
Construction in process	<u>364,348</u>	<u>828,952</u>	<u>(364,347)</u>	<u>828,953</u>
Total assets not being depreciated	<u>3,644,831</u>	<u>999,353</u>	<u>(252,269)</u>	<u>4,391,915</u>
Buildings and improvements	64,509,854	1,218,695	(1,076,467)	64,652,082
Furniture and equipment	<u>1,865,094</u>	<u>145,546</u>	<u>(18,485)</u>	<u>1,992,155</u>
Total property and equipment	<u>66,374,948</u>	<u>1,364,241</u>	<u>(1,094,952)</u>	<u>66,644,237</u>
Less accumulated depreciation	<u>(45,245,059)</u>	<u>(2,469,609)</u>	<u>1,074,390</u>	<u>(46,640,278)</u>
<b>Net book value</b>	<b><u>\$ 24,774,720</u></b>	<b><u>\$ (106,015)</u></b>	<b><u>\$ (272,831)</u></b>	<b><u>\$24,395,874</u></b>

**HUNTSVILLE HOUSING AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
March 31, 2010**

**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, 2010 was \$56,380. 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, 2010 consisted of the following:

COCC	\$ 134,126
DHAP	88,718
Low Rent Public Housing	8,520
DVP	31,308
Low Rent Public Housing	(60,279)
Shelter Plus Care	(3,255)
Capital Fund	(17,378)
NSP	(62,737)
ROSS	(2,324)
Housing Choice Vouchers	<u>(116,699)</u>
<b>Total</b>	<u><u>\$ -</u></u>

**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, 2010, is shown as a liability allocated between current and non-current. As of March 31, 2010, \$234,900 was accrued for compensated absences.

**NOTE 8 – BONDS 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 "Capital Program Revenue

**HUNTSVILLE HOUSING AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
March 31, 2010**

**NOTE 8 – BONDS PAYABLE (CONTINUED)**

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 \$136,679. Future bond payments are as follows:

Fiscal Year	<b>Principal</b>	<b>Interest</b>
2011	\$ 710,000	\$ 118,699
2012	735,000	92,074
2013	765,000	63,593
2014	795,000	32,992
<b>Total payments</b>	<b>\$ 3,005,000</b>	<b>\$ 307,358</b>

**NOTE 9 – LONG-TERM LIABILITIES**

Long-term debt consists of the following:

	<b>Balance March 31, 2009</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance, March 31, 2010</b>
Bonds payable	\$ 3,690,001	\$ -	\$ 685,001	\$ 3,005,000
Accrued compensated absences	221,396	13,504	-	234,900
FSS escrows	172,449	74,231	-	246,680
Bond premium	2,611	-	600	2,011
Total debt	4,086,457			3,488,591
Less: current portion	840,693			878,089
<b>Long-term debt</b>	<b>\$ 3,245,764</b>			<b>\$ 2,610,502</b>

**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 \$584,781 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.

**HUNTSVILLE HOUSING AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
March 31, 2010**

**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.

**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 100% of Huntsville Senior Housing, Inc., a for profit organization. Huntsville Senior Housing, Inc. is .01% General Partner of Huntsville Senior Apartments, L.P., which is the owner of the new Gateway Place Project which is to be located on the site where the Eastside of Council Courts was previously located. Subsequent to year-end, NARI's ownership in Huntsville Senior Housing, Inc. was reduced to 90% and Huntsville Senior Housing, Inc.'s ownership in Huntsville Senior Apartments, L.P. increased to 1%.

The Authority currently has a construction loan agreement with Huntsville Senior Apartments, L.P. for the development and construction of Gateway Place, an 86-unit elderly apartment complex. The principal amount of the loan is \$6,428,523, with \$826,053 outstanding at year end.

In addition, the Authority, in conjunction with the Huntsville Senior Apartments, L.P., has been awarded \$9,795,250 from the Alabama Housing Finance Authority under the U.S. Department of Treasury's Tax Credit Exchange Program for Gateway Place. The project must be placed into service by December 31, 2011. As of March 31, 2010, no amounts had been received or expended.

Subsequent to year end, predevelopment funding was approved by HUD on April 20, 2010 in the amount of \$1,421,161. On July 15, 2010, HUD approved the mixed-finance proposal for the project. Construction has begun.

**HUNTSVILLE HOUSING AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2010**

**NOTE 15 – FUTURE ACCOUNTING PRONOUNCEMENTS**

The Authority is in the process of assessing the impact on its financial position or results of operations of implementing GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments* and GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. Both statements will be effective for the Authority in fiscal year 2010. GASB No. 53 addresses the recognition, measurement and disclosure of information regarding derivative instruments entered into by state and local governments. GASB 54 establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

**SUPPLEMENTAL INFORMATION**

**HUNTSVILLE HOUSING AUTHORITY**  
**ENTITY-WIDE BALANCE SHEET SUMMARY**  
**March 31, 2010**

Line Item #	Accounts Description	Project Totals	Formula Capital Fund										Elimination	Total	
			Disaster Housing Assistance	Disaster Voucher	VASH	Shelter Plus Care	Stimulus Grant	CDBG/NSP	ROSS	Housing Choice Vouchers	Business Activities	COCC			
<b>CURRENT ASSETS</b>															
Cash:															
111	Unrestricted	\$ 5,179,706	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 451,655	\$ -	\$ 1,116,966	\$ -	\$ 6,748,327
112	Cash - restricted - modernization and development	-	-	-	-	-	-	-	-	-	-	-	-	-	-
113	Other restricted	419,666	-	-	60,847	-	-	-	-	-	749,407	-	118,000	-	1,347,920
114	Tenant security deposits	160,485	-	-	-	-	-	-	-	-	-	-	-	-	160,485
115	Restricted for payment of current liability	710,000	-	-	-	-	-	-	-	-	-	-	-	-	710,000
100	Total cash	<u>6,469,857</u>	<u>-</u>	<u>-</u>	<u>60,847</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,201,062</u>	<u>-</u>	<u>1,234,966</u>	<u>-</u>	<u>8,966,732</u>
Accounts and notes receivable:															
121	Accounts receivable - PHA projects	-	-	-	-	-	-	-	-	-	-	-	-	-	-
122	HUD other projects	105,119	-	-	-	59,357	173,792	-	16,722	30,518	-	-	-	-	385,508
124	Other government	-	-	-	-	-	-	71,988	-	-	-	-	-	-	71,988
125	Miscellaneous	5,567	-	-	-	-	-	-	-	-	-	-	9,751	-	15,318
126	Tenants	49,472	-	-	-	-	-	-	-	-	-	-	-	-	49,472
126.1	Allowance for doubtful accounts - tenants	(4,538)	-	-	-	-	-	-	-	-	-	-	-	-	(4,538)
127	Notes, loans, & mortgages receivable - current	-	-	-	-	-	-	-	-	-	-	-	-	-	-
129	Accrued interest receivable	1,627	-	-	-	-	-	-	-	259	-	279	-	-	2,165
120	Total receivables, net of allowances for uncollectibles	<u>157,247</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>59,357</u>	<u>173,792</u>	<u>71,988</u>	<u>16,722</u>	<u>30,777</u>	<u>-</u>	<u>10,030</u>	<u>-</u>	<u>-</u>	<u>519,913</u>
131	Investments - unrestricted	-	-	-	-	-	-	-	-	-	-	-	-	-	-
132	Investments - restricted	-	-	-	-	-	-	-	-	-	-	-	-	-	-
135	Investments - restricted for payment of current liability	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total current investments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
142	Prepaid expenses and other assets	114,314	-	-	-	-	-	4,038	114	16,093	-	44,583	-	-	179,142
143	Inventories	-	-	-	-	-	-	-	-	-	-	-	-	-	-
143.1	Allowance for obsolete inventories	-	-	-	-	-	-	-	-	-	-	-	-	-	-
144	Interprogram - due from	8,520	88,718	31,308	-	-	-	-	-	-	-	-	134,126	(262,672)	-
145	Assets held for sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-
150	Total current assets	<u>6,749,938</u>	<u>88,718</u>	<u>31,308</u>	<u>60,847</u>	<u>59,357</u>	<u>173,792</u>	<u>76,026</u>	<u>16,836</u>	<u>1,247,932</u>	<u>-</u>	<u>1,423,705</u>	<u>(262,672)</u>	<u>9,665,787</u>	
<b>NONCURRENT ASSETS</b>															
Fixed assets:															
161	Land	2,849,132	-	-	-	-	-	149,500	-	-	-	564,330	-	-	3,562,962
162	Buildings	62,443,222	-	-	-	-	-	907,583	-	-	-	1,301,277	-	-	64,652,082
163	Furniture, equipment & mach - dwellings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
164	Furniture, equipment & mach - admin.	1,064,147	-	-	-	-	-	-	53,251	61,567	-	813,190	-	-	1,992,155
165	Leasehold improvements	-	-	-	-	-	-	-	-	-	-	-	-	-	-
166	Accumulated depreciation	(44,870,262)	-	-	-	-	-	(15,127)	(18,867)	(28,547)	-	(1,707,475)	-	-	(46,640,278)
167	Construction in progress	-	-	-	-	-	-	2,900	-	-	826,053	-	-	-	828,953
168	Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-	-	-
160	Total fixed assets, net of accumulated depreciation	<u>21,486,239</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,044,856</u>	<u>34,384</u>	<u>33,020</u>	<u>826,053</u>	<u>971,322</u>	<u>-</u>	<u>-</u>	<u>24,395,874</u>
171	Notes, loans and mortgages receivable - noncurrent	-	-	-	-	-	693,225	-	-	-	-	132,828	(826,053)	-	-
174	Other assets	56,380	-	2,261	-	-	-	-	-	-	-	32,965	-	-	91,606
176	Investment in joint ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-
180	Total noncurrent assets	<u>21,542,619</u>	<u>-</u>	<u>2,261</u>	<u>-</u>	<u>-</u>	<u>693,225</u>	<u>1,044,856</u>	<u>34,384</u>	<u>33,020</u>	<u>826,053</u>	<u>1,137,115</u>	<u>(826,053)</u>	<u>-</u>	<u>24,487,480</u>
190	<b>TOTAL ASSETS</b>	<u>\$ 28,292,557</u>	<u>\$ 88,718</u>	<u>\$ 33,569</u>	<u>\$ 60,847</u>	<u>\$ 59,357</u>	<u>\$ 867,017</u>	<u>\$ 1,120,882</u>	<u>\$ 51,220</u>	<u>\$ 1,280,952</u>	<u>\$ 826,053</u>	<u>\$ 2,560,820</u>	<u>\$ (1,088,725)</u>	<u>\$ 34,153,267</u>	

**HUNTSVILLE HOUSING AUTHORITY**  
**ENTITY-WIDE BALANCE SHEET SUMMARY**  
**March 31, 2010**  
(continued)

Line Item #	Accounts Description	Project Totals	Disaster		VASH	Shelter Plus		Formula Capital Fund		CDBG/ NSP	ROSS	Housing		Business Activities	COCC	Elimination	Total
			Housing Assistance	Disaster Voucher		Care	Stimulus Grant	Choice Vouchers									
<b>CURRENT LIABILITIES</b>																	
311	Bank Overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
312	Accounts payable < 90 days	292,650	-	-	-	56,102	156,414	12,667	9,520	34,219	-	187,515	-	-	-	-	749,087
321	Accrued wage/payroll taxes payable	76,138	-	-	-	-	-	622	4,992	10,154	-	30,177	-	-	-	-	122,083
322	Accrued compensated absences - current portion	101,968	-	-	-	-	-	-	-	10,857	-	55,264	-	-	-	-	168,089
324	Accrued contingency liability	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
325	Accrued interest payable	29,674	-	-	-	-	-	-	-	-	-	-	-	-	-	-	29,674
331	Accounts payable - HUD PHA programs	-	-	469	-	-	-	-	-	-	-	-	-	-	-	-	469
333	Accounts payable - other gov.	76,313	-	-	-	-	-	-	-	2,146	-	3,775	-	-	-	-	82,234
341	Tenant security deposits	160,485	-	-	-	-	-	-	-	-	-	-	-	-	-	-	160,485
342	Deferred revenues	48,409	-	-	-	-	-	-	-	-	-	-	-	-	-	-	48,409
343	Current portion of LT debt - capital projects / mortg	710,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	710,000
344	Current portion of LT debt - operating borrowings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
345	Other current liabilities	2,509	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,509
346	Accrued liabilities - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
347	Interprogram (due to)	60,279	-	-	-	3,255	17,378	62,737	2,324	116,699	-	-	-	-	(262,672)	-	-
348	Loan liability - current	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
310	Total current liabilities	<u>1,558,425</u>	<u>-</u>	<u>469</u>	<u>-</u>	<u>59,357</u>	<u>173,792</u>	<u>76,026</u>	<u>16,836</u>	<u>174,075</u>	<u>-</u>	<u>276,731</u>	<u>-</u>	<u>-</u>	<u>(262,672)</u>	<u>-</u>	<u>2,073,039</u>
<b>NON-CURRENT LIABILITIES</b>																	
351	Capital projects / mortgage revenue bonds	2,295,000	-	-	-	-	-	-	-	-	-	826,053	-	-	(826,053)	-	2,295,000
352	Long-term debt, net of current - operating borrowings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
353	Non-current liabilities - other	135,831	-	-	-	-	-	-	-	112,860	-	-	-	-	-	-	248,691
354	Accrued compensated absences - non-current	39,405	-	-	-	-	-	-	-	2,092	-	25,314	-	-	-	-	66,811
357	Accrued pension and OPEB liability	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
350	Total non-current liabilities	<u>2,470,236</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>114,952</u>	<u>-</u>	<u>826,053</u>	<u>25,314</u>	<u>-</u>	<u>(826,053)</u>	<u>-</u>	<u>2,610,502</u>
300	Total liabilities	<u>4,028,661</u>	<u>-</u>	<u>469</u>	<u>-</u>	<u>59,357</u>	<u>173,792</u>	<u>76,026</u>	<u>16,836</u>	<u>289,027</u>	<u>-</u>	<u>826,053</u>	<u>302,045</u>	<u>-</u>	<u>(1,088,725)</u>	<u>-</u>	<u>4,683,541</u>
<b>EQUITY</b>																	
508.1	Invested in capital assets	18,481,240	-	-	-	-	-	1,044,856	34,384	33,020	-	971,322	-	-	-	-	20,564,822
511.1	Restricted net assets	285,844	-	-	60,847	-	-	-	-	636,547	-	18,000	-	-	-	-	1,001,238
512.1	Unrestricted net assets	<u>5,496,812</u>	<u>88,718</u>	<u>33,100</u>	<u>-</u>	<u>-</u>	<u>693,225</u>	<u>-</u>	<u>-</u>	<u>322,358</u>	<u>-</u>	<u>1,269,453</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,903,666</u>
513	Total equity/net assets	<u>24,263,896</u>	<u>88,718</u>	<u>33,100</u>	<u>60,847</u>	<u>-</u>	<u>693,225</u>	<u>1,044,856</u>	<u>34,384</u>	<u>991,925</u>	<u>-</u>	<u>2,258,775</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>29,469,726</u>
600	<b>TOTAL LIABILITIES AND EQUITY/NET ASSETS</b>	<u>\$ 28,292,557</u>	<u>\$ 88,718</u>	<u>\$ 33,569</u>	<u>\$ 60,847</u>	<u>\$ 59,357</u>	<u>\$ 867,017</u>	<u>\$ 1,120,882</u>	<u>\$ 51,220</u>	<u>\$ 1,280,952</u>	<u>\$ 826,053</u>	<u>\$ 2,560,820</u>	<u>\$ (1,088,725)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,153,267</u>

**HUNTSVILLE HOUSING AUTHORITY**  
**ENTITY-WIDE REVENUE AND EXPENSE SUMMARY**  
**Year Ended March 31, 2010**

Line Item #	Accounts Description	Project Totals	Formula										Elimination	Total
			Disaster Housing Assistance	Disaster Voucher	VASH	Shelter Plus Care	Capital Fund Stimulus Grant	CDBG/NSP	ROSS	Housing Choice Vouchers	Business Activities	COCC		
<b>REVENUE</b>														
70300	Net tenant rental revenue	\$ 1,939,782	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,939,782
70400	Tenant revenue - other	49,111	-	-	-	-	-	-	-	-	-	-	-	49,111
70500	Total tenant revenue	1,988,893	-	-	-	-	-	-	-	-	-	-	-	1,988,893
70600	HUD PHA operating grants	9,397,396	-	-	61,616	234,949	815,842	-	391,000	8,569,146	-	29,002	-	19,498,951
706.10	Capital grants	249,200	-	-	-	-	156,414	-	-	-	-	50,212	-	455,826
70700	Total fee revenue	-	-	-	-	-	-	-	-	-	-	2,345,246	(2,345,246)	-
70800	Other governmental grants	-	3,814	-	-	-	-	1,146,130	-	-	-	-	-	1,149,944
71100	Investment income - unrestricted	41,925	-	-	-	-	-	-	-	2,562	-	3,500	-	47,987
71200	Mortgage interest income	-	-	-	-	-	-	-	-	-	-	-	-	-
71300	Proceeds from disposition of assets held for sale	-	-	-	-	-	-	-	-	-	-	-	-	-
713.10	Cost of sales of assets	-	-	-	-	-	-	-	-	-	-	-	-	-
71400	Fraud recovery	-	-	-	-	-	-	-	-	48,158	-	-	-	48,158
71500	Other revenue	180,126	-	-	-	-	-	-	-	4,517	-	44,208	(12,000)	216,851
71600	Gain or loss on the sale of fixed assets	(273,815)	-	-	-	-	-	-	-	-	-	984	-	(272,831)
72000	Investment income - unrestricted	804	-	-	-	-	-	-	-	-	-	-	-	804
70000	Total revenue	11,584,529	3,814	-	61,616	234,949	972,256	1,146,130	391,000	8,624,383	-	2,473,152	(2,357,246)	23,134,583
<b>EXPENSES</b>														
Administrative:														
91100	Administrative salaries	723,382	189	-	-	984	-	37,686	-	307,243	-	1,054,337	-	2,123,821
91200	Auditing fees	14,882	-	-	-	-	-	-	-	8,505	-	4,961	-	28,348
91300	Management fee	1,342,567	507	-	-	-	97,217	-	35,725	176,044	-	-	(1,652,060)	-
913.10	Bookkeeping fee	159,126	-	-	-	-	-	-	-	24,006	-	-	(183,132)	-
91400	Advertising and marketing	15,124	-	-	-	-	-	16,466	-	2,182	-	32,906	-	66,678
91500	Employee benefit contributions - administrative	307,181	37	-	-	183	-	7,869	-	128,880	-	349,688	-	793,838
91600	Office expenses	261,410	-	-	-	-	-	-	-	96,500	-	162,502	(12,000)	508,412
91700	Legal expense	122,645	-	-	-	-	-	-	-	310	-	13,306	-	136,261
91800	Travel	65,050	-	-	-	-	-	713	7,085	6,748	-	78,324	-	157,920
918.10	Allocated overhead	-	-	-	-	-	-	-	-	-	-	-	-	-
91900	Other	387,569	-	-	-	-	-	17,956	2,770	1,193	-	71,884	-	481,372
	Total administrative	3,398,936	733	-	-	1,167	97,217	80,690	45,580	751,611	-	1,767,908	(1,847,192)	4,296,650
92000	Asset management fee	204,240	-	-	-	-	-	-	-	-	-	-	(204,240)	-
Tenant services:														
92100	Salaries	78,544	-	-	-	-	-	-	148,059	-	-	-	-	226,603
92200	Relocation costs	263,867	-	-	-	-	25,400	-	-	-	-	-	-	289,267
92300	Employee benefit contributions	27,584	-	-	-	-	-	-	69,875	-	-	-	-	97,459
92400	Other	169,525	-	-	-	-	-	-	127,486	2,746	-	5,491	-	305,248
	Total tenant services	539,520	-	-	-	-	25,400	-	345,420	2,746	-	5,491	-	918,577
Utilities:														
93100	Water	258,631	-	-	-	-	-	194	-	-	-	823	-	259,648
93200	Electricity	340,164	-	-	-	-	-	1,225	-	-	-	21,609	-	362,998
93300	Gas	41,953	-	-	-	-	-	204	-	-	-	6,913	-	49,070
93400	Fuel	-	-	-	-	-	-	-	-	-	-	-	-	-
93600	Sewer	573,151	-	-	-	-	-	1,196	-	-	-	1,304	-	575,651
93800	Other utilities expense	41,098	-	-	-	-	-	294	-	-	-	19,935	-	61,327
	Total utilities	1,254,997	-	-	-	-	-	3,113	-	-	-	50,584	-	1,308,694
Ordinary maintenance & operations:														
94100	Labor	1,342,342	-	-	-	-	-	978	-	-	-	92,807	-	1,436,127
94200	Materials and other	893,185	-	-	-	-	-	-	-	1,374	-	40,877	-	935,436
94300	Contracts	594,541	-	-	-	-	-	-	-	-	-	4,284	(305,814)	293,011
94500	Employee benefits contribution	546,379	-	-	-	-	-	-	-	-	-	48,983	-	595,362
	Total ordinary maintenance & operations	3,376,447	-	-	-	-	-	978	-	1,374	-	186,951	(305,814)	3,259,936

**HUNTSVILLE HOUSING AUTHORITY**  
**ENTITY-WIDE REVENUE AND EXPENSE SUMMARY**  
**Year Ended March 31, 2010**

Accounts Description	Formula											Total	
	Project Totals	Disaster Housing Assistance	Disaster Voucher	VASH	Shelter Plus Care	Capital Fund Stimulus Grant	CDBG/NSP	ROSS	Housing Choice Vouchers	Business Activities	COCC		Elimination
<b>EXPENSES (Continued)</b>													
Protective services:													
Labor	\$ 211,165	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 211,165
Other contract costs	101,254	-	-	-	-	-	-	-	-	-	-	-	101,254
Other	-	-	-	-	-	-	-	-	-	-	-	-	-
Employee benefit contributions	82,402	-	-	-	-	-	-	-	-	-	-	-	82,402
Total protective services	394,821	-	-	-	-	-	-	-	-	-	-	-	394,821
Total Insurance premiums	389,629	-	-	-	-	-	1,366	-	43,104	-	32,367	-	466,466
General expenses:													
Other general expenses	-	-	-	-	-	-	-	-	2,342	-	-	-	2,342
Compensated absences	21,638	-	-	-	-	-	-	-	-	-	3,264	-	24,902
Payments in lieu of taxes	57,477	-	-	-	-	-	-	-	-	-	-	-	57,477
Bad debt - tenant rents	129,712	-	-	-	-	-	-	-	-	-	-	-	129,712
Total general expenses	208,827	-	-	-	-	-	-	-	2,342	-	3,264	-	214,433
Total interest expense and amortization cost	153,593	-	-	-	-	-	-	-	-	-	-	-	153,593
Total operating expenses	9,921,010	733	-	-	1,167	122,617	86,147	391,000	801,177	-	2,046,565	(2,357,246)	11,013,170
Excess of operating revenue over operating expenses	1,663,519	3,081	-	61,616	233,782	849,639	1,059,983	-	7,823,206	-	426,587	-	12,121,413
Extraordinary maintenance	50,000	-	-	-	-	-	-	-	-	-	-	-	50,000
Casualty losses - non capitalized	189,188	-	-	-	-	-	-	-	939	-	-	-	190,127
Housing assistance payments	-	99	-	769	233,782	-	-	-	7,309,757	-	-	-	7,544,407
Depreciation expense	2,303,883	-	-	-	-	5,213	15,127	7,759	7,195	-	130,432	-	2,469,609
Total expenses	12,464,081	832	-	769	234,949	127,830	101,274	398,759	8,119,068	-	2,176,997	(2,357,246)	21,267,313
Other financing sources (uses):													
Operating transfer in	1,670,918	-	-	-	-	-	-	-	-	-	14,237	(1,685,155)	-
Operating transfer out	(1,670,918)	-	-	-	-	-	-	-	-	-	(14,237)	1,685,155	-
Extraordinary items, net gain / loss	(300,000)	-	-	-	-	-	-	-	-	-	-	-	(300,000)
Inter project excess cash transfer in	444,352	-	-	-	-	-	-	-	-	-	-	(444,352)	-
Inter project excess cash transfer out	(444,352)	-	-	-	-	-	-	-	-	-	-	444,352	-
Total other financing sources (uses)	(300,000)	-	-	-	-	-	-	-	-	-	-	-	(300,000)
<b>EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENSES</b>	<b>\$ (1,179,552)</b>	<b>\$ 2,982</b>	<b>\$ -</b>	<b>\$ 60,847</b>	<b>\$ -</b>	<b>\$ 844,426</b>	<b>\$ 1,044,856</b>	<b>\$ (7,759)</b>	<b>\$ 505,315</b>	<b>\$ -</b>	<b>\$ 296,155</b>	<b>\$ -</b>	<b>\$ 1,567,270</b>
<b>Memo Account Information</b>													
Required annual debt principal payments	\$ 685,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 685,000
Beginning equity	21,242,105	85,736	33,100	-	-	-	-	42,143	486,610	-	1,999,098	-	23,888,792
Prior period adjustments, equity transfers & correction	4,201,343	-	-	-	-	(151,201)	-	-	-	-	(36,478)	-	4,013,664
Administrative fee equity	-	-	-	-	-	-	-	-	355,378	-	-	-	355,378
Housing assistance payments equity	-	-	-	-	-	-	-	-	636,547	-	-	-	636,547
Unit months available	19,857	26	-	1	596	-	-	-	16,004	-	-	-	36,484
Unit months leased	19,584	26	-	1	576	-	-	-	16,003	-	-	-	36,190
Excess cash	3,905,497	-	-	-	-	-	-	-	-	-	-	-	3,905,497
Land purchases	20,900	-	-	-	-	-	-	-	-	-	-	-	20,900
Building purchases	311,114	-	-	-	-	-	-	-	-	-	-	-	311,114
Furniture & equipment - administrative purchases	-	-	-	-	-	-	-	-	-	-	69,298	-	69,298
CFFP debt service payments	827,671	-	-	-	-	-	-	-	-	-	-	-	827,671

**HUNTSVILLE HOUSING AUTHORITY  
PROJECT BALANCE SHEET SUMMARY  
March 31, 2010**

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 051	AMP 052	Project Totals
<b>CURRENT ASSETS</b>																	
Cash:																	
111	Unrestricted	\$ 140,934	405,900	\$ 391,943	\$ 391,649	\$ 588,845	\$ 554,166	\$ 358,777	\$ 308,880	\$ 348,767	\$ 337,856	\$ 125,762	\$ 237,893	\$ 313,151	\$ 174,850	\$ 500,333	\$ 5,179,706
112	Cash - restricted - modernization and development	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
113	Other restricted	-	35,969	8,701	17,785	90,923	4,783	-	23,151	805	34,740	88,909	11,908	15,404	24,445	62,143	419,666
114	Tenant security deposits	-	12,210	15,870	12,650	21,680	20,060	14,210	7,080	10,540	10,420	2,600	1,400	4,980	7,100	19,685	160,485
115	Restricted for payment of current liability	-	78,446	1,211	35,609	224,964	-	-	40,426	1,851	62,538	77,820	-	-	60,718	126,417	710,000
100	Total cash	<u>140,934</u>	<u>532,525</u>	<u>417,725</u>	<u>457,693</u>	<u>926,412</u>	<u>579,009</u>	<u>372,987</u>	<u>379,537</u>	<u>361,963</u>	<u>445,554</u>	<u>295,091</u>	<u>251,201</u>	<u>333,535</u>	<u>267,113</u>	<u>708,578</u>	<u>6,469,857</u>
Accounts and notes receivable:																	
121	Accounts receivable - PHA projects	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
122	HUD other projects	-	80,440	4,090	3,223	641	577	5,846	99	7,109	2,646	33	15	63	91	246	105,119
124	Other government	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
125	Miscellaneous	-	2,820	349	206	483	671	184	38	48	454	27	6	24	35	222	5,567
126	Tenants	-	3,773	10,455	3,479	2,697	2,311	1,351	903	936	7,193	1,948	-	5,696	886	7,844	49,472
126.1	Allowance for doubtful accounts - tenants	-	(194)	(2,361)	(281)	(250)	(90)	(28)	(47)	(21)	(583)	(43)	-	(269)	(17)	(354)	(4,538)
127	Notes, loans, & mortgages receivable - current	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
129	Accrued interest receivable	102	136	89	126	202	175	113	96	99	125	37	33	48	64	182	1,627
120	Total receivables, net of allowances for uncollectibles	<u>102</u>	<u>86,975</u>	<u>12,622</u>	<u>6,753</u>	<u>3,773</u>	<u>3,644</u>	<u>7,466</u>	<u>1,089</u>	<u>8,171</u>	<u>9,835</u>	<u>2,002</u>	<u>54</u>	<u>5,562</u>	<u>1,059</u>	<u>8,140</u>	<u>157,247</u>
131	Investments - unrestricted	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
132	Investments - restricted	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
135	Investments - restricted for payment of current liability	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total current investments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
142	Prepaid expenses and other assets	-	9,487	8,040	6,605	11,030	10,058	7,150	3,881	6,341	14,831	1,075	1,142	3,075	22,225	9,374	114,314
143	Inventories	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
143.1	Allowance for obsolete inventories	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
144	Interprogram - due from	8,520	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8,520
145	Assets held for sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
150	Total current assets	<u>149,556</u>	<u>628,987</u>	<u>438,387</u>	<u>471,051</u>	<u>941,215</u>	<u>592,711</u>	<u>387,603</u>	<u>384,507</u>	<u>376,475</u>	<u>470,220</u>	<u>298,168</u>	<u>252,397</u>	<u>342,172</u>	<u>290,397</u>	<u>726,092</u>	<u>6,749,938</u>
<b>NONCURRENT ASSETS</b>																	
Fixed assets:																	
161	Land	792,062	150,737	181,456	155,799	145,200	76,612	25,918	71,092	5,400	158,992	260,000	111,000	500,000	58,159	156,705	2,849,132
162	Buildings	2,693,666	4,650,949	3,578,244	2,048,254	9,839,095	13,160,092	3,355,661	2,738,467	2,475,275	5,255,100	886,265	608,693	2,407,962	2,717,178	6,028,321	62,443,222
163	Furniture, equipment & mach - dwellings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
164	Furniture, equipment & mach - admin.	1,496	225,611	183,165	30,047	139,433	117,905	34,660	52,987	102,851	36,206	1,303	-	55,258	18,000	65,225	1,064,147
165	Leasehold improvements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
166	Accumulated depreciation	(2,648,773)	(3,846,636)	(3,256,863)	(1,577,631)	(6,837,958)	(8,925,950)	(2,645,654)	(2,180,988)	(2,194,550)	(3,273,807)	(138,321)	(41,990)	(188,237)	(2,303,937)	(4,808,967)	(44,870,262)
167	Construction in progress	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
168	Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
160	Total fixed assets, net of accumulated depreciation	<u>838,451</u>	<u>1,180,661</u>	<u>686,002</u>	<u>656,469</u>	<u>3,285,770</u>	<u>4,428,659</u>	<u>770,585</u>	<u>681,558</u>	<u>388,976</u>	<u>2,176,491</u>	<u>1,009,247</u>	<u>677,703</u>	<u>2,774,983</u>	<u>489,400</u>	<u>1,441,284</u>	<u>21,486,239</u>
Notes, loans and mortgages receivable - noncurrent																	
171	Other assets	-	6,229	96	2,828	17,864	-	-	3,210	147	4,966	6,180	-	-	4,822	10,038	56,380
176	Investment in joint ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
180	Total noncurrent assets	<u>838,451</u>	<u>1,186,890</u>	<u>686,098</u>	<u>659,297</u>	<u>3,303,634</u>	<u>4,428,659</u>	<u>770,585</u>	<u>684,768</u>	<u>389,123</u>	<u>2,181,457</u>	<u>1,015,427</u>	<u>677,703</u>	<u>2,774,983</u>	<u>494,222</u>	<u>1,451,322</u>	<u>21,542,619</u>
190	<b>TOTAL ASSETS</b>	<u>\$ 988,007</u>	<u>\$ 1,815,877</u>	<u>\$ 1,124,485</u>	<u>\$ 1,130,348</u>	<u>\$ 4,244,849</u>	<u>\$ 5,021,370</u>	<u>\$ 1,158,188</u>	<u>\$ 1,069,275</u>	<u>\$ 765,598</u>	<u>\$ 2,651,677</u>	<u>\$ 1,313,595</u>	<u>\$ 930,100</u>	<u>\$ 3,117,155</u>	<u>\$ 784,619</u>	<u>\$ 2,177,414</u>	<u>\$ 28,292,557</u>

**HUNTSVILLE HOUSING AUTHORITY**  
**PROJECT BALANCE SHEET SUMMARY**  
**March 31, 2010**  
(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 051	AMP 052	Project Totals
<b>CURRENT LIABILITIES</b>																	
311	Bank overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
312	Accounts payable < 90 days	4,024	104,442	22,731	45,567	13,031	15,643	10,983	14,238	11,385	8,745	3,552	12,240	6,619	5,439	14,011	292,650
321	Accrued wage/payroll taxes payable	3	6,938	6,689	6,385	10,805	8,074	6,989	3,585	7,222	4,520	556	422	3,233	2,353	8,364	76,138
322	Accrued compensated absences - current portion	-	9,195	6,182	8,813	10,091	10,586	8,869	3,090	13,281	9,706	844	908	4,033	6,351	10,019	101,968
324	Accrued contingency liability	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
325	Accrued interest payable	-	3,279	50	1,488	9,402	-	-	1,689	77	2,614	3,253	-	-	2,538	5,284	29,674
331	Accounts payable - HUD PHA programs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
333	Accounts payable - other gov.	2,384	1,016	5,311	4,464	10,146	8,505	11,565	1,523	7,639	4,237	1,284	155	5,840	5,853	6,391	76,313
341	Tenant security deposits	-	12,210	15,870	12,650	21,680	20,060	14,210	7,080	10,540	10,420	2,600	1,400	4,980	7,100	19,685	160,485
342	Deferred revenues	2,578	2,645	4,446	6,368	3,890	10,389	-	1,166	1,171	6,821	1,737	-	-	-	7,198	48,409
343	Current portion of LT debt - capital projects / mortg	-	78,446	1,211	35,609	224,964	-	-	40,426	1,851	62,538	77,820	-	-	60,718	126,417	710,000
344	Current portion of LT debt - operating borrowings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
345	Other current liabilities	-	397	259	186	112	-	349	4	1	98	124	-	183	484	312	2,509
346	Accrued liabilities - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
347	Interprogram (due to)	-	2,975	5,344	3,429	6,493	7,300	7,343	2,375	7,154	3,344	3,060	492	1,620	2,841	6,509	60,279
348	Loan liability - current	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
310	Total current liabilities	<u>8,989</u>	<u>221,543</u>	<u>68,093</u>	<u>124,959</u>	<u>310,614</u>	<u>80,557</u>	<u>60,308</u>	<u>75,176</u>	<u>60,321</u>	<u>113,043</u>	<u>94,830</u>	<u>15,617</u>	<u>26,508</u>	<u>93,677</u>	<u>204,190</u>	<u>1,558,425</u>
<b>NON-CURRENT LIABILITIES</b>																	
351	Capital projects / mortgage revenue bonds	-	253,568	3,915	115,101	727,173	-	-	130,673	5,983	202,148	251,546	-	-	196,264	408,629	2,295,000
352	Long-term debt, net of current - operating borrowings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
353	Non-current liabilities - other	-	4,609	8,217	3,550	989	4,783	-	6,990	66	9,739	57,799	11,908	15,404	172	11,605	135,831
354	Accrued compensated absences - non-current	-	3,120	748	4,090	4,103	4,298	3,035	890	6,197	3,090	352	449	1,872	2,751	4,410	39,405
357	Accrued pension and OPEB liability	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
350	Total non-current liabilities	<u>-</u>	<u>261,297</u>	<u>12,880</u>	<u>122,741</u>	<u>732,265</u>	<u>9,081</u>	<u>3,035</u>	<u>138,553</u>	<u>12,246</u>	<u>214,977</u>	<u>309,697</u>	<u>12,357</u>	<u>17,276</u>	<u>199,187</u>	<u>424,644</u>	<u>2,470,236</u>
300	Total liabilities	<u>8,989</u>	<u>482,840</u>	<u>80,973</u>	<u>247,700</u>	<u>1,042,879</u>	<u>89,638</u>	<u>63,343</u>	<u>213,729</u>	<u>72,567</u>	<u>328,020</u>	<u>404,527</u>	<u>27,974</u>	<u>43,784</u>	<u>292,864</u>	<u>628,834</u>	<u>4,028,661</u>
<b>EQUITY</b>																	
508.1	Invested in capital assets	838,451	848,648	680,875	505,759	2,333,633	4,428,659	770,585	510,459	381,142	1,911,805	679,881	677,703	2,774,983	232,419	906,238	18,481,240
511.1	Restricted net assets	-	31,582	488	14,336	90,570	-	-	16,275	745	25,178	31,330	-	-	24,445	50,895	285,844
512.1	Unrestricted net assets	140,567	452,807	362,149	362,553	777,767	503,073	324,260	328,812	311,144	386,674	197,857	224,423	298,388	234,891	591,447	5,496,812
513	Total equity/net assets	<u>979,018</u>	<u>1,333,037</u>	<u>1,043,512</u>	<u>882,648</u>	<u>3,201,970</u>	<u>4,931,732</u>	<u>1,094,845</u>	<u>855,546</u>	<u>693,031</u>	<u>2,323,657</u>	<u>909,068</u>	<u>902,126</u>	<u>3,073,371</u>	<u>491,755</u>	<u>1,548,580</u>	<u>24,263,896</u>
600	<b>TOTAL LIABILITIES AND EQUITY/NET ASSETS</b>	<u>\$ 988,007</u>	<u>\$ 1,815,877</u>	<u>\$ 1,124,485</u>	<u>\$ 1,130,348</u>	<u>\$ 4,244,849</u>	<u>\$ 5,021,370</u>	<u>\$ 1,158,188</u>	<u>\$ 1,069,275</u>	<u>\$ 765,598</u>	<u>\$ 2,651,677</u>	<u>\$ 1,313,595</u>	<u>\$ 930,100</u>	<u>\$ 3,117,155</u>	<u>\$ 784,619</u>	<u>\$ 2,177,414</u>	<u>\$ 28,292,557</u>

**HUNTSVILLE HOUSING AUTHORITY  
PROJECT REVENUE AND EXPENSE SUMMARY  
Year Ended March 31, 2010**

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 051	AMP 052	Project Totals
<b>REVENUE</b>																	
70300	Net tenant rental revenue	\$ 51,186	\$ 101,494	\$ 38,637	\$ 111,138	\$ 274,468	\$ 211,417	\$ 310,587	\$ 77,410	\$ 238,907	\$ 37,781	\$ 20,813	\$ 6,427	\$ 119,975	\$ 114,702	\$ 224,840	\$ 1,939,782
70400	Tenant revenue - other	2,430	4,540	4,630	3,950	6,181	6,500	1,360	2,350	1,410	3,610	2,430	600	910	1,630	6,580	49,111
70500	Total tenant revenue	53,616	106,034	43,267	115,088	280,649	217,917	311,947	79,760	240,317	41,391	23,243	7,027	120,885	116,332	231,420	1,988,893
70600	HUD PHA operating grants	825,880	758,062	788,977	723,302	1,226,870	753,541	440,316	781,239	408,609	653,047	191,567	29,550	302,614	533,860	979,962	9,397,396
706.10	Capital grants	20,900	87,232	5,039	8,312	6,966	-	-	2,312	73,600	2,403	771	31,018	-	2,635	8,012	249,200
70700	Total fee revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
70800	Other governmental grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
71100	Investment income - unrestricted	2,755	2,979	3,456	3,187	5,382	4,881	2,850	2,102	2,485	2,772	837	582	1,398	1,691	4,568	41,925
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	243	44,351	2,089	44,522	967	42,243	275	2,517	425	2,998	25,047	7	2,555	299	11,588	180,126
71600	Gain or loss on the sale of fixed assets	(280,679)	(984)	-	-	-	-	(1,357)	-	-	-	-	-	9,205	-	-	(273,815)
72000	Investment income - unrestricted	-	89	1	40	255	-	-	46	2	71	88	-	-	69	143	804
70000	Total revenue	622,715	997,763	842,829	894,451	1,521,089	1,018,582	754,031	867,976	725,438	702,682	241,553	68,184	436,657	654,886	1,235,693	11,584,529
<b>EXPENSES</b>																	
Administrative:																	
91100	Administrative salaries	50,278	44,660	66,309	50,036	89,434	79,574	47,979	29,789	39,817	40,660	13,504	8,204	34,703	29,168	99,267	723,382
91200	Auditing fees	1,175	1,007	1,427	1,125	1,973	1,780	1,007	655	839	923	218	101	420	604	1,628	14,882
91300	Management fee	127,696	89,995	120,860	100,184	176,874	159,132	90,432	62,040	75,638	82,747	19,241	8,817	28,267	54,540	146,104	1,342,567
913.10	Bookkeeping fee	15,925	10,635	14,040	11,828	20,925	18,810	10,702	7,466	8,963	9,787	2,265	1,035	2,993	6,465	17,287	159,126
91400	Advertising and marketing	1,002	1,397	1,416	1,029	1,960	1,573	873	1,814	632	679	154	161	1,312	329	793	15,124
91500	Employee benefit contributions - administrative	23,050	22,801	28,255	25,551	33,725	30,070	16,515	12,733	13,745	20,748	6,591	3,126	13,050	10,115	47,106	307,181
91600	Office expenses	18,566	17,872	28,925	14,381	23,936	19,010	22,574	15,603	17,701	12,701	2,541	552	39,161	7,872	20,015	261,410
91700	Legal expense	783	2,656	13,345	3,414	5,023	1,999	430	3,681	942	3,681	830	518	919	4,601	122,645	
91800	Travel	5,100	4,485	6,758	4,832	6,851	9,484	4,068	2,906	2,947	4,328	856	461	1,925	2,352	7,697	65,050
918.10	Allocated overhead	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
91900	Other	80,907	6,850	9,119	2,872	4,003	3,742	3,844	14,526	11,064	2,041	967	8,432	34,169	197,703	7,330	387,569
	Total administrative	324,482	202,358	290,454	215,252	364,704	325,174	198,424	230,841	172,288	178,295	47,167	31,407	156,195	310,067	351,828	3,398,936
92000	Asset management fee	8,280	14,400	20,400	16,080	28,200	25,440	14,400	9,360	12,000	13,200	3,120	1,440	6,000	8,640	23,280	204,240
Tenant services:																	
92100	Salaries	7,061	5,889	5,907	4,657	9,530	7,367	5,887	2,711	3,474	3,820	904	422	10,040	2,502	8,373	78,544
92200	Relocation costs	42,142	-	-	-	-	-	-	-	-	-	-	-	221,725	-	-	263,867
92300	Employee benefit contributions	1,963	1,948	2,528	1,993	3,624	3,153	1,913	1,160	1,458	1,635	387	179	1,532	1,071	3,040	27,584
92400	Other	2,557	29,454	49,681	32,235	5,072	2,052	4,910	8,234	1,026	25,762	2,490	250	160	4,891	751	169,525
	Total tenant services	53,723	37,291	58,116	38,885	18,226	12,572	12,710	12,105	5,958	31,217	3,781	851	233,457	8,464	12,164	539,520
Utilities:																	
93100	Water	26,397	25,736	35,837	18,611	39,967	26,303	10,033	14,530	9,566	406	45	1,123	4,779	9,733	35,565	258,631
93200	Electricity	6,240	14,647	31,797	18,614	10,969	9,235	104,028	15,685	99,420	5,594	499	249	11,773	3,521	7,893	340,164
93300	Gas	4,151	484	10,632	1,786	4,539	1,618	16,585	242	150	592	17	-	354	61	742	41,953
93400	Fuel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
93600	Sewer	57,904	60,384	87,179	43,763	88,627	57,531	12,838	33,547	14,849	1,057	-	2,470	8,376	20,403	84,223	573,151
93800	Other utilities expense	1,446	1,635	3,015	1,394	2,309	1,471	8,376	1,150	8,195	280	20	3,794	5,823	515	1,675	41,098
	Total utilities	96,138	102,886	168,460	84,168	146,411	96,158	151,860	65,154	132,180	7,929	581	7,636	31,105	34,233	130,098	1,254,997
Ordinary maintenance & operations:																	
94100	Labor	70,405	122,180	132,416	122,983	177,889	155,287	73,861	62,094	75,475	103,104	4,781	19,697	28,673	48,815	144,682	1,342,342
94200	Materials and other	15,887	79,293	60,674	94,228	88,439	95,331	55,611	28,173	39,427	55,508	50,118	61,403	66,831	19,948	82,314	893,185
94300	Contracts	29,523	35,110	69,121	38,996	98,299	88,879	12,532	31,698	12,593	35,675	7,483	7,687	15,509	30,223	81,213	594,541
94500	Employee benefits contribution	23,327	53,440	50,357	63,371	86,115	65,445	32,934	24,514	30,185	34,029	340	1,401	5,060	16,424	59,437	546,379
	Total ordinary maintenance & operations	139,142	290,023	312,568	319,578	450,742	404,942	174,938	146,479	157,680	228,316	62,722	90,188	116,073	115,410	367,646	3,376,447

**HUNTSVILLE HOUSING AUTHORITY**  
**PROJECT REVENUE AND EXPENSE SUMMARY**  
**Year Ended March 31, 2010**  
(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 051	AMP 052	Project Totals
Protective services:																	
95100	Labor	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 98,513	\$ -	\$ 112,652	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 211,165
95200	Other contract costs	8,152	7,909	11,204	8,830	15,482	13,967	-	5,137	-	7,245	1,709	788	3,304	4,747	12,780	101,254
95300	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
95500	Employee benefit contributions	-	-	-	-	-	-	34,567	-	47,835	-	-	-	-	-	-	82,402
	Total protective services	8,152	7,909	11,204	8,830	15,482	13,967	133,080	5,137	160,487	7,245	1,709	788	3,304	4,747	12,780	394,821
96100	Total Insurance premiums	28,660	31,827	32,501	17,449	43,401	30,704	21,142	28,290	17,384	39,130	5,454	4,306	13,027	42,292	34,062	389,629
General expenses:																	
96200	Other general expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
96210	Compensated absences	-	2,339	341	1,451	1,397	2,642	1,947	2,283	2,567	1,626	394	-	-	1,083	3,568	21,638
96300	Payments in lieu of taxes	-	-	-	1,506	8,346	7,903	10,794	971	7,259	2,023	1,276	155	5,840	5,541	5,863	57,477
96400	Bad debt - tenant rents	1,614	17,300	36,531	11,370	23,378	6,941	5,488	2,473	4,201	5,210	1,166	5	1,376	460	12,199	129,712
96000	Total general expenses	1,614	19,639	36,872	14,327	33,121	17,486	18,229	5,727	14,027	8,859	2,836	160	7,216	7,084	21,630	208,827
96700	Total interest expense and amortization cost	-	16,970	262	7,703	48,666	-	-	8,745	400	13,529	16,835	-	-	13,135	27,348	153,593
96900	Total operating expenses	660,191	723,303	930,837	722,272	1,148,953	926,443	724,783	511,838	672,404	527,720	144,205	136,776	566,377	544,072	980,836	9,921,010
97000	Excess of operating revenue over operating expenses	(37,476)	274,460	(88,008)	172,179	372,136	92,139	29,248	356,138	53,034	174,962	97,348	(68,592)	(129,720)	110,814	254,857	1,663,519
97100	Extraordinary maintenance	-	-	-	-	27,263	22,737	-	-	-	-	-	-	-	-	-	50,000
97200	Casualty losses - non capitalized	-	61,246	-	54,042	-	48,933	-	-	5,387	19,580	-	-	-	-	-	189,188
97300	Housing assistance payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
97400	Depreciation expense	28,853	148,234	92,098	58,718	306,471	762,567	171,606	103,265	94,201	177,417	30,115	28,338	95,750	52,558	153,692	2,303,883
90000	Total expenses	689,044	932,783	1,022,935	835,032	1,482,687	1,760,680	896,389	615,103	766,605	710,524	193,900	165,114	662,127	596,630	1,134,528	12,464,081
Other financing sources (uses):																	
10010	Operating transfer in	7,543	126,387	50,795	80,167	275,826	14,536	142,432	356,525	168,064	105,185	92,368	766	15,522	75,568	159,234	1,670,918
10020	Operating transfer out	(7,543)	(126,387)	(50,795)	(80,167)	(278,117)	(14,536)	(140,141)	(356,525)	(168,064)	(105,185)	(92,368)	(766)	(15,522)	(75,057)	(159,745)	(1,670,918)
10070	Extraordinary items, net gain / loss	-	-	-	-	-	-	-	(300,000)	-	-	-	-	-	-	-	(300,000)
10091	Inter project excess cash transfer in	-	-	116,949	-	-	-	-	-	35,000	-	9,446	122,957	160,000	-	-	444,352
10092	Inter project excess cash transfer out	(190,000)	-	-	(39,851)	(54,321)	-	-	-	(54,888)	-	-	-	-	(26,910)	(78,382)	(444,352)
10100	Total other financing sources (uses)	(190,000)	-	116,949	(39,851)	(56,612)	-	2,291	(300,000)	35,000	(54,888)	9,446	122,957	160,000	(26,399)	(78,893)	(300,000)
10000	<b>EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENSES</b>	\$ (256,329)	\$ 64,980	\$ (63,157)	\$ 19,568	\$ (18,210)	\$ (742,098)	\$ (140,067)	\$ (47,127)	\$ (6,167)	\$ (62,730)	\$ 57,099	\$ 26,027	\$ (65,470)	\$ 31,857	\$ 22,272	\$ (1,179,552)
<b>Memo Account Information</b>																	
11020	Required annual debt principal payments	\$ -	\$ 75,684	\$ 1,169	\$ 34,355	\$ 217,043	\$ -	\$ -	\$ 39,003	\$ 1,786	\$ 60,336	\$ 75,080	\$ -	\$ -	\$ 58,580	\$ 121,964	\$ 685,000
11030	Beginning equity	1,232,467	1,244,484	1,088,715	825,516	3,215,345	5,669,468	1,232,443	892,861	697,141	2,323,536	850,405	-	-	458,417	1,511,307	21,242,105
11040	Prior period adjustments, equity transfers & correction	2,880	23,573	17,954	37,564	4,835	4,362	2,469	9,812	2,057	62,851	1,564	876,099	3,138,841	1,481	15,001	4,201,343
11170	Administrative fee equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11180	Housing assistance payments equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11190	Unit months available	800	1,440	1,920	1,592	2,784	2,522	1,440	862	1,200	1,248	309	142	418	864	2,316	19,857
11210	Unit months leased	800	1,418	1,860	1,565	2,754	2,496	1,427	844	1,195	1,233	302	138	397	862	2,293	19,584
11270	Excess cash	97,693	303,825	279,083	263,665	436,384	423,223	261,718	241,836	254,783	265,344	101,723	212,579	269,901	122,166	371,574	3,905,497
11610	Land purchases	20,900	-	-	-	-	-	-	-	-	-	-	-	-	-	-	20,900
11620	Building purchases	-	109,064	19,993	44,319	6,966	-	-	10,802	-	65,080	1,835	31,018	-	2,635	19,402	311,114
11640	Furniture & equipment - administrative purchases	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13510	CFFP debt service payments	-	91,447	1,412	41,510	262,249	-	-	47,126	2,156	72,903	90,718	-	-	70,781	147,369	827,671

**HUNTSVILLE HOUSING AUTHORITY  
STATEMENT AND CERTIFICATION OF PROGRAM COSTS –  
CAPITAL FUND PROGRAM  
March 31, 2010**

<b>2005 Capital Fund Program Grant</b>	<b><u>AL09P047501-05</u></b>
Funds approved	\$ 2,915,012
Funds expended	<u>2,915,012</u>
Excess of funds approved	<u>\$ -</u>
Funds advanced	\$ 2,915,012
Funds expended	<u>2,915,012</u>
Excess of funds advanced	<u>\$ -</u>
<b>2006 Capital Fund Program Grant</b>	<b><u>AL09P047501-06</u></b>
Funds approved	\$ 2,867,279
Funds expended	<u>2,867,279</u>
Excess of funds approved	<u>\$ -</u>
Funds advanced	\$ 2,867,279
Funds expended	<u>2,867,279</u>
Excess of funds advanced	<u>\$ -</u>

1. The distribution of costs as shown on the Actual Modernization Cost Certificates submitted to HUD for approval are in agreement with the Authority's records.
2. All modernization costs have been paid and all related liabilities have been discharged through payment.

**HUNTSVILLE HOUSING AUTHORITY  
SCHEDULE OF CLOSED GRANTS  
March 31, 2010**

**2005 Neighborhood Network Grant**

**AL047RNN046A005**

Funds approved	\$ 199,888
Funds expended	<u>199,888</u>
Excess of funds approved	<u>\$ -</u>
Funds advanced	\$ 199,888
Funds expended	<u>199,888</u>
Excess of funds advanced	<u>\$ -</u>

**2005 Family Services Grant**

**AL047REF080A005**

Funds approved	\$ 340,915
Funds expended	<u>340,915</u>
Excess of funds approved	<u>\$ -</u>
Funds advanced	\$ 340,915
Funds expended	<u>340,915</u>
Excess of funds advanced	<u>\$ -</u>

**Shelter Plus Care Grant**

**AL09C703005**

Funds approved	\$ 275,772
Funds expended	<u>193,766</u>
Excess of funds approved	<u>\$ 82,006</u>
Funds advanced	\$ 193,766
Funds expended	<u>193,766</u>
Excess of funds advanced	<u>\$ -</u>

**SINGLE AUDIT REPORT**

**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, 2010, and have issued our report thereon dated August 9, 2010. 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**

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 9, 2010.

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.

*Clifton Gunderson LLP*

Baltimore, Maryland  
August 9, 2010

**Independent Auditor's Report on Compliance with Requirements Applicable  
to Each Major Program, on Internal Control over Compliance and  
Schedule of Expenditures of Federal Awards 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 are applicable to each of its major federal programs for the year ended March 31, 2010. 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 are applicable to each of its major federal programs for the year ended March 31, 2010.

**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.

### **Schedule of Expenditures of Federal Awards**

We have audited the basic financial statements of the Authority as of and for the year ended March 31, 2010, and have issued our report thereon dated August 9, 2010. Our audit was performed for the purpose of forming our opinion on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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.

*Clifton Gunderson LLP*

Baltimore, Maryland  
August 9, 2010

**HUNTSVILLE HOUSING AUTHORITY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ended March 31, 2010**

	<u>CFDA Number</u>	<u>Federal Expenditures</u>
<b>U.S. Department of Housing and Urban Development (HUD)</b>		
Community Development Block Grant/State's Program (NSP)	14.228	\$ 1,146,130
Pass-through entity:		
Alabama Department of Economic and Community Affairs		
Shelter Plus Care	14.238	234,949
Low Rent Public Housing	14.850	6,832,835
Resident Opportunity and Supportive Services	14.870	391,000
Housing Choice Vouchers	14.871	8,569,146
HUD - Veterans Affairs Supportive Housing	14.VSH	<u>61,616</u>
Capital Fund Program Cluster		
Public Housing Capital Fund Program	14.872	2,892,975
Public Housing Capital Fund Stimulus (Formula)		
Recovery Act Funded	14.885	<u>972,256</u>
Capital Fund Program Cluster Total		<u>3,865,231</u>
Other Federal Program		<u>3,814</u>
<b>TOTAL FEDERAL EXPENDITURES</b>		<u><u>\$ 21,104,721</u></u>

This schedule is an integral part of the accompanying  
notes to schedule of expenditures of federal awards.

**HUNTSVILLE HOUSING AUTHORITY**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**March 31, 2010**

**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 2010 Single Audit would be disclosed in Schedule I and the status of prior year findings and questioned costs would be disclosed in Schedule II.

**HUNTSVILLE HOUSING AUTHORITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended March 31, 2010**

**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	\$ 6,832,835
Capital Fund Program Cluster	14.872/14.885	3,865,231
Community Development Block Grant (NSP)	14.228	1,146,130

Dollar threshold used to distinguish between type A and type B programs: \$ 633,142

Auditee qualified as low-risk auditee?   X   Yes        No

**HUNTSVILLE HOUSING AUTHORITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended March 31, 2010**

**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, 2010**

None