

HUNTSVILLE HOUSING AUTHORITY
Huntsville, Alabama

FINANCIAL STATEMENTS
March 31, 2011

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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, 2011, 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, 2011, 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 October 7, 2011, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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 Gunderson LLP

Baltimore, Maryland
October 7, 2011

**HUNTSVILLE HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
March 31, 2011**

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

FINANCIAL HIGHLIGHTS

- The Authority's net assets were \$38.5 million for 2011 and \$29.5 million for 2010, a \$9 million increase from 2010.
- The Authority's revenues increased by \$7.7 million during 2011, and were \$31.1 million and \$23.4 million for 2011 and 2010, respectively.
- The total expenses of all Authority programs remained relatively constant at \$22.1 million.

Entity-Wide Financial Statements

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

Statement of Net Assets

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

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

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

The entity-wide financial statements also include a Statement of 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, 2011**

Statement of Cash Flows

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

Notes to the Financial Statements

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

Fund Financial Statements

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

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

The Authority's Programs

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

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

American Recovery and Reinvestment Act (ARRA) Grants – During the previous fiscal 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 the previous fiscal year. During the current fiscal year, the Authority expended \$5,503,484 of the total grant amount.

**HUNTSVILLE HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
March 31, 2011**

2. Capital Fund Recovery Grant (CFRG) – The Authority received a grant totaling \$4,093,829 to fund modernization activities at various developments. Approximately \$1 million was expended during the prior fiscal year, and approximately \$2 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 for a tax credit award for Gateway Place. No funds were expended during the previous fiscal year. During the current fiscal year, \$3,265,411 was expended.

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

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

Resident Opportunities and Self-Sufficiency Grant – a grant program funded by HUD 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.

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

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

**HUNTSVILLE HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
March 31, 2011**

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**

	2011 (in millions of dollars)	2010 (in millions of dollars)	Variance
Assets			
Current and restricted assets	\$ 11.3	\$ 9.7	\$ 1.6
Non-current assets	<u>34.7</u>	<u>24.5</u>	<u>10.2</u>
Total assets	<u>46.0</u>	<u>34.2</u>	<u>11.8</u>
Liabilities			
Current liabilities	2.2	2.1	0.1
Non-current liabilities	<u>5.3</u>	<u>2.6</u>	<u>2.7</u>
Total liabilities	<u>7.5</u>	<u>4.7</u>	<u>2.8</u>
Net assets			
Invested in capital assets:			
Net of related debt	29.1	20.6	8.5
Restricted net assets	1.0	1.0	0.0
Unrestricted net assets	<u>8.4</u>	<u>7.9</u>	<u>0.5</u>
Total net assets	<u>\$ 38.5</u>	<u>\$ 29.5</u>	<u>\$ 9.0</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 \$9 million to \$38.5 million. Invested in Capital Assets, Net of Related Debt increased by \$8.5 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 \$0.5 million. Restricted Net Assets remained constant at \$1 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 \$1.6 million. The major source of this increase is cash, which increased by \$1.5 million due to the net income for the year. Non-current assets increased by \$10.2 million due to the acquisition of property through the NSP Program as well as the construction of Gateway Place.

**HUNTSVILLE HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
March 31, 2011**

Current liabilities remained constant. There was a minimal increase of \$.1 million from the prior year. Non-current liabilities increased by 2.7 million. This increase is primarily due to the loan liability to AHFA on the Gateway Project.

A breakdown of assets, liabilities, and equity by program can be found in the supplemental information on pages 28 and 29.

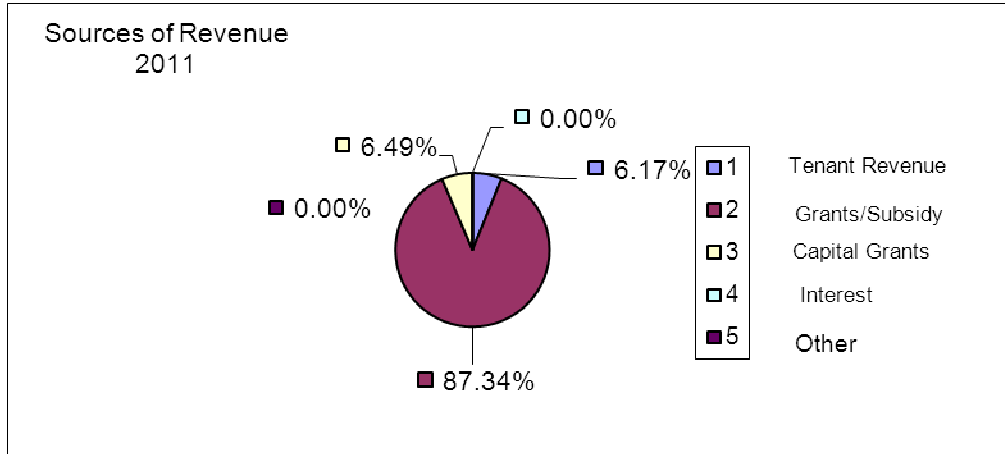
Table 2 compares the revenues and expenses for the current year and previous fiscal year. The Authority is engaged only in Business-Type Activities.

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

	2011 (in millions of dollars)	2010 (in millions of dollars)	Variance
Revenues			
Tenant revenue	\$ 1.9	\$ 2.0	\$ (0.1)
Program grants and subsidies	26.9	20.6	6.3
Capital grants	2.0	0.5	1.5
Interest	-	-	-
Other income	0.3	0.3	-
Total revenues	<u>31.1</u>	<u>23.4</u>	<u>7.7</u>
Expenses			
Administrative	4.1	4.3	(0.2)
Tenant services	0.8	0.9	(0.1)
Utilities	1.3	1.3	-
Maintenance	3.5	3.3	0.2
Protective services	0.4	0.4	-
General expenses	0.6	0.7	(0.1)
Housing assistance payments	8.3	7.5	0.8
Other expenses	0.6	0.9	(0.3)
Depreciation	2.5	2.5	-
Total expenses	<u>22.1</u>	<u>21.8</u>	<u>0.3</u>
Net increase (decrease)	9.0	1.6	7.4
Beginning net assets	<u>29.5</u>	<u>27.9</u>	<u>1.6</u>
Ending net assets	<u>\$ 38.5</u>	<u>\$ 29.5</u>	<u>\$ 9.0</u>

**HUNTSVILLE HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
March 31, 2011**

The pie chart below illustrates revenues by funding source. Please note that 87% of funding is derived from grants and subsidy payments from HUD.



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

Capital Grant Revenue increased from \$.5 million to \$2 million. This increase is due to the expenditure of the ARRA Capital Fund Stimulus Grant for roofing and windows at various projects.

Operating subsidy/grants increased by \$6.3 million from \$20.6 million to \$26.9 million. This increase is due to the Authority continuing to expend grants received in the prior fiscal year, including NSP and ARRA.

Total expenses remained relatively constant at \$22.1 million. A breakdown of revenues and expenses by program can be found on pages 30 and 31 of the supplemental information.

**HUNTSVILLE HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
March 31, 2011**

Capital Assets and Debt Administration

As of year-end, the Authority had \$34.6 million invested in a variety of capital assets as reflected in the following schedule, which represents a net increase (additions, deletions and depreciation) of \$10.2 million from the end of last year. This increase is primarily linked to the construction of the Gateway Project and the acquisition of properties through the NSP program.

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

	<u>2011</u>	<u>2010</u>	<u>Variance</u>	<u>% Change</u>
Land	\$ 3,664,861	\$ 3,562,962	\$ 101,899	2.86%
Buildings	66,910,935	64,652,082	2,258,853	3.49%
Equipment - administration	2,116,088	1,992,155	123,933	6.22%
Accumulated depreciation	(48,993,820)	(46,640,278)	(2,353,542)	5.05%
Construction in progress	<u>10,927,101</u>	<u>828,953</u>	<u>10,098,148</u>	<u>1200.00%</u>
Total capital assets	<u>\$ 34,625,165</u>	<u>\$ 24,395,874</u>	<u>\$ 10,229,291</u>	<u>41.93%</u>

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

**Table 4
Change in Capital Assets**

	<u>Business-Type Activities</u>
Beginning balance, April 1, 2010	<u>\$ 24,395,874</u>
Additions	<u>13,816,793</u>
Retirements	(1,233,960)
Depreciation on retirements	<u>119,297</u>
Net retirements	<u>(1,114,663)</u>
Depreciation	<u>(2,472,839)</u>
Ending balance, March 31, 2011	<u>\$ 34,625,165</u>
This year's major additions are:	
Business-type activities:	
Capital improvement programs	\$ 13,609,045
Equipment purchases	<u>207,748</u>
Total additions	<u>\$ 13,816,793</u>

**HUNTSVILLE HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
March 31, 2011**

Debt Outstanding

As of year-end, the Authority had \$5.6 million in debt outstanding compared to \$3.0 million last year. A portion of the debt consists of bond issue obligations through the Public Housing Finance Corporation to be used for modernization of Public Housing developments. The repayment of this loan is to be made from the Capital Fund Program. In the event the Capital Fund Program ceases to exist, HUD will assume the balance of the loan. The balance of the bond debt is \$2,295,000.

During the fiscal year, new debt was created as a result of the mixed finance development, Gateway Place. This debt is a cash assistance agreement utilizing Tax Credit Exchange Funds and is between Huntsville Senior Partners, LP, and the Alabama Housing Finance Agency (AHFA) in the amount of \$3,265,411. The cash assistance, evidenced by a promissory note, does not have to be repaid unless a default occurs under any Exchange Program Funding Document on or prior to the last day of the 15-year compliance period, but only if such a default occurs, the note is payable in full on demand.

Outstanding Debt at Year End

	2011	2010
Bonds payable	\$ 2,295,000	\$ 3,005,000
Note payable	3,265,411	-

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 this fiscal year, REAC scored the Authority's financial operations based on interim regulation. The Authority estimates the following score for 2011:

**Public Housing Assessment System
Financial Condition Indicators
March 31, 2011**

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

**HUNTSVILLE HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
March 31, 2011**

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 2010 funded at 103%; calendar year 2011 is currently estimated at 95%. The FY 2012 spending bill currently under consideration funds operating subsidy at an estimated 79.8%. Included in this appropriation bill is the intent of Congress to offset nationwide funding need with approximately \$1 billion in operating reserves.

Capital Fund – The 2010 Capital Fund was 2% lower than 2009 and the 2011 Capital Fund is approximately 18% below 2010. For FY 2012, Congress proposes increasing the Capital Fund by approximately 18% (almost back to the 2010 level).

Section 8 – Calendar year 2010 continued the same method of funding for administrative fees as CY 2009 (based on leaseup and subject to proration). This same process continues for CY 2011. Because the Authority added an additional 181 vouchers to its portfolio during the previous fiscal year, additional admin fees will be earned due to achieving full leaseup on these vouchers. However, HUD is funding administrative fees for CY 2011 at an approximate proration of 83%. This proration will result in a loss in administrative fees of approximately \$178,000.

Section 8 – For Calendar Year 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. For Calendar Year 2011, the total HAP eligibility is \$8,006,185, with proration at 98.81% for a total prorated eligibility of \$7,910,911. This represents an increase of \$38,469 over the prior year. Average HAP for the program exceeds the amount funded; therefore, the Authority will need to utilize reserves in order to fund the baseline number of families. HAP funding is based on prior year data and does not consider an increase in HAP due to unemployment or changes in the economy.

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

**HUNTSVILLE HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
March 31, 2011**

- Local inflationary, recessionary and employment trends can affect resident incomes and therefore the amount of rental income. Unemployment in the Huntsville, Alabama area decreased from 7.9% in March, 2010 to 7.5% in March, 2011.¹
- The Authority received four new grants during the previous fiscal year: NSP, CFRC, CFRG, and AHFA Section 1602 Funds. The Authority will continue with increased revenues due to the expenditure of these grants during fiscal year ending 3/31/12. However, these grants will be totally expended prior to the beginning of the fiscal year ending 3/31/13 and revenues will have a sharp decline for that year.

FINANCIAL CONTACT

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

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

FINANCIAL STATEMENTS

HUNTSVILLE HOUSING AUTHORITY
STATEMENT OF NET ASSETS
March 31, 2011

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 8,155,090
Accounts receivable	550,563
Tenant accounts receivable	25,204
Allowance for doubtful accounts	(1,356)
Prepaid expenses and assets	<u>221,811</u>
Total current assets	<u>8,951,312</u>

RESTRICTED ASSETS

Cash and cash equivalents	<u>2,310,525</u>
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CAPITAL ASSETS

Land	3,664,861
Buildings and improvements	66,910,935
Furniture and equipment	2,116,088
Construction in progress	10,927,101
Less accumulated depreciation	<u>(48,993,820)</u>
Net capital assets	<u>34,625,165</u>

OTHER ASSETS

Bond costs net of amortization	39,466
Other assets	<u>35,226</u>
Total other assets	<u>74,692</u>

TOTAL ASSETS

\$ 45,961,694

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 803,169
Accrued wages and payroll taxes	127,633
Accrued compensated absences	176,224
Interest payable	23,017
Accounts payable other governments	122,182
Tenant security deposits	160,045
Deferred revenues	55,976
Bonds payable - current	734,998
Other current liabilities	<u>3,116</u>
Total current liabilities	<u>2,206,360</u>

LONG-TERM LIABILITES

Bonds payable - non-current	1,560,000
Loan liability - non-current	3,265,411
Non-current liabilities - other	<u>447,809</u>
Total long-term liabilities	<u>5,273,220</u>
Total liabilities	<u>7,479,580</u>

NET ASSETS

Investment in capital assets net of related debt	29,064,754
Restricted net assets	945,213
Unrestricted net assets	<u>8,472,147</u>
Total net assets	<u>38,482,114</u>

TOTAL LIABILITIES AND NET ASSETS

\$ 45,961,694

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, 2011

OPERATING REVENUES	
Dwelling rent	\$ 1,927,454
Operating grants	26,948,954
Other revenue	<u>273,928</u>
 Total operating revenues	 <u>29,150,336</u>
OPERATING EXPENSES	
Administrative	4,088,275
Tenant services	782,383
Utilities	1,273,575
Maintenance and operations	3,537,003
Protective services	434,147
General expense	611,587
Housing assistance payments	8,288,454
Other operating expenses	<u>171,656</u>
 Total operating expenses	 <u>19,187,080</u>
 Operating income before depreciation	 9,963,256
 Depreciation and amortization	 <u>2,489,753</u>
 Total operating income	 <u>7,473,503</u>
NON-OPERATING REVENUES (EXPENSES)	
Investment income	47,064
Loss on disposal of capital assets	(347,226)
Interest expense	<u>(112,042)</u>
Total non-operating revenues (expenses)	<u>(412,204)</u>
 Increase in net assets before capital contributions	 7,061,299
 Capital grants	 <u>1,951,089</u>
 INCREASE IN NET ASSETS	 9,012,388
 NET ASSETS, BEGINNING	 <u>29,469,726</u>
 NET ASSETS, ENDING	 <u>\$ 38,482,114</u>

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

**HUNTSVILLE HOUSING AUTHORITY
STATEMENT OF CASH FLOWS
Year Ended March 31, 2011**

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from dwelling rent	\$ 1,948,100
Cash received from grants	26,873,370
Cash received from other sources	273,928
Cash payments for salaries and benefits	(5,765,983)
Cash payments to vendors and landlords	<u>(13,222,696)</u>
Net cash flows provided by operating activities	<u>10,106,719</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition of capital assets	(13,816,793)
Proceeds from sale of assets	767,437
Increase in notes payable	3,265,411
Principal paid on bond payable	(710,002)
Interest paid on bond payable	(112,042)
Capital grants	<u>1,951,089</u>
Net cash flows used in capital and related financing activities	<u>(8,654,900)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment interest	<u>47,064</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,498,883
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>8,966,732</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 10,465,615</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating income	\$ 7,473,503
Adjustment to reconcile operating income to net cash provided by operating activities:	
Depreciation	2,472,839
Amortization	16,914
Provision for bad debts	41,366
Effects of changes in operating assets and liabilities:	
Accounts receivable	(116,950)
Tenant accounts receivable	21,086
Tenant security deposit	(440)
Prepaid	(99,049)
Other assets	56,380
Deferred revenue	7,098
Accounts payable	87,373
Accrued liabilities	5,550
Compensated absences	8,135
Other liabilities	607
Non-current other liabilities	<u>132,307</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 10,106,719</u>

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

**HUNTSVILLE HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
March 31, 2011**

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, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (continued)

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

Basis of Accounting and Measurement Focus

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

Cash and Cash Equivalents

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

Accounts Receivable

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

Prepaid Items

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

Capital Assets

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

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

Revenue Recognition

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

**HUNTSVILLE HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
March 31, 2011**

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 a number of methods including but not limited to direct salaries and wages, employees per department, percentage of office square footage, number of vouchers and/or units, estimated/actual time spent, number of checks processed or the allotment stipulated in contractual agreements.

Net Assets Classifications

Net assets are displayed in three components:

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

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

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

Implementation of New GASB Pronouncement

In fiscal year 2011, the Authority implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The implementation of these new standards had no impact on the Authority's fiscal year 2011 financial statements.

NOTE 2 – CASH AND CASH EQUIVALENTS

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of failure of the counterparty, the Authority will not be able to recover the value of its collateral securities that are in the possession of an outside party. FDIC limits for the year ended March 31, 2011 equaled \$250,000 per financial institution.

**HUNTSVILLE HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
March 31, 2011**

NOTE 2 – CASH AND CASH EQUIVALENTS (CONTINUED)

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.

The Authority's cash and cash equivalents consist of cash held in interest bearing checking accounts and certificates of deposit totaling \$8,154,536. The restricted cash consists of interest bearing checking accounts, certificates of deposit, and U.S. Treasury Money Market Funds totaling \$2,311,079. Deposits with financial institutions are secured as follows:

Total deposits with financial institutions	\$ 11,010,503
Insured by FDIC	500,000
Investments held in U.S. Treasury obligations	995,926
Collateralized with specific securities in the Authority name which are held by the financial institution	<u>9,514,577</u>
Total uncollateralized	<u><u>\$ -</u></u>

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

NOTE 3 – RESTRICTED CASH AND CASH EQUIVALENTS

Restricted assets consist of the following:

Restricted for payment of current bonds payable	\$ 735,000
Restricted bond fund proceeds	260,926
Restricted for HAP (net restricted assets)	392,775
Restricted for VASH HAP	273,997
Restricted Section 8 Rental	17,514
Restricted funds - Wachovia Grant	100,000
Restrictions for tenant security deposits	160,045
FSS escrow	<u>370,268</u>
Total restricted assets	<u><u>\$ 2,310,525</u></u>

**HUNTSVILLE HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
March 31, 2011**

NOTE 4 – CAPITAL ASSETS

Capital assets consist of the following as of March 31, 2011:

	<u>Balance, April 1, 2010</u>	<u>Additions</u>	<u>Transfers & Deletions</u>	<u>Balance, March 31, 2011</u>
Land	\$ 3,562,962	\$ 208,900	\$ (107,000)	\$ 3,664,862
Construction in process	<u>828,953</u>	<u>10,099,048</u>	<u>(900)</u>	<u>10,927,101</u>
Total assets not being depreciated	<u>4,391,915</u>	<u>10,307,948</u>	<u>(107,900)</u>	<u>14,591,963</u>
Buildings and improvements	64,652,082	3,301,097	(1,042,245)	66,910,934
Furniture and equipment	<u>1,992,155</u>	<u>207,748</u>	<u>(83,815)</u>	<u>2,116,088</u>
Total property and equipment	<u>66,644,237</u>	<u>3,508,845</u>	<u>(1,126,060)</u>	<u>69,027,022</u>
Less accumulated depreciation	<u>(46,640,278)</u>	<u>(2,472,839)</u>	<u>119,297</u>	<u>(48,993,820)</u>
Net book value	<u>\$ 24,395,874</u>	<u>\$ 11,343,954</u>	<u>\$ (1,114,663)</u>	<u>\$ 34,625,165</u>

NOTE 5 – DEFERRED FINANCING COSTS

Cost relating to obtaining the Revenue Bond financing are capitalized and amortized over the term of the related debt using the straight-line method. Accumulated amortization at March 31, 2011 was \$129,675. 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, 2011 consisted of the following:

COCC	\$ (130,594)
Low Rent Public Housing	(183,752)
Disaster Housing Assistance	88,718
DVP	31,308
Shelter Plus Care	(4,742)
Capital Fund - ARRA funded	(22,804)
NSP	345,589
ROSS	(2,467)
Housing Choice Vouchers	<u>(121,256)</u>
Total	<u>\$ -</u>

**HUNTSVILLE HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
March 31, 2011**

NOTE 7 – COMPENSATED ABSENCES

Compensated absences are absences for which employees will be paid. The Authority accrues the liability for those absences that the employee has earned the rights to the benefits. Accrued amounts are based on a prescribed formula based on length of service. Full-time, permanent employees, depending on tenure with the Authority, are granted vacation and sick leave benefits in varying amounts to specified maximums. Vacation pay is recorded as an expense and related liability in the period earned by employees. Leave accrued but not yet paid as of March 31, 2011, is shown as a liability allocated between current and non-current. As of March 31, 2011, \$252,358 was accrued for compensated absences.

NOTE 8 – BONDS AND NOTES PAYABLE

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

Interest paid and expensed during the year was \$112,042. Future bond payments are as follows:

	Principal	Interest
Fiscal Year		
2012	\$ 735,000	\$ 92,074
2013	765,000	63,593
2014	795,000	32,992
Total payments	\$ 2,295,000	\$ 188,659

In addition, the Authority, in conjunction with the Huntsville Senior Apartments, L.P., has been awarded a Promissory Note in the amount of \$9,795,250 on July 30, 2010 from the Alabama Housing Finance Authority under the U.S. Department of Treasury's Tax Credit Exchange Program for Gateway Place. The project must be placed into service by December 31, 2011. As of March 31, 2011, total funds expended on the project equaled \$3,265,411. The note does not have to be repaid unless a default occurs under any Exchange Program Funding Document on or prior to the last day of the 15-year compliance period.

**HUNTSVILLE HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
March 31, 2011**

NOTE 9 – LONG-TERM LIABILITIES

Long-term debt consists of the following:

	Balance, March 31, 2010		Increases	Decreases	Balance, March 31, 2011	
Bonds payable	\$ 3,005,000	\$ -	\$ 710,000	\$ 2,295,000		
Loan liability	-	3,265,411	-	3,265,411		
Accrued compensated absences	234,900	17,458	-	252,358		
FSS escrows	246,680	161,249	37,661	370,268		
Bond premium	2,011	-	604	1,407		
Total debt	3,488,591	3,444,118	748,265	6,184,444		
Less: current portion compensated absences	168,089	8,135	-	176,224		
Less: current portion bonds payable	710,000	25,000	-	735,000		
Total long-term debt	<u>\$ 2,610,502</u>	<u>\$ 3,410,983</u>	<u>\$ 748,265</u>	<u>\$ 5,273,220</u>		

NOTE 10 – EMPLOYEE BENEFIT PLANS

The Authority has a defined contribution plan for all employees having at least three months of service. Participants do not contribute to the plan and become fully vested in employer contributions and investments earnings after five years of participation in the plan. Total employer contributions to the plan were \$1,593,716 for the year.

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

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

NOTE 11 – RISK MANAGEMENT

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

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.

HUNTSVILLE HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
March 31, 2011

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. During this fiscal year, 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 several construction loan agreements with Huntsville Senior Apartments, L.P. for the development and construction of Gateway Place, an 86-unit elderly apartment complex.

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

Capital Fund Recovery Competition	\$ 5,503,484
HOME Investment Partnerships Program	321,346
Capital Fund Recovery Grant	<u>725,099</u>
Total	<u>\$ 6,549,929</u>

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

SUPPLEMENTAL INFORMATION

**HUNTSVILLE HOUSING AUTHORITY
ENTITY-WIDE BALANCE SHEET SUMMARY
March 31, 2011**

Line Item #	Accounts Description	Project Totals	Disaster Housing Assistance	Disaster Voucher	VASH	Shelter Plus Care	Competitive Capital Fund Stimulus Grant	Formula Capital Fund Stimulus Grant	CDBG/NSP	ROSS	Housing Choice Vouchers	Business Activities	State and Local	COCC	Elimination	Total
CURRENT ASSETS																
Cash:																
111	Unrestricted	\$ 5,808,750	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 482,266	\$ -	\$ -	\$ 1,863,520	\$ -	\$ 8,154,536
112	Cash - restricted - modernization and development	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
113	Other restricted	457,981	-	-	273,997	-	-	-	-	-	566,544	-	-	117,514	-	1,416,036
114	Tenant security deposits	160,045	-	-	-	-	-	-	-	-	-	-	-	-	-	160,045
115	Restricted for payment of current liability	734,998	-	-	-	-	-	-	-	-	-	-	-	-	-	734,998
100	Total cash	<u>7,161,774</u>	-	-	<u>273,997</u>	-	-	-	-	-	<u>1,048,810</u>	-	-	<u>1,981,034</u>	-	<u>10,465,615</u>
Accounts and notes receivable:																
121	Accounts receivable - PHA projects	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
122	HUD other projects	27,402	-	-	-	58,221	90,382	228,064	-	14,551	36,481	-	-	-	-	455,101
124	Other government	-	-	-	-	-	-	-	31,349	-	-	-	-	-	-	31,349
125	Miscellaneous	1,730	-	-	-	-	-	-	-	-	674	-	-	58,449	-	60,853
126	Tenants	25,204	-	-	-	-	-	-	-	-	-	-	-	-	-	25,204
126.1	Allowance for doubtful accounts - tenants	(1,356)	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,356)
127	Notes, loans, & mortgages receivable - current	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
129	Accrued interest receivable	2,438	-	-	-	-	-	-	-	-	384	-	-	438	-	3,260
120	Total receivables, net of allowances for uncollectibles	<u>55,418</u>	-	-	-	<u>58,221</u>	<u>90,382</u>	<u>228,064</u>	<u>31,349</u>	<u>14,551</u>	<u>37,539</u>	-	-	<u>58,887</u>	-	<u>574,411</u>
131	Investments - unrestricted	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
132	Investments - restricted	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
135	Investments - restricted for payment of current liability	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
142	Prepaid expenses and other assets	140,381	-	-	-	-	-	-	952	2,777	21,679	-	-	56,022	-	221,811
143	Inventories	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
143.1	Allowance for obsolete inventories	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
144	Interprogram - due from	68,653	88,718	31,308	-	-	-	-	345,589	-	-	-	-	-	(534,268)	-
145	Assets held for sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
150	Total current assets	<u>7,426,226</u>	<u>88,718</u>	<u>31,308</u>	<u>273,997</u>	<u>58,221</u>	<u>90,382</u>	<u>228,064</u>	<u>377,890</u>	<u>17,328</u>	<u>1,108,028</u>	-	-	<u>2,095,943</u>	<u>(534,268)</u>	<u>11,261,837</u>
NONCURRENT ASSETS																
Fixed assets:																
161	Land	2,849,131	-	-	-	-	-	-	251,400	-	-	-	-	564,330	-	3,664,861
162	Buildings	64,164,173	-	-	-	-	-	-	1,445,485	-	-	-	-	1,301,277	-	66,910,935
163	Furniture, equipment & mach - dwellings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
164	Furniture, equipment & mach - admin.	1,242,392	-	-	-	-	-	-	-	1,344	62,746	-	-	809,606	-	2,116,088
165	Leasehold improvements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
166	Accumulated depreciation	(47,109,974)	-	-	-	-	-	-	(32,648)	(672)	(32,131)	-	-	(1,818,395)	-	(48,993,820)
167	Construction in progress	192,395	-	-	-	-	-	-	919,366	-	-	9,815,340	-	-	-	10,927,101
168	Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
160	Total fixed assets, net of accumulated depreciation	<u>21,338,117</u>	-	-	-	-	-	-	<u>2,583,603</u>	<u>672</u>	<u>30,615</u>	<u>9,815,340</u>	-	<u>856,818</u>	-	<u>34,625,165</u>
171	Notes, loans and mortgages receivable - noncurrent	-	-	-	-	-	5,503,484	725,099	-	-	-	-	321,346	-	(6,549,929)	-
174	Other assets	39,466	-	2,261	-	-	-	-	-	-	-	-	-	32,965	-	74,692
176	Investment in joint ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
180	Total noncurrent assets	<u>21,377,583</u>	-	<u>2,261</u>	-	-	<u>5,503,484</u>	<u>725,099</u>	<u>2,583,603</u>	<u>672</u>	<u>30,615</u>	<u>9,815,340</u>	<u>321,346</u>	<u>889,783</u>	<u>(6,549,929)</u>	<u>34,699,857</u>
190	TOTAL ASSETS	<u>\$ 28,803,809</u>	<u>\$ 88,718</u>	<u>\$ 33,569</u>	<u>\$ 273,997</u>	<u>\$ 58,221</u>	<u>\$ 5,593,866</u>	<u>\$ 953,163</u>	<u>\$ 2,961,493</u>	<u>\$ 18,000</u>	<u>\$ 1,138,643</u>	<u>\$ 9,815,340</u>	<u>\$ 321,346</u>	<u>\$ 2,985,726</u>	<u>\$ (7,084,197)</u>	<u>\$ 45,961,694</u>

HUNTSVILLE HOUSING AUTHORITY
ENTITY-WIDE BALANCE SHEET SUMMARY
March 31, 2011
(continued)

Line Item #	Accounts Description	Disaster				Competitive Capital		Formula Capital		Housing				State and Local	COCC	Elimination	Total
		Project Totals	Housing Assistance	Disaster Voucher	VASH	Shelter Plus Care	Fund Stimulus Grant	Fund Stimulus Grant	CDBG/NSP	ROSS	Choice Vouchers	Business Activities					
CURRENT LIABILITIES																	
311	Bank overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
312	Accounts payable < 90 days	135,462	-	-	-	53,479	90,382	205,260	116,984	9,668	36,749	-	155,185	-	-	803,169	
321	Accrued wage/payroll taxes payable	74,955	-	-	-	-	-	-	1,708	5,193	12,874	-	32,903	-	-	127,633	
322	Accrued compensated absences - current portion	101,005	-	-	-	-	-	-	-	-	13,042	-	62,177	-	-	176,224	
324	Accrued contingency liability	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
325	Accrued interest payable	23,017	-	-	-	-	-	-	-	-	-	-	-	-	-	23,017	
331	Accounts payable - HUD PHA programs	-	-	469	-	-	-	-	-	-	42,721	-	-	-	-	43,190	
333	Accounts payable - other gov.	75,759	-	-	-	-	-	-	-	-	1,171	-	2,062	-	-	78,992	
341	Tenant security deposits	160,045	-	-	-	-	-	-	-	-	-	-	-	-	-	160,045	
342	Deferred revenues	55,976	-	-	-	-	-	-	-	-	-	-	-	-	-	55,976	
343	Current portion of LT debt - capital projects / mortg	734,998	-	-	-	-	-	-	-	-	-	-	-	-	-	734,998	
344	Current portion of LT debt - operating borrowings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
345	Other current liabilities	3,116	-	-	-	-	-	-	-	-	-	-	-	-	-	3,116	
346	Accrued liabilities - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
347	Interprogram (due to)	252,405	-	-	-	4,742	-	22,804	-	2,467	121,256	-	130,594	(534,268)	-	-	
348	Loan liability - current	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
310	Total current liabilities	<u>1,616,738</u>	<u>-</u>	<u>469</u>	<u>-</u>	<u>58,221</u>	<u>90,382</u>	<u>228,064</u>	<u>118,692</u>	<u>17,328</u>	<u>227,813</u>	<u>-</u>	<u>382,921</u>	<u>(534,268)</u>	<u>-</u>	<u>2,206,360</u>	
NON-CURRENT LIABILITIES																	
351	Capital projects / mortgage revenue bonds	1,560,000	-	-	-	-	-	-	-	-	-	-	-	-	-	1,560,000	
352	Long-term debt, net of current - operating borrowings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
353	Non-current liabilities - other	198,460	-	-	-	-	-	-	-	-	173,215	-	-	-	-	371,675	
354	Accrued compensated absences - non-current	45,741	-	-	-	-	-	-	-	-	4,629	-	25,764	-	-	76,134	
355	Loan liability - non current	-	-	-	-	-	-	-	-	-	-	9,815,340	-	(6,549,929)	-	3,265,411	
357	Accrued pension and OPEB liability	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
350	Total non-current liabilities	<u>1,804,201</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>177,844</u>	<u>9,815,340</u>	<u>25,764</u>	<u>(6,549,929)</u>	<u>-</u>	<u>5,273,220</u>	
300	Total liabilities	<u>3,420,939</u>	<u>-</u>	<u>469</u>	<u>-</u>	<u>58,221</u>	<u>90,382</u>	<u>228,064</u>	<u>118,692</u>	<u>17,328</u>	<u>405,657</u>	<u>9,815,340</u>	<u>408,685</u>	<u>(7,084,197)</u>	<u>-</u>	<u>7,479,580</u>	
EQUITY																	
508.1	Invested in capital assets	19,043,117	-	-	-	-	-	-	2,583,603	672	30,615	-	856,818	6,549,929	-	29,064,754	
511.1	Restricted net assets	260,926	-	-	273,997	-	-	-	-	-	392,776	-	17,514	-	-	945,213	
512.1	Unrestricted net assets	<u>6,078,827</u>	<u>88,718</u>	<u>33,100</u>	<u>-</u>	<u>-</u>	<u>5,503,484</u>	<u>725,099</u>	<u>259,198</u>	<u>-</u>	<u>309,595</u>	<u>-</u>	<u>321,346</u>	<u>1,702,709</u>	<u>(6,549,929)</u>	<u>8,472,147</u>	
513	Total equity/net assets	<u>25,382,870</u>	<u>88,718</u>	<u>33,100</u>	<u>273,997</u>	<u>-</u>	<u>5,503,484</u>	<u>725,099</u>	<u>2,842,801</u>	<u>672</u>	<u>732,986</u>	<u>-</u>	<u>321,346</u>	<u>2,577,041</u>	<u>-</u>	<u>38,482,114</u>	
600	TOTAL LIABILITIES AND EQUITY/NET ASSETS	<u>\$ 28,803,809</u>	<u>\$ 88,718</u>	<u>\$ 33,569</u>	<u>\$ 273,997</u>	<u>\$ 58,221</u>	<u>\$ 5,593,866</u>	<u>\$ 953,163</u>	<u>\$ 2,961,493</u>	<u>\$ 18,000</u>	<u>\$ 1,138,643</u>	<u>\$ 9,815,340</u>	<u>\$ 321,346</u>	<u>\$ 2,985,726</u>	<u>\$ (7,084,197)</u>	<u>\$ 45,961,694</u>	

HUNTSVILLE HOUSING AUTHORITY
ENTITY-WIDE REVENUE AND EXPENSE SUMMARY
Year Ended March 31, 2011

Line Item #	Accounts Description	Project Totals	Disaster Housing Assistance	Disaster Voucher	VASH	Shelter Plus Care	Competitive Capital Fund Stimulus Grant	Formula Capital Fund Stimulus Grant	CDBG/ NSP	ROSS	Housing Choice Vouchers	Business Activities	State and Local	COCC	Elimination	Total
REVENUE																
70300	Net tenant rental revenue	\$ 1,877,829	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,050	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,879,879
70400	Tenant revenue - other	47,575	-	-	-	-	-	-	-	-	-	-	-	-	-	47,575
70500	Total tenant revenue	1,925,404	-	-	-	-	-	-	2,050	-	-	-	-	-	-	1,927,454
70600	HUD PHA operating grants	8,896,453	-	-	254,368	243,640	5,503,484	243,161	-	379,924	8,687,576	-	-	-	-	24,208,606
706.10	Capital grants	81,190	-	-	-	-	-	1,869,899	-	-	-	-	-	-	-	1,951,089
70700	Total fee revenue	-	-	-	-	-	-	-	-	-	-	-	-	2,571,005	(2,571,005)	-
70800	Other governmental grants	-	-	-	-	-	-	-	2,419,002	-	-	-	321,346	-	-	2,740,348
71100	Investment income - unrestricted	39,397	-	-	-	-	-	-	-	-	1,209	-	-	3,911	-	44,517
71200	Mortgage interest income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
71300	Proceeds from disposition of assets held for sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
713.10	Cost of sales of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
71400	Fraud recovery	-	-	-	-	-	-	-	-	-	62,471	-	-	-	-	62,471
71500	Other revenue	157,315	-	-	-	-	-	-	-	-	11,547	-	-	42,595	-	211,457
71600	Gain or loss on the sale of fixed assets	(941)	-	-	-	-	-	-	(346,116)	-	-	-	-	(169)	-	(347,226)
72000	Investment income - unrestricted	682	-	-	-	-	-	-	-	-	1,865	-	-	-	-	2,547
70000	Total revenue	11,099,500	-	-	254,368	243,640	5,503,484	2,113,060	2,074,936	379,924	8,764,668	-	321,346	2,617,342	(2,571,005)	30,801,263
EXPENSES																
Administrative:																
91100	Administrative salaries	731,611	-	-	-	1,360	-	-	51,316	-	333,194	-	-	1,075,403	-	2,192,884
91200	Auditing fees	18,701	-	-	-	-	-	-	-	-	9,350	-	-	11,550	-	39,601
91300	Management fee	1,342,060	-	-	-	-	-	211,287	-	29,000	206,388	-	-	-	(1,788,735)	-
913.10	Bookkeeping fee	155,724	-	-	-	-	-	-	-	-	128,993	-	-	-	(284,717)	-
91400	Advertising and marketing	8,579	-	-	-	-	-	-	39,313	-	471	-	-	8,029	-	56,392
91500	Employee benefit contributions - administrative	323,821	-	-	-	377	-	-	13,150	-	156,968	-	-	379,973	-	874,289
91600	Office expenses	261,183	-	-	-	-	-	-	1,087	-	108,275	-	-	206,517	-	577,062
91700	Legal expense	54,378	-	-	-	-	-	-	14,195	-	577	-	-	51,542	-	120,692
91800	Travel	54,284	-	-	-	-	-	-	340	-	16,765	-	-	79,491	-	150,880
918.10	Allocated overhead	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
91900	Other	26,809	-	-	-	-	-	-	25,112	-	-	-	-	24,554	-	76,475
	Total administrative	2,977,150	-	-	-	1,737	-	211,287	144,513	29,000	960,981	-	-	1,837,059	(2,073,452)	4,088,275
92000	Asset management fee	195,960	-	-	-	-	-	-	-	-	-	-	-	-	(195,960)	-
Tenant services:																
92100	Salaries	98,063	-	-	-	-	-	-	-	163,581	7,006	-	-	-	-	268,650
92200	Relocation costs	5,226	-	-	-	-	-	-	20,303	-	-	-	-	-	-	25,529
92300	Employee benefit contributions	40,816	-	-	-	-	-	-	-	76,088	4,205	-	-	-	-	121,109
92400	Other	245,555	-	-	-	-	-	-	-	111,255	3,697	-	-	6,588	-	367,095
	Total tenant services	389,660	-	-	-	-	-	-	20,303	350,924	14,908	-	-	6,588	-	782,383
Utilities:																
93100	Water	233,085	-	-	-	-	-	-	1,765	-	-	-	-	1,465	-	236,315
93200	Electricity	368,928	-	-	-	-	-	-	7,021	-	-	-	-	22,080	-	398,029
93300	Gas	39,395	-	-	-	-	-	-	850	-	-	-	-	5,291	-	45,536
93400	Fuel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
93600	Sewer	521,017	-	-	-	-	-	-	7,674	-	-	-	-	1,107	-	529,798
93800	Other utilities expense	44,863	-	-	-	-	-	-	816	-	-	-	-	18,218	-	63,897
	Total utilities	1,207,288	-	-	-	-	-	-	18,126	-	-	-	-	48,161	-	1,273,575
Ordinary maintenance & operations:																
94100	Labor	1,289,533	-	-	-	-	-	-	1,218	-	-	-	-	96,046	-	1,386,797
94200	Materials and other	1,102,826	-	-	-	-	-	-	29,111	-	1,741	-	-	73,290	-	1,206,968
94300	Contracts	597,526	-	-	-	-	-	-	-	-	-	-	-	7,036	(301,593)	302,969
94500	Employee benefits contribution	547,851	-	-	-	-	-	-	88	-	-	-	-	50,379	-	598,318
	Total ordinary maintenance & operations	3,537,736	-	-	-	-	-	-	30,417	-	1,741	-	-	226,751	(301,593)	3,495,052

**HUNTSVILLE HOUSING AUTHORITY
ENTITY-WIDE REVENUE AND EXPENSE SUMMARY
Year Ended March 31, 2011**

Line Item #	Accounts Description	Project Totals	Disaster Housing Assistance	Disaster Voucher	VASH	Shelter Plus Care	Competitive Capital Fund Stimulus Grant	Formula Capital Fund Stimulus Grant	CDBG/NSP	ROSS	Housing Choice Vouchers	Business Activities	State and Local	COCC	Elimination	Total
EXPENSES (Continued)																
Protective services:																
95100	Labor	\$ 217,417	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 217,417
95200	Other contract costs	126,844	-	-	-	-	-	-	525	-	-	-	-	-	-	127,369
95300	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
95500	Employee benefit contributions	89,361	-	-	-	-	-	-	-	-	-	-	-	-	-	89,361
	Total protective services	433,622	-	-	-	-	-	-	525	-	-	-	-	-	-	434,147
96100	Total Insurance premiums	406,454	-	-	-	-	-	-	8,994	-	21,035	-	-	35,594	-	472,077
General expenses:																
96200	Other general expenses	-	-	-	-	-	-	-	-	-	6,691	-	-	-	-	6,691
96210	Compensated absences	13,207	-	-	-	-	-	-	-	-	4,723	-	-	7,363	-	25,293
96300	Payments in lieu of taxes	66,160	-	-	-	-	-	-	-	-	-	-	-	-	-	66,160
96400	Bad debt - tenant rents	41,366	-	-	-	-	-	-	-	-	-	-	-	-	-	41,366
96000	Total general expenses	120,733	-	-	-	-	-	-	-	-	11,414	-	-	7,363	-	139,510
96700	Total interest expense and amortization cost	128,956	-	-	-	-	-	-	-	-	-	-	-	-	-	128,956
96900	Total operating expenses	9,397,559	-	-	-	1,737	-	211,287	222,878	379,924	1,010,079	-	-	2,161,516	(2,571,005)	10,813,975
97000	Excess of operating revenue over operating expenses	1,701,941	-	-	254,368	241,903	5,503,484	1,901,773	1,852,058	-	7,754,589	-	321,346	455,826	-	19,987,288
97100	Extraordinary maintenance	41,951	-	-	-	-	-	-	-	-	-	-	-	-	-	41,951
97200	Casualty losses - non capitalized	171,207	-	-	-	-	-	-	-	-	449	-	-	-	-	171,656
97300	Housing assistance payments	-	-	-	41,218	241,903	-	-	-	-	8,005,333	-	-	-	-	8,288,454
97400	Depreciation expense	2,273,151	-	-	-	-	-	-	54,113	269	7,746	-	-	137,560	-	2,472,839
90000	Total expenses	11,883,868	-	-	41,218	243,640	-	211,287	276,991	380,193	9,023,607	-	-	2,299,076	(2,571,005)	21,788,875
Other financing sources (uses):																
10010	Operating transfer in	2,006,925	-	-	-	-	-	-	-	-	-	-	-	-	-	2,006,925
10020	Operating transfer out	(2,006,925)	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,006,925)
10070	Extraordinary items, net gain / loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10091	Inter project excess cash transfer in	274,930	-	-	-	-	-	-	-	-	-	-	-	-	-	274,930
10092	Inter project excess cash transfer out	(274,930)	-	-	-	-	-	-	-	-	-	-	-	-	-	(274,930)
10100	Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10000	EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENSES	\$ (784,368)	\$ -	\$ -	\$ 213,150	\$ -	\$ 5,503,484	\$ 1,901,773	\$ 1,797,945	\$ (269)	\$ (258,939)	\$ -	\$ 321,346	\$ 318,266	\$ -	\$ 9,012,388
Memo Account Information																
11020	Required annual debt principal payments	\$ 710,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 710,000
11030	Beginning equity	24,263,896	88,718	33,100	60,847	-	-	693,225	1,044,856	34,384	991,925	-	-	2,258,775	-	29,469,726
11040	Prior period adjustments, equity transfers & correction	1,903,342	-	-	-	-	-	(1,869,899)	-	(33,443)	-	-	-	-	-	-
11170	Administrative fee equity	-	-	-	-	-	-	-	-	-	428,928	-	-	-	-	428,928
11180	Housing assistance payments equity	-	-	-	-	-	-	-	-	-	392,776	-	-	-	-	392,776
11190	Unit months available	19,205	-	-	212	609	-	-	4	-	17,437	-	-	-	-	37,467
11210	Unit months leased	18,949	-	-	133	609	-	-	4	-	17,110	-	-	-	-	36,805
11270	Excess cash	4,466,259	-	-	-	-	-	-	-	-	-	-	-	-	-	4,466,259
11610	Land purchases	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11620	Building purchases	1,913,345	-	-	-	-	-	-	-	-	-	-	-	-	-	1,913,345
11630	Furniture & equipment - dwelling purchases	37,744	-	-	-	-	-	-	-	-	-	-	-	-	-	37,744
11640	Furniture & equipment - administrative purchases	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13510	CFFP debt service payments	828,697	-	-	-	-	-	-	-	-	-	-	-	-	-	828,697

**HUNTSVILLE HOUSING AUTHORITY
PROJECT BALANCE SHEET SUMMARY
March 31, 2011**

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
CURRENT ASSETS																	
Cash:																	
111	Unrestricted	\$ 590,026	510,023	\$ 409,902	\$ 374,750	\$ 649,276	\$ 570,118	\$ 360,270	\$ 318,183	\$ 344,168	\$ 358,639	\$ 139,133	\$ 226,326	\$ 314,063	\$ 187,284	\$ 456,589	\$ 5,808,750
	Cash - restricted - modernization and development	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
112	Other restricted	-	36,179	10,544	17,310	85,221	8,682	-	23,559	788	35,043	98,863	14,192	40,454	23,267	63,879	457,981
114	Tenant security deposits	-	12,420	15,570	12,620	21,660	20,360	13,810	6,590	10,540	10,490	2,600	5,180	7,100	19,705	160,045	
115	Restricted for payment of current liability	-	81,208	1,254	36,862	232,885	-	-	41,849	1,916	64,740	80,560	-	-	62,856	130,868	734,998
100	Total cash	<u>590,026</u>	<u>639,830</u>	<u>437,270</u>	<u>441,542</u>	<u>989,042</u>	<u>599,160</u>	<u>374,080</u>	<u>390,181</u>	<u>357,412</u>	<u>468,912</u>	<u>321,156</u>	<u>241,918</u>	<u>359,697</u>	<u>280,507</u>	<u>671,041</u>	<u>7,161,774</u>
Accounts and notes receivable:																	
121	Accounts receivable - PHA projects	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
122	HUD other projects	-	2,225	3,152	2,484	1,848	1,667	3,086	4,968	3,360	2,040	160	73	389	442	1,508	27,402
124	Other government	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
125	Miscellaneous	-	29	355	24	828	130	21	110	18	26	5	2	97	50	35	1,730
126	Tenants	-	2,298	574	3,153	5,134	2,637	887	780	1,150	3,270	-	-	310	649	4,362	25,204
126.1	Allowance for doubtful accounts - tenants	-	(132)	(101)	(121)	(329)	(84)	(15)	(31)	(19)	(318)	-	-	(14)	(11)	(181)	(1,356)
127	Notes, loans, & mortgages receivable - current	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
129	Accrued interest receivable	<u>138</u>	<u>198</u>	<u>192</u>	<u>172</u>	<u>277</u>	<u>278</u>	<u>183</u>	<u>112</u>	<u>150</u>	<u>165</u>	<u>66</u>	<u>85</u>	<u>116</u>	<u>81</u>	<u>225</u>	<u>2,438</u>
120	Total receivables, net of allowances for uncollectibles	<u>138</u>	<u>4,618</u>	<u>4,172</u>	<u>5,712</u>	<u>7,758</u>	<u>4,628</u>	<u>4,162</u>	<u>5,939</u>	<u>4,659</u>	<u>5,183</u>	<u>231</u>	<u>160</u>	<u>898</u>	<u>1,211</u>	<u>5,949</u>	<u>55,418</u>
131	Investments - unrestricted	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
132	Investments - restricted	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
135	Investments - restricted for payment of current liability	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
142	Prepaid expenses and other assets	-	10,704	9,470	8,216	11,018	12,286	12,212	5,366	12,141	17,114	732	1,029	3,934	24,653	11,506	140,381
143	Inventories	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
143.1	Allowance for obsolete inventories	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
144	Interprogram - due from	-	-	-	-	-	-	-	-	-	-	-	-	-	-	68,653	68,653
145	Assets held for sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
150	Total current assets	<u>590,164</u>	<u>655,152</u>	<u>450,912</u>	<u>455,470</u>	<u>1,007,818</u>	<u>616,074</u>	<u>390,454</u>	<u>401,486</u>	<u>374,212</u>	<u>491,209</u>	<u>322,119</u>	<u>243,107</u>	<u>364,529</u>	<u>306,371</u>	<u>757,149</u>	<u>7,426,226</u>
NONCURRENT ASSETS																	
Fixed assets:																	
161	Land	792,061	150,737	181,456	155,799	145,200	76,612	25,918	71,092	5,400	158,992	260,000	111,000	500,000	58,159	156,705	2,849,131
162	Buildings	2,693,666	5,046,673	3,803,970	2,484,983	9,839,095	13,160,092	3,355,661	2,834,902	2,475,275	5,433,183	886,265	608,694	2,407,962	2,717,178	6,416,574	64,164,173
163	Furniture, equipment & mach - dwellings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
164	Furniture, equipment & mach - admin.	-	273,726	113,002	48,271	181,742	139,542	109,240	55,926	140,564	36,206	1,303	-	58,304	18,000	66,566	1,242,392
165	Leasehold improvements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
166	Accumulated depreciation	(2,657,760)	(3,964,743)	(3,262,850)	(1,645,758)	(7,142,312)	(9,677,499)	(2,868,954)	(2,284,198)	(2,293,949)	(3,461,338)	(168,532)	(71,361)	(285,385)	(2,354,260)	(4,971,075)	(47,109,974)
167	Construction in progress	-	-	192,395	-	-	-	-	-	-	-	-	-	-	-	-	192,395
168	Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
160	Total fixed assets, net of accumulated depreciation	<u>827,967</u>	<u>1,506,393</u>	<u>1,027,973</u>	<u>1,043,295</u>	<u>3,023,725</u>	<u>3,698,747</u>	<u>621,865</u>	<u>677,722</u>	<u>327,290</u>	<u>2,167,043</u>	<u>979,036</u>	<u>648,333</u>	<u>2,680,881</u>	<u>439,077</u>	<u>1,668,770</u>	<u>21,338,117</u>
Notes, loans and mortgages receivable - noncurrent																	
171	Other assets	-	4,361	67	1,979	12,505	-	-	2,247	103	3,476	4,326	-	-	3,375	7,027	39,466
176	Investment in joint ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
180	Total noncurrent assets	<u>827,967</u>	<u>1,510,754</u>	<u>1,028,040</u>	<u>1,045,274</u>	<u>3,036,230</u>	<u>3,698,747</u>	<u>621,865</u>	<u>679,969</u>	<u>327,393</u>	<u>2,170,519</u>	<u>983,362</u>	<u>648,333</u>	<u>2,680,881</u>	<u>442,452</u>	<u>1,675,797</u>	<u>21,377,583</u>
190	TOTAL ASSETS	<u>\$ 1,418,131</u>	<u>\$ 2,165,906</u>	<u>\$ 1,478,952</u>	<u>\$ 1,500,744</u>	<u>\$ 4,044,048</u>	<u>\$ 4,314,821</u>	<u>\$ 1,012,319</u>	<u>\$ 1,081,455</u>	<u>\$ 701,605</u>	<u>\$ 2,661,728</u>	<u>\$ 1,305,481</u>	<u>\$ 891,440</u>	<u>\$ 3,045,410</u>	<u>\$ 748,823</u>	<u>\$ 2,432,946</u>	<u>\$ 28,803,809</u>

HUNTSVILLE HOUSING AUTHORITY
PROJECT BALANCE SHEET SUMMARY
March 31, 2011
(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
CURRENT LIABILITIES																	
311	Bank overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
312	Accounts payable < 90 days	1,066	11,827	18,414	11,103	21,223	12,804	14,259	9,726	5,166	3,443	264	736	4,638	3,555	17,238	135,462
321	Accrued wage/payroll taxes payable	-	6,030	8,585	6,252	7,299	9,253	7,277	4,281	7,607	4,828	566	210	1,991	2,451	8,325	74,955
322	Accrued compensated absences - current portion	-	8,584	4,931	7,834	8,628	12,042	12,367	5,707	13,344	8,539	827	399	2,046	6,241	9,516	101,005
324	Accrued contingency liability	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
325	Accrued interest payable	-	2,543	39	1,154	7,293	-	-	1,311	60	2,028	2,523	-	-	1,968	4,098	23,017
331	Accounts payable - HUD PHA programs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
333	Accounts payable - other gov.	4,550	811	2,690	1,730	10,455	8,700	11,835	1,877	7,736	3,082	1,517	3	7,099	6,503	7,171	75,759
341	Tenant security deposits	-	12,420	15,570	12,620	21,660	20,360	13,810	6,590	10,540	10,490	2,600	1,400	5,180	7,100	19,705	160,045
342	Deferred revenues	-	3,681	3,127	8,462	5,050	12,208	-	1,288	0	7,525	2,387	300	-	-	11,948	55,976
343	Current portion of LT debt - capital projects / mortg	-	81,208	1,254	36,862	232,885	-	-	41,849	1,916	64,740	80,560	-	-	62,856	130,868	734,998
344	Current portion of LT debt - operating borrowings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
345	Other current liabilities	576	109	95	251	359	548	230	43	44	300	9	-	11	205	336	3,116
346	Accrued liabilities - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
347	Interprogram (due to)	6,740	102,966	17,365	14,967	24,373	23,479	12,661	9,229	11,093	12,415	2,463	1,254	5,387	8,013	-	252,405
348	Loan liability - current	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
310	Total current liabilities	<u>12,932</u>	<u>230,179</u>	<u>72,070</u>	<u>101,235</u>	<u>339,225</u>	<u>99,394</u>	<u>72,439</u>	<u>81,901</u>	<u>57,506</u>	<u>117,390</u>	<u>93,716</u>	<u>4,302</u>	<u>26,352</u>	<u>98,892</u>	<u>209,205</u>	<u>1,616,738</u>
NON-CURRENT LIABILITIES																	
351	Capital projects / mortgage revenue bonds	-	172,360	2,661	78,239	494,288	-	-	88,823	4,067	137,408	170,985	-	-	133,408	277,761	1,560,000
352	Long-term debt, net of current - operating borrowings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
353	Non-current liabilities - other	-	7,505	10,101	4,294	2,992	8,682	-	8,782	112	12,184	70,418	14,192	40,454	1,073	17,671	198,460
354	Accrued compensated absences - non-current	-	5,219	867	5,151	3,366	4,925	2,966	2,892	6,406	5,447	363	191	857	2,906	4,185	45,741
357	Accrued pension and OPEB liability	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
350	Total non-current liabilities	<u>-</u>	<u>185,084</u>	<u>13,629</u>	<u>87,684</u>	<u>500,646</u>	<u>13,607</u>	<u>2,966</u>	<u>100,497</u>	<u>10,585</u>	<u>155,039</u>	<u>241,766</u>	<u>14,383</u>	<u>41,311</u>	<u>137,387</u>	<u>299,617</u>	<u>1,804,201</u>
300	Total liabilities	<u>12,932</u>	<u>415,263</u>	<u>85,699</u>	<u>188,919</u>	<u>839,871</u>	<u>113,001</u>	<u>75,405</u>	<u>182,398</u>	<u>68,091</u>	<u>272,429</u>	<u>335,482</u>	<u>18,685</u>	<u>67,663</u>	<u>236,279</u>	<u>508,822</u>	<u>3,420,939</u>
EQUITY																	
508.1	Invested in capital assets	827,967	1,252,825	1,024,058	928,194	2,296,552	3,698,747	621,865	547,049	321,307	1,964,895	727,490	648,333	2,680,881	242,813	1,260,141	19,043,117
511.1	Restricted net assets	-	28,829	445	13,086	82,675	-	-	14,857	680	22,983	28,599	-	-	22,314	46,458	260,926
512.1	Unrestricted net assets	<u>577,232</u>	<u>468,989</u>	<u>368,750</u>	<u>370,545</u>	<u>824,950</u>	<u>503,073</u>	<u>315,049</u>	<u>337,151</u>	<u>311,527</u>	<u>401,421</u>	<u>213,910</u>	<u>224,422</u>	<u>296,866</u>	<u>247,417</u>	<u>617,525</u>	<u>6,078,827</u>
513	Total equity/net assets	<u>1,405,199</u>	<u>1,750,643</u>	<u>1,393,253</u>	<u>1,311,825</u>	<u>3,204,177</u>	<u>4,201,820</u>	<u>936,914</u>	<u>899,057</u>	<u>633,514</u>	<u>2,389,299</u>	<u>969,999</u>	<u>872,755</u>	<u>2,977,747</u>	<u>512,544</u>	<u>1,924,124</u>	<u>25,382,870</u>
600	TOTAL LIABILITIES AND EQUITY/NET ASSETS	<u>\$ 1,418,131</u>	<u>\$ 2,165,906</u>	<u>\$ 1,478,952</u>	<u>\$ 1,500,744</u>	<u>\$ 4,044,048</u>	<u>\$ 4,314,821</u>	<u>\$ 1,012,319</u>	<u>\$ 1,081,455</u>	<u>\$ 701,605</u>	<u>\$ 2,661,728</u>	<u>\$ 1,305,481</u>	<u>\$ 891,440</u>	<u>\$ 3,045,410</u>	<u>\$ 748,823</u>	<u>\$ 2,432,946</u>	<u>\$ 28,803,809</u>

**HUNTSVILLE HOUSING AUTHORITY
PROJECT REVENUE AND EXPENSE SUMMARY
Year Ended March 31, 2011**

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
REVENUE																	
70300	Net tenant rental revenue	\$ -	\$ 85,042	\$ 19,338	\$ 115,881	\$ 291,480	\$ 240,508	\$ 310,537	\$ 78,544	\$ 243,055	\$ 24,230	\$ 30,086	\$ 2,918	\$ 92,195	\$ 116,166	\$ 227,849	\$ 1,877,829
70400	Tenant revenue - other	-	4,070	4,070	4,925	7,100	7,020	1,450	1,970	1,160	3,270	2,010	190	1,630	1,940	6,770	47,575
70500	Total tenant revenue	-	89,112	23,408	120,806	298,580	247,528	311,987	80,514	244,215	27,500	32,096	3,108	93,825	118,106	234,619	1,925,404
70600	HUD PHA operating grants	537,254	784,050	979,361	708,942	1,195,515	848,697	552,962	422,084	482,644	626,391	210,384	55,587	210,570	335,805	946,207	8,896,453
706.10	Capital grants	-	43,446	-	-	-	-	-	-	37,744	-	-	-	-	-	-	81,190
70700	Total fee revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
70800	Other governmental grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
71100	Investment income - unrestricted	2,757	3,222	3,627	2,271	4,894	3,864	2,121	2,830	1,700	3,243	898	792	1,935	1,392	3,851	39,397
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	3,777	17,086	4,072	98,022	1,450	5,243	10,088	280	474	6,935	5,051	31	3,176	185	1,445	157,315
71600	Gain or loss on the sale of fixed assets	(747)	-	(3,663)	-	(775)	-	2,722	-	-	-	-	-	1,522	-	-	(941)
72000	Investment income - unrestricted	-	75	1	34	216	-	-	39	2	60	75	-	-	58	122	682
70000	Total revenue	543,041	936,991	1,006,806	930,075	1,499,880	1,105,332	879,880	505,747	766,779	664,129	248,504	59,518	311,028	455,546	1,186,244	11,099,500
EXPENSES																	
Administrative:																	
91100	Administrative salaries	-	48,553	79,520	54,520	89,176	80,299	47,372	56,927	39,314	44,306	14,976	7,034	31,410	28,796	109,408	731,611
91200	Auditing fees	1,477	1,266	1,793	1,413	2,479	2,236	1,266	823	1,055	1,160	274	127	527	759	2,046	18,701
91300	Management fee	77,660	93,289	126,300	103,196	183,297	165,264	93,939	59,971	78,265	85,078	20,289	9,434	38,459	56,303	151,316	1,342,060
913.10	Bookkeeping fee	11,664	10,643	14,197	11,737	20,933	18,870	10,740	6,818	8,948	9,690	2,317	1,080	4,372	6,435	17,280	155,724
91400	Advertising and marketing	-	232	2,845	873	972	1,000	172	865	143	158	37	17	884	103	278	8,579
91500	Employee benefit contributions - administrative	-	25,523	35,725	28,605	39,033	34,631	17,467	20,776	14,533	23,232	7,141	2,681	11,499	10,688	52,287	323,821
91600	Office expenses	30	18,724	30,696	14,458	29,762	22,019	23,497	15,745	18,282	10,295	2,593	658	43,285	8,368	22,771	261,183
91700	Legal expense	11	2,534	3,887	3,627	2,810	4,786	299	28,535	2,626	2,213	-	613	1,193	38	1,206	54,378
91800	Travel	-	3,953	4,890	7,033	6,351	8,542	3,345	2,438	2,559	3,658	771	751	2,866	1,748	5,379	54,284
918.10	Allocated overhead	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
91900	Other	24	1,014	2,908	1,399	2,633	1,600	199	1,175	6,751	3,314	688	250	1,028	329	3,497	26,809
	Total administrative	90,866	205,731	302,761	226,861	377,446	339,247	198,296	194,073	172,476	183,104	49,086	22,645	135,523	113,567	365,468	2,977,150
92000	Asset management fee	-	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	195,960
Tenant services:																	
92100	Salaries	-	6,741	9,550	7,532	13,199	11,906	6,759	4,446	5,691	6,267	1,477	676	8,668	4,102	11,049	98,063
92200	Relocation costs	5,076	-	-	-	-	-	-	-	-	-	-	-	150	-	-	5,226
92300	Employee benefit contributions	-	2,949	4,177	3,294	5,773	5,208	2,950	1,922	2,461	2,710	640	293	1,888	1,773	4,778	40,816
92400	Other	-	39,016	65,532	34,969	21,673	10,344	8,018	14,669	6,036	28,625	335	155	3,053	7,712	5,418	245,555
	Total tenant services	5,076	48,706	79,259	45,795	40,645	27,458	17,727	21,037	14,188	37,602	2,452	1,124	13,759	13,587	21,245	389,660
Utilities:																	
93100	Water	9,818	20,037	28,511	22,706	40,456	25,443	10,209	12,291	10,301	429	30	1,171	6,660	9,328	35,695	233,085
93200	Electricity	172	18,243	37,333	21,089	13,732	10,045	114,984	15,958	106,336	6,750	685	37	10,598	4,300	8,666	368,928
93300	Gas	36	531	7,916	4,237	3,131	1,645	19,591	45	154	890	26	-	251	127	815	39,395
93400	Fuel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
93600	Sewer	4,111	49,556	68,563	55,880	88,959	66,462	13,427	29,603	18,670	1,412	-	2,675	10,234	20,570	90,895	521,017
93800	Other utilities expense	391	1,400	2,710	1,736	2,083	1,303	10,613	1,056	10,438	299	33	3,333	7,355	493	1,620	44,863
	Total utilities	14,528	89,767	145,033	105,648	148,361	104,898	168,824	58,953	145,899	9,780	774	7,216	35,098	34,818	137,691	1,207,288
Ordinary maintenance & operations:																	
94100	Labor	1,193	122,906	139,762	118,340	150,854	159,097	81,789	62,365	73,446	103,873	2,308	7,590	68,095	47,633	150,282	1,289,533
94200	Materials and other	22,171	74,933	115,839	57,212	108,002	101,350	119,068	106,081	58,534	52,826	72,380	7,750	62,980	33,725	109,975	1,102,826
94300	Contracts	24,000	38,621	64,322	42,788	96,181	82,705	12,678	28,860	13,479	38,530	6,264	5,448	24,766	42,729	76,155	597,526
94500	Employee benefits contribution	89	57,756	54,718	68,729	73,751	67,626	36,474	22,000	31,361	35,083	161	553	20,199	17,192	62,159	547,851
	Total ordinary maintenance & operations	47,453	294,216	374,641	287,069	428,788	410,778	250,009	219,306	176,820	230,312	81,113	21,341	176,040	141,279	398,571	3,537,736

HUNTSVILLE HOUSING AUTHORITY
PROJECT REVENUE AND EXPENSE SUMMARY
Year Ended March 31, 2011
(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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 99,745	\$ -	\$ 117,672	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 217,417
95200	Other contract costs	2,750	10,539	14,930	11,768	20,639	18,619	-	6,850	-	9,661	2,283	1,053	4,391	6,323	17,038	126,844
95300	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
95500	Employee benefit contributions	-	-	-	-	-	-	36,989	-	52,372	-	-	-	-	-	-	89,361
	Total protective services	2,750	10,539	14,930	11,768	20,639	18,619	136,734	6,850	170,044	9,661	2,283	1,053	4,391	6,323	17,038	433,622
96100	Total Insurance premiums	22,563	33,977	35,381	20,081	46,891	34,666	18,354	27,180	15,315	39,893	5,949	5,104	17,120	47,245	36,735	406,454
	General expenses:																
96200	Other general expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
96210	Compensated absences	-	1,488	-	82	-	2,083	3,430	4,618	272	1,189	-	-	-	45	-	13,207
96300	Payments in lieu of taxes	3,235	708	-	106	9,970	8,396	11,313	1,641	7,304	1,985	1,515	-	6,828	6,404	6,755	66,160
96400	Bad debt - tenant rents	(3,098)	3,151	6,517	5,323	1,069	2,941	2,982	(1,710)	2,929	4,901	2,957	134	6,046	1,340	5,884	41,366
96000	Total general expenses	137	5,347	6,517	5,511	11,039	13,420	17,725	4,549	10,505	8,075	4,472	134	12,874	7,789	12,639	120,733
96700	Total interest expense and amortization cost	-	14,248	220	6,467	40,860	-	-	7,342	336	11,359	14,135	-	-	11,028	22,961	128,956
96900	Total operating expenses	183,373	716,931	979,142	725,280	1,142,869	974,526	822,069	548,650	717,583	542,986	163,384	60,057	400,805	384,276	1,035,628	9,397,559
97000	Excess of operating revenue over operating expenses	359,668	220,060	27,664	204,795	357,011	130,806	57,811	(42,903)	49,196	121,143	85,120	(539)	(89,777)	71,270	150,616	1,701,941
97100	Extraordinary maintenance	-	3,083	4,367	3,442	6,037	5,446	3,083	2,004	2,569	2,826	668	308	1,284	1,850	4,984	41,951
97200	Casualty losses - non capitalized	-	50,798	-	106,574	-	-	7,400	-	-	6,435	-	-	-	-	-	171,207
97300	Housing assistance payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
97400	Depreciation expense	9,736	123,685	77,877	68,127	306,727	751,549	174,517	103,210	100,957	187,531	30,211	29,371	95,624	50,323	163,706	2,273,151
90000	Total expenses	193,109	894,497	1,061,386	903,423	1,455,633	1,731,521	1,007,069	653,864	821,109	739,778	194,263	89,736	497,713	436,449	1,204,318	11,883,868
	Other financing sources (uses):																
10010	Operating transfer in	12,479	216,782	70,368	93,948	278,306	16,166	263,819	86,957	238,468	137,165	158,353	30,945	139,604	104,180	159,385	2,006,925
10020	Operating transfer out	(5,076)	(216,782)	(70,368)	(93,301)	(278,306)	(16,166)	(267,348)	(86,957)	(239,597)	(135,319)	(158,353)	(30,945)	(139,834)	(109,188)	(159,385)	(2,006,925)
10070	Extraordinary items, net gain / loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10091	Inter project excess cash transfer in	68,846	-	-	-	-	-	-	95,193	-	-	6,690	847	91,291	6,700	5,363	274,930
10092	Inter project excess cash transfer out	-	(9,695)	(14,712)	(34,851)	(42,040)	(103,723)	(27,213)	-	(4,058)	(38,638)	-	-	-	-	-	(274,930)
10100	Total other financing sources (uses)	76,249	(9,695)	(14,712)	(34,204)	(42,040)	(103,723)	(30,742)	95,193	(5,187)	(36,792)	6,690	847	91,061	1,692	5,363	-
10000	EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENSES	\$ 426,181	\$ 32,799	\$ (69,292)	\$ (7,552)	\$ 2,207	\$ (729,912)	\$ (157,931)	\$ (52,924)	\$ (59,517)	\$ (112,441)	\$ 60,931	\$ (29,371)	\$ (95,624)	\$ 20,789	\$ (12,711)	\$ (784,368)
	Memo Account Information																
11020	Required annual debt principal payments	\$ -	\$ 78,446	\$ 1,211	\$ 35,609	\$ 224,964	\$ -	\$ -	\$ 40,426	\$ 1,851	\$ 62,538	\$ 77,820	\$ -	\$ -	\$ 60,718	\$ 126,417	\$ 710,000
11030	Beginning equity	979,018	1,333,037	1,043,512	882,648	3,201,970	4,931,732	1,094,845	855,546	693,031	2,323,657	909,068	902,126	3,073,371	491,755	1,548,580	24,263,896
11040	Prior period adjustments, equity transfers & correction	-	384,807	419,033	436,729	-	-	-	96,435	-	178,083	-	-	-	-	388,255	1,903,342
11170	Administrative fee equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11180	Housing assistance payments equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11190	Unit months available	-	1,440	1,920	1,588	2,784	2,544	1,440	817	1,200	1,248	312	144	588	864	2,316	19,205
11210	Unit months leased	-	1,419	1,881	1,553	2,755	2,516	1,432	806	1,193	1,220	309	144	571	858	2,292	18,949
11270	Excess cash	561,951	320,249	280,046	273,960	480,842	417,797	240,219	246,177	245,533	281,410	116,061	219,220	261,179	128,656	392,959	4,466,259
11610	Land purchases	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11620	Building purchases	-	395,723	418,120	436,729	-	-	-	96,435	-	178,083	-	-	-	-	388,255	1,913,345
	Furniture & equipment - dwelling purchases																
11630	purchases	-	-	-	-	-	-	-	-	37,744	-	-	-	-	-	-	37,744
	Furniture & equipment - administrative purchases																
11640	purchases	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13510	CFFP debt service payments	-	91,560	1,414	41,562	262,574	-	-	47,184	2,160	72,993	90,830	-	-	70,869	147,551	828,697

**HUNTSVILLE HOUSING AUTHORITY
STATEMENT AND CERTIFICATE OF PROGRAM COSTS –
CAPITAL FUND PROGRAM
March 31, 2011**

2007 Capital Fund Program Grant

AL09P047501-07

Funds approved	\$	2,850,489
Funds expended		2,850,489
Excess of funds approved	\$	<u>-</u>
Funds advanced	\$	2,850,489
Funds expended		2,850,489
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, 2011**

2007 ROSS Grant

AL047RFS002A007

Funds approved	\$	65,500
Funds expended		<u>65,500</u>
Excess of funds approved	\$	<u> -</u>

Funds advanced	\$	65,500
Funds expended		<u>65,500</u>
Excess of funds advanced	\$	<u> -</u>

2008 ROSS Grant

AL047RFS003A008

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

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

Shelter Plus Care Grant

AL0046C4C030801

Funds approved	\$	294,504
Funds expended		<u>190,669</u>
Excess of funds approved	\$	<u>103,835</u>

Funds advanced	\$	190,669
Funds expended		<u>190,669</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, 2011, and have issued our report thereon dated October 7, 2011. 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 October 7, 2011.

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 Gundersen LLP

Baltimore, Maryland
October 7, 2011

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

Board of Commissioners of the
Huntsville Housing Authority
Huntsville, Alabama

Compliance

We have audited the compliance of the Huntsville Housing Authority (the Authority) with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement that could have a direct and material effect on each of its major federal programs for the year ended March 31, 2011. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Authority's management. Our responsibility is to express an opinion on the Authority's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Authority's compliance with those requirements.

In our opinion, the Authority complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended March 31, 2011.

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, 2011, and have issued our report thereon dated October 7, 2011. 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
October 7, 2011

HUNTSVILLE HOUSING AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended March 31, 2011

	<u>CFDA Number</u>	<u>Federal Expenditures</u>
U.S. Department of Housing and Urban Development (HUD)		
Community Development Block Grant/State's Program (NSP)	14.228	\$ 2,419,002
Pass-through entity:		
Alabama Department of Economic and Community Affairs		
Shelter Plus Care	14.238	243,640
Low Rent Public Housing	14.850	6,587,165
Resident Opportunity and Supportive Services	14.870	380,193
Housing Choice Vouchers	14.871	9,023,607
HUD - Veterans Affairs Supportive Housing	14.VSH	<u>41,218</u>
Capital Fund Program Cluster		
Public Housing Capital Fund Program	14.872	2,390,478
Public Housing Capital Fund Competitive (Recovery Act Funded)	14.884	5,503,484
Public Housing Capital Fund Stimulus (Formula)		
Recovery Act Funded	14.885	<u>2,113,060</u>
Capital Fund Program Cluster Total		<u>10,007,022</u>
TOTAL FEDERAL EXPENDITURES		<u>\$ 28,701,847</u>

This schedule is an integral part of the accompanying notes.

HUNTSVILLE HOUSING AUTHORITY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
March 31, 2011

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 2011 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, 2011**

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>
Housing Choice Voucher Program	14.871	\$ 9,023,607
Capital Fund Program Cluster	14.872/14.884/14.885	10,007,022

Dollar threshold used to distinguish between type A and type B programs: \$ 857,361

Auditee qualified as low-risk auditee? X Yes No

**HUNTSVILLE HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended March 31, 2011**

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, 2011**

None