

HUNTSVILLE HOUSING AUTHORITY
Huntsville, Alabama

FINANCIAL STATEMENTS
March 31, 2014

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Independent Auditors' Report

Board of Commissioners
Huntsville Housing Authority
Huntsville, Alabama

Report on the Financial Statements

We have audited the accompanying financial statements of the Huntsville Housing Authority (the Authority), which comprise the statement of net position as of March 31, 2014, and the related statements of revenue, expenses and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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 from material misstatement.

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

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

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, 2014, and its changes in financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 12 are presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The financial data schedules, statement and certificate of program costs – capital fund program, and schedule of closed grants listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and is not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 30, 2014, 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 result of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Baltimore, Maryland

July 30, 2014

**HUNTSVILLE HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
March 31, 2014**

Huntsville Housing Authority's (the Authority) Management's Discussion and Analysis (MD&A) 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 position was \$38.4 million for 2014 and \$41.3 million for 2013, a \$2.9 million decrease from 2013.
- The Authority's revenues decreased by \$7.2 million during 2014, and were \$20.2 million and \$27.4 million for 2014 and 2013, respectively.
- The total expenses of all Authority programs decreased from \$24.3 million to \$23.1 million, for a total decrease of \$1.2 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 Position

These statements include a Statement of Net Position, which is similar to a Balance Sheet. The Statement of Net Position reports all financial and capital resources for the Authority. The statement is presented in the format where assets and deferred outflow of resources, minus liabilities and deferred inflow of resources, equals "Net Position," 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 Position (the "Unrestricted Net Position") 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 Position

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

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

HUNTSVILLE HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
March 31, 2014

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 ACC with HUD. HUD provides Annual Contributions Funding to enable the Authority to structure a lease that sets the participants' rent at 30% of household income.

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

1. Capital Fund Recovery Competitive (CFRC) – The Authority received a grant totaling \$5,953,200 to assist in the financing of Gateway Place, an 86-unit state-of-the-art senior facility. The entire amount of the grant was expended in prior fiscal years.

**HUNTSVILLE HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
March 31, 2014**

2. Capital Fund Recovery Grant (CFRG) – The Authority received a grant totaling \$4,093,829 to fund modernization activities at various developments. The entire amount of the grant was expensed in prior fiscal years.
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. The entire amount of the grant was expensed in prior fiscal years.

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. The entire amount of the grant was expensed in prior fiscal years.

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

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

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

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 was closed to the Housing Choice Voucher Program during this fiscal year.

Other Federal Programs – The Disaster Housing Assistance Program (DHAP) remains on the Authority's books to assist future victims of a nationally declared federal disaster.

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 grant was closed to "Other Projects" during the fiscal year.

**HUNTSVILLE HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
March 31, 2014**

AUTHORITY-WIDE STATEMENTS

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

**Table 1
Statements of Net Position**

	2014 (in millions of dollars)	2013 (in millions of dollars)	Variance
Assets			
Current and restricted assets	\$ 15.2	\$ 17.1	\$ (1.9)
Non-current assets	<u>35.7</u>	<u>37.6</u>	<u>(1.9)</u>
Total assets	<u>50.9</u>	<u>54.7</u>	<u>(3.8)</u>
Liabilities			
Current liabilities	1.4	2.3	(0.9)
Non-current liabilities	<u>11.1</u>	<u>11.1</u>	<u>-</u>
Total liabilities	<u>12.5</u>	<u>13.4</u>	<u>(0.9)</u>
Net position			
Net investment in capital assets	25.6	27.0	(1.4)
Restricted net position	7.9	7.1	0.8
Unrestricted net position	<u>4.9</u>	<u>7.2</u>	<u>(2.3)</u>
Total net position	<u>\$ 38.4</u>	<u>\$ 41.3</u>	<u>\$ (2.9)</u>

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

Major Factors Affecting the Statement of Net Position

As illustrated in the condensed Statement of Net Position, the overall Net Position of the Authority decreased from \$41.3 million to \$38.4 million. "Net investment in capital assets" decreased by \$1.4 million. This change in Capital Assets is explained in the section Capital Assets and Debt Administration found on Pages 9 – 10 of this report. Unrestricted Net Position decreased by \$2.3 million. Restricted Net Position increased by \$0.8 million.

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

Current and restricted assets decreased by \$1.9 million. The major source of this change is the close of the bond program. There is no longer a short term note payable. This reduces cash restricted for payment of current liabilities. Unrestricted cash was reduced due to the Authority not being fully funded.

**HUNTSVILLE HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
March 31, 2014**

Non-current assets decreased by \$1.9 million. Capital assets, net of depreciation, decreased by \$1.9 million and is explained in tables 3 and 4 on page 9. There was no change in non-current liabilities from the prior year.

A breakdown of assets, liabilities, and net position by program can be found in the supplemental information on Pages 30-37.

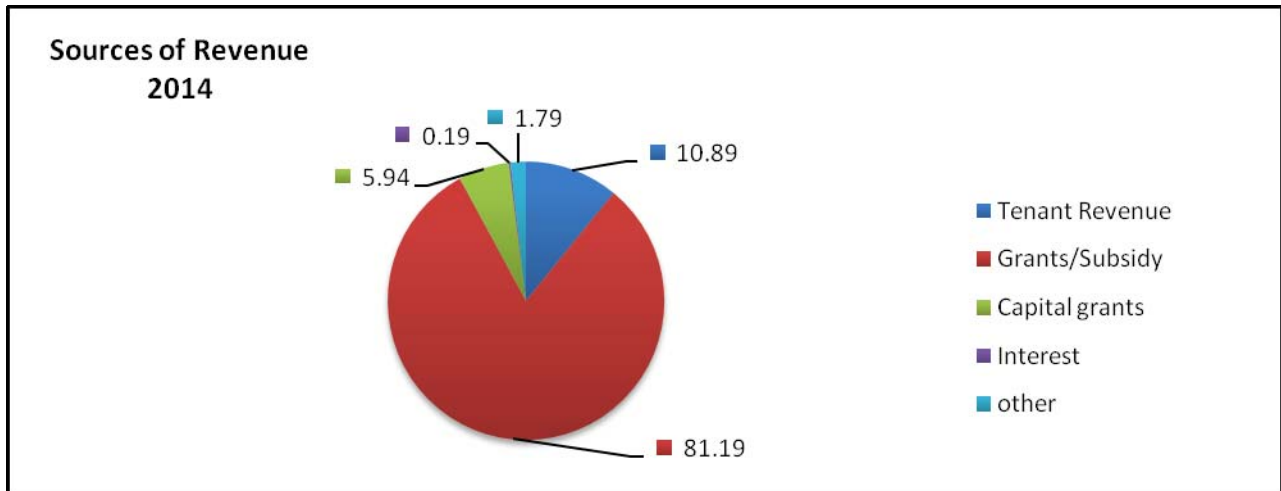
Table 2 compares the revenues and expenses for the current year and previous fiscal year. The Authority is engaged only in Business-Type Activities.

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

	2014 (in millions of dollars)	2013 (in millions of dollars)	Variance
Revenues			
Tenant revenue	\$ 2.2	\$ 2.2	\$ -
Program grants and subsidies	16.4	18.1	(1.7)
Capital grants	1.2	0.8	0.4
Other income	0.4	6.3	(5.9)
Total revenues	<u>20.2</u>	<u>27.4</u>	<u>(7.2)</u>
Expenses			
Administrative	4.4	5.0	(0.6)
Tenant services	0.8	0.8	-
Utilities	1.5	1.4	0.1
Maintenance	3.4	3.7	(0.3)
Protective services	0.5	0.5	-
General expenses	0.7	0.7	-
Housing assistance payments	8.7	8.8	(0.1)
Other expenses	0.1	0.1	-
Depreciation	3.0	3.3	(0.3)
Total expenses	<u>23.1</u>	<u>24.3</u>	<u>(1.2)</u>
Net increase (decrease)	(2.9)	3.1	(6.0)
Beginning net position	<u>41.3</u>	<u>38.2</u>	<u>6.0</u>
Ending net position	<u>\$ 38.4</u>	<u>\$ 41.3</u>	<u>\$ -</u>

**HUNTSVILLE HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
March 31, 2014**

The pie chart below illustrates revenues by funding source. Please note that 81.19% of funding is derived from grants and subsidy payments from HUD.



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

Operating subsidy/grants decreased by \$1.7 million, from \$18.1 million to \$16.4 million. This decrease is due to a \$1,142,922 decrease in public housing operating subsidy, a decrease of \$217,062 in housing choice voucher subsidy, and a decrease of \$200,000 in ARRA Capital Fund Stimulus.

Capital Grant Revenue increased from \$0.8 million to \$1.2 million. The increase of \$0.4 million is due to the purchase of property with Replacement Housing Funds. The Authority purchased six condominiums and four multi-family units during the current fiscal year.

Total expenses decreased by \$1.2 million, from \$24.3 million to \$23.1 million. A breakdown of revenues and expenses by program can be found on Pages 32 and 33 of the supplemental information. The major source of this decrease is in administrative expense, which has an overall decrease of \$0.6 million. This decrease was primarily due to a reduction in force at the beginning of the fiscal year. Utilities increased by \$0.1 million and housing assistance payments decreased by \$0.1 million. The HCVP decrease is due to a 95% proration of HAP funding. Depreciation decreased by \$0.3 million.

Capital Assets and Debt Administration

As of year-end, the Authority had \$35.4 million invested in a variety of capital assets as reflected in the following schedule, which represents a net decrease (additions, deletions and depreciation) of \$1.9 million from the end of last year. This decrease is primarily due to depreciation.

**HUNTSVILLE HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
March 31, 2014**

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

	<u>2014</u>	<u>2013</u>	<u>Variance</u>	<u>% Change</u>
Land	\$ 4,602,770	\$ 4,589,458	\$ 13,312	0.29%
Buildings	83,681,552	82,681,831	999,721	1.21%
Equipment - administration	2,017,736	2,024,488	(6,752)	(0.33)%
Accumulated depreciation	<u>(54,859,580)</u>	<u>(51,932,391)</u>	<u>(2,927,189)</u>	5.64%
Total capital assets	<u>\$ 35,442,478</u>	<u>\$ 37,363,386</u>	<u>\$ (1,920,908)</u>	(5.14)%

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**

Beginning balance, April 1, 2013	<u>\$ 37,363,386</u>
Additions	<u>1,321,015</u>
Retirements	(314,734)
Less accumulated depreciation on retirements	<u>(28,118)</u>
Net retirements	<u>(286,616)</u>
Depreciation	<u>(2,955,307)</u>
Ending balance, March 31, 2014	<u>\$ 35,442,478</u>

This year's major additions are:

Capital improvement programs	\$ 1,257,903
Land purchases	<u>63,112</u>
Total additions	<u>\$ 1,321,015</u>

**HUNTSVILLE HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
March 31, 2014**

Debt Outstanding

As of year-end, the Authority had \$9.8 million in debt outstanding compared to \$10.4 million last year. This decrease is due to the close of the bond program.

Debt was created during the 2012 fiscal year 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 \$9,795,382. The cash assistance, evidenced by a promissory note, does not have to be repaid unless a default occurs under any Exchange Program Funding Document on or prior to the last day of the 15-year compliance period.

Outstanding Debt at Year End

	2014	2013
Bonds payable (CFFP)	\$ -	\$ 795,000
Note payable (AHFA)	9,795,250	9,595,250

FINANCIAL ANALYSIS OF THE AUTHORITY

The Real Estate Assessment Center (REAC) performs a financial evaluation on the Public Housing Authority as it compares to its peers. This evaluation is known as the Financial Assessment SubSystem (FASS). Through regulation, the Authority is provided with the information needed to project its score. During this fiscal year, REAC will score the Authority's financial operations based on current interim regulations. The Authority estimates the following score for 2014:

**Public Housing Assessment System
Financial Condition Indicators
March 31, 2014**

	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, 2014**

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. Calendar year 2013 was funded at 81.86%; calendar year (CY) 14 is estimated to be funded at 89%.

Capital Fund – The 2011 Capital Fund was 14% lower than 2010, the 2012 Capital Fund was 10% below 2011, and the 2013 Capital Fund was 3% lower than the 2012 Capital Fund. These decreases are not sufficient to meet the needs of housing authorities.

Section 8 – CY 2013 continued the same method of funding for administrative fees as CY 2012 (based on leaseup and subject to proration). This same process continues for CY 2014. HUD actually funded administrative fees for CY 2013 at 69%. This proration resulted in a loss in administrative fees for FY 2013 of approximately \$370,000. Administrative fees for 2014 are estimated to be funded at 75%. This funding is not sufficient to meet the needs of the Authority. In order to continue operations, the COCC aided the agency's HCV Program through an operating transfer during FY 2014. An operating transfer will also be needed in FY 2015.

Section 8 – Total Housing Assistance Payment (HAP) funding for CY 2013 was \$8,180,296, which was a minimal increase of \$21,223 from the prior year. This slight increase is due to HHA receiving additional VASH vouchers. Excluding the new VASH vouchers, there would have been a decrease of \$16,589. HAP funding for calendar year 2013 was prorated at 94%. HAP funding for 2014 is estimated to be prorated at 99%. 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 April 1, 2008, the Authority began its first compliance year with the Asset Management guidelines mandated by HUD. The COCC was established in accordance with HUD guidance. The COCC has begun a "fee for service" approach and is billing the asset management projects (AMPS) and other funds for its management service. These fees are in accordance with HUD regulation and meet the safe-harbor requirement of being reasonable; therefore, the funds are de-federalized.

Local labor supply and demand may affect salary and wage rates.

Local inflationary, recessionary and employment trends can affect resident incomes and therefore the amount of rental income. Unemployment in the Huntsville, Alabama area decreased from 7.6% in March, 2011 to 6.3% in March, 2012. It remained constant in March, 2013 and remains at 6.0% in March, 2014.

Passage of Senate Bill 205 in the Alabama State Legislature – In early May, 2012, the Senate and the House of Representatives passed Senate Bill 205. The original measure was presented in response to HHA's 2009 purchase of Stone Manor Apartments in South Huntsville. The law requires the housing authority to disclose all future property purchases in a newspaper legal advertisement for three

**HUNTSVILLE HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
March 31, 2014**

consecutive weeks prior to execution of any binding agreement to purchase the property. It would also need the Huntsville City Council's consent before seizing property through eminent domain. It is management's opinion that this law could result in "public pressure" during the 3-week advertising period that could make property owners reluctant to sell to the Authority. People could also try to scuttle the deal by offering more money. Either situation would hinder the agency's federally-mandated mission to further affordable housing opportunities in the City.

FINANCIAL CONTACT

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

FINANCIAL STATEMENTS

HUNTSVILLE HOUSING AUTHORITY
STATEMENT OF NET POSITION
March 31, 2014

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 6,053,925
Cash and cash equivalents - restricted	8,791,702
Accounts receivable	161,302
Tenant accounts receivable, net of allowance of \$396	9,337
Prepaid expenses and other assets	<u>219,008</u>
Total current assets	<u>15,235,274</u>

CAPITAL ASSETS

Land	4,602,770
Buildings and improvements	83,681,552
Furniture and equipment	2,017,736
Less accumulated depreciation	<u>(54,859,580)</u>
Net capital assets	<u>35,442,478</u>

OTHER ASSETS

Other assets	<u>229,682</u>
Total other assets	<u>229,682</u>

TOTAL ASSETS

\$ 50,907,434

LIABILITIES AND NET POSITION

CURRENT LIABILITIES

Accounts payable	\$ 437,964
Accrued wages and payroll taxes	142,995
Accrued compensated absences	223,404
Accounts payable - other governments	80,409
Tenant security deposits	177,443
Unearned revenues	66,556
Other current liabilities	<u>242,040</u>
Total current liabilities	<u>1,370,811</u>

LONG-TERM LIABILITIES

Loan liability - non-current	9,795,250
Non-current liabilities - other	<u>1,301,965</u>
Total long-term liabilities	<u>11,097,215</u>
Total liabilities	<u>12,468,026</u>

NET POSITION

Net investment in capital assets	25,647,228
Restricted net position	7,906,756
Unrestricted net position	<u>4,885,424</u>
Total net position	<u>38,439,408</u>

TOTAL LIABILITIES AND NET POSITION

\$ 50,907,434

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

HUNTSVILLE HOUSING AUTHORITY
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION
Year Ended March 31, 2014

OPERATING REVENUES	
Dwelling rent	\$ 2,171,053
Operating grants	16,448,201
Other revenue	<u>363,505</u>
 Total operating revenues	 <u>18,982,759</u>
OPERATING EXPENSES	
Administrative	4,377,120
Tenant services	765,329
Utilities	1,512,591
Maintenance and operations	3,400,348
Protective services	492,986
General expense	681,831
Housing assistance payments	8,714,768
Other operating expenses	<u>27,554</u>
 Total operating expenses	 <u>19,972,527</u>
 Operating loss before depreciation	 (989,768)
Depreciation and amortization	<u>2,971,045</u>
 Total operating loss	 <u>(3,960,813)</u>
NON-OPERATING REVENUES (EXPENSES)	
Investment income	40,998
Loss on disposal of capital assets	(56,830)
Interest expense	<u>(15,902)</u>
 Total non-operating revenues (expenses)	 <u>(31,734)</u>
 Decrease in net position before capital contributions	 (3,992,547)
 Capital grants	 <u>1,174,846</u>
 DECREASE IN NET POSITION	 (2,817,701)
 NET POSITION, BEGINNING	 <u>41,257,109</u>
 NET POSITION, ENDING	 <u>\$ 38,439,408</u>

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

HUNTSVILLE HOUSING AUTHORITY
STATEMENT OF CASH FLOWS
Year Ended March 31, 2014

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from dwelling rent	\$ 2,180,799
Cash received from grants	16,516,981
Cash received from other sources	363,505
Cash payments for salaries and benefits	(6,139,453)
Cash payments to vendors and landlords	<u>(14,205,984)</u>
Net cash flows used in operating activities	<u>(1,284,152)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition of capital assets	(1,321,014)
Proceeds from sale of assets	214,047
Increase in notes payable	200,000
Principal paid on bond payable	(795,000)
Interest paid on bond payable	(15,902)
Capital grants	<u>1,174,846</u>
Net cash flows used in capital and related financing activities	<u>(543,023)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment interest	<u>40,998</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,786,177)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>16,631,804</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 14,845,627</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES	
Operating loss	\$ (3,960,813)
Adjustment to reconcile operating loss to net cash used in operating activities:	
Depreciation	2,955,307
Amortization	15,738
Provision for bad debts	55,106
Effects of changes in operating assets and liabilities:	
Accounts receivable	13,674
Tenant accounts receivable	4,629
Tenant security deposit	5,117
Prepaid expenses	(6,084)
Other assets	23,637
Unearned revenue	36,484
Accounts payable	(428,698)
Accrued liabilities	(260)
Compensated absences	18,939
Other liabilities	240,416
Non-current other liabilities	<u>(257,344)</u>
NET CASH USED IN OPERATING ACTIVITIES	<u>\$ (1,284,152)</u>

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

HUNTSVILLE HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
March 31, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of the Authority

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.

Reporting Entity

In determining how to define the reporting entity, management has considered all potential component units. The decision to include a component unit in the reporting entity was made by applying the criteria set forth in the Governmental Accounting Standards Board (GASB) Statement No. 61, *The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34*. These include manifestation of oversight responsibility including financial accountability, imposition of will, financial burden or benefit on the primary organization, and financial accountability as a result of fiscal dependency.

The Authority determined based on the criteria above that one entity should be presented as a blended component unit in the Authority's financial statements. The Authority is the owner of Neighborhood Acquisition and Redevelopment, Inc. (NARI), a non-profit organization. The organization is a 90% owner of the Huntsville Senior Housing, Inc. which is a .01% general partner of Huntsville Senior Apartments, LP. Huntsville Senior Apartments, LP owns and operates Gateway Place Apartments, an 86-unit elderly apartment complex that was placed in service during 2012. Separate financial statements are issued for Huntsville Senior Apartments, LP and can be obtained by contacting the Director of Finance at the Huntsville Housing Authority, P.O. Box 486, Huntsville, Alabama 35804-0486.

The Authority created Huntsville Housing Inspection Services, Inc (HHIS), a 501(c)(3) corporation on November 25, 2013 to provide housing inspection services or other services to governmentally subsidized housing agencies or entities which provide housing assistance for low-income and moderate-income families as well as service to the low-income and moderate-income residents of the Authority. This Authority is 100% owner of this entity. HHIS did not have any activity in FY 2014. A determination of how to account for this entity based on the criteria of GASB 61 will be conducted when the organization has activity.

The Authority is not a component unit of the City of Huntsville.

HUNTSVILLE HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
March 31, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, liabilities and deferred outflows and inflows, 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 an 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.

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 Position.

The Authority is required to follow all statements of GASB. GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, was issued to incorporate FASB and AICPA guidance into GASB authoritative literature.

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.

HUNTSVILLE HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
March 31, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

Unearned Revenue

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

HUNTSVILLE HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
March 31, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position Classifications

Net position is displayed in three components:

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

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

New Accounting Pronouncements

In fiscal year 2014, the Authority implemented GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows or resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities. The requirements of this Statement improve financial reporting by clarifying the appropriate use of the financial statement elements deferred outflows of resources and deferred inflows of resources to ensure consistency in financial reporting. The implementation of this Statement did not impact the financial statements of the Authority.

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, 2014 equaled \$250,000 per financial institution.

The Authority's cash and cash equivalents consist of cash held in interest and non-interest bearing checking accounts and certificates of deposit totaling \$14,845,627. The restricted cash consists of interest bearing checking accounts, certificates of deposit, and U.S. Treasury Money Market Funds totaling \$8,791,702. Deposits with financial institutions are fully secured by federal deposit insurance or collateralized securities held in the Authority's name.

**HUNTSVILLE HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
March 31, 2014**

NOTE 3 – RESTRICTED CASH AND CASH EQUIVALENTS

Restricted assets consist of the following:

Restricted bond fund refund	\$ 199,121
Restricted for HAP (net restricted assets)	768,208
Restricted Section 8 Rental	15,000
Restricted proceeds from sale of Council Courts	5,045,262
Restricted - Financial Literacy Grant	14,500
Restricted for Gateway Place reserves	2,030,499
Restrictions for tenant security deposits	177,443
FSS escrow	<u>541,669</u>
Total restricted assets	<u>\$ 8,791,702</u>

NOTE 4 – CAPITAL ASSETS

Capital assets consist of the following as of March 31, 2014:

	<u>Balance, April 1, 2013</u>	<u>Additions</u>	<u>Transfers & Deletions</u>	<u>Balance, March 31, 2014</u>
Land	\$ 4,589,458	\$ 63,112	\$ (49,800)	\$ 4,602,770
Total assets not being depreciated	<u>4,589,458</u>	<u>63,112</u>	<u>(49,800)</u>	<u>4,602,770</u>
Buildings and improvements	82,681,831	1,257,903	(258,182)	83,681,552
Furniture and equipment	2,024,488	-	(6,752)	2,017,736
Total property and equipment	<u>84,706,319</u>	<u>1,257,903</u>	<u>(264,934)</u>	<u>85,699,288</u>
Less accumulated depreciation	<u>(51,932,391)</u>	<u>(2,955,307)</u>	<u>28,118</u>	<u>(54,859,580)</u>
Net book value	<u>\$ 37,363,386</u>	<u>\$ (1,634,292)</u>	<u>\$ (286,616)</u>	<u>\$ 35,442,478</u>

In fiscal year 2014, the Authority purchased property with Replacement Housing Funds (HHA). HHA purchased six condominiums and four multi-family units during the current fiscal year.

Additionally in 2013, a ground lease was established for 99 years as part of the agreement with Twickenham Square Venture, LLC, in the total amount of \$6,578,100. Payments are required in 5 year increments beginning in October 2017 in the amount of \$11,250, and are based on the following schedule:

	<u>Monthly</u>	<u>Annual</u>	<u>Total</u>
Years 1 - 25	\$ 2,250	\$ 27,000	\$ 675,000
Years 26 - 50	3,691	44,292	1,107,300
Years 51 - 75	6,054	72,648	1,816,200
Years 76 - 99	9,932	119,184	<u>2,979,600</u>
			<u>\$ 6,578,100</u>

**HUNTSVILLE HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
March 31, 2014**

NOTE 5 – 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, 2014 consisted of the following:

COCC	\$	517
Shelter Plus Care		(4,446)
ROSS		(517)
Housing Choice Vouchers		4,446
Total	\$	-

NOTE 6 – 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, 2014, is shown as a liability allocated between current and non-current. As of March 31, 2014, \$294,204 was accrued for compensated absences.

NOTE 7 – 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 (Wells Fargo), 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. The balance outstanding at March 31, 2014 is \$0.

Interest paid and expensed during the year was \$10,264. The bond program was paid off in fiscal year 2014.

In addition, the Authority, in conjunction with the Huntsville Senior Apartments, L.P., has been awarded a Promissory Note in the amount of \$9,795,250 on July 30, 2010 from the Alabama Housing Finance Authority under the U.S. Department of Treasury's Tax Credit Exchange Program for Gateway Place. The project was placed into service on November 18, 2011. As of March 31, 2014, the full amount of the award was expended. The note does not have to be repaid unless a default occurs under any Exchange Program Funding Document on or prior to the last day of the 15-year compliance period.

**HUNTSVILLE HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
March 31, 2014**

NOTE 7 – BONDS AND NOTES PAYABLE (CONTINUED)

Changes in the total long-term debt during fiscal year ended March 31, 2014 are summarized below.

Description	Long term debt outstanding			Long term debt	Amount due
	3/31/13	Issued	Retired	outstanding 3/31/14	within one year
Capital Program Revenue Bonds Series 2003	\$ 795,000	\$ -	\$ (795,000)	\$ -	\$ -
AHFA Tax Credit Loan	9,595,250	200,000	-	9,795,250	-
Total long term debt outstanding	<u>\$ 10,390,250</u>	<u>\$ 200,000</u>	<u>\$ (795,000)</u>	<u>\$ 9,795,250</u>	<u>\$ -</u>

NOTE 8 – OTHER LONG-TERM LIABILITIES

Other long-term liabilities consist of the following:

	Balance, March 31, 2013	Increases	Decreases	Balance, March 31, 2014
	Accrued compensated absences	\$ 289,764	\$ 4,440	\$ -
FSS escrows	469,094	70,205	-	539,299
Huntsville Senior Apartments Developer Holdback	1,004,916	-	71,667	933,249
Total	1,763,774	74,645	71,667	1,766,752
Less: current portion compensated absences	204,465	18,939	-	223,404
Less: current portion FSS escrows	-	241,383	-	241,383
Total other long-term liabilities	<u>\$ 1,559,309</u>	<u>\$ (185,677)</u>	<u>\$ 71,667</u>	<u>\$ 1,301,965</u>

NOTE 9 – 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 or reaching age 59½. Total employer contributions to the plan for the years ended March 31, 2014 and 2013 were \$647,570 and \$639,992, respectively.

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

HUNTSVILLE HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
March 31, 2014

NOTE 10 – 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 11 – CONCENTRATION OF RISK

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

NOTE 12 – 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 13 – RELATED PARTY

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

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

As of March 31, 2014, the following amounts are due from Huntsville Senior Apartments, L.P. These amounts are eliminated in the Statement of Net Position.

Capital Fund Recovery Competition	\$ 5,503,484
HOME Investment Partnerships Program	500,000
Capital Fund Recovery Grant	725,099
COCC	<u>200,000</u>
Total	<u><u>\$ 6,928,583</u></u>

On November 25, 2013, Huntsville Housing Inspection Service, Inc., a 501(c)(3) corporation, was formed to provide housing inspection services or other services to governmentally subsidized housing agencies or entities which provide housing assistance for low-income and moderate-income families as well as services to the low-income and moderate-income residents of the Authority. This organization had no activity in fiscal year 2014 and the Authority is 100% owner.

HUNTSVILLE HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
March 31, 2014

NOTE 14 – CONDENSED COMBINING INFORMATION FOR BLENDED COMPONENT UNITS

Condensed combining information for the Authority’s blended component unit, Huntsville Senior Apartments, LP, as of and for the year ended December 31, 2013 is provided as follows:

Condensed Statement of Net Position

	Blended Component		
	Unit		
	Huntsville Senior Apartments, LP	Primary Government	Total
ASSETS			
Current assets	\$ 2,114,731	\$ 13,120,543	\$ 15,235,274
Noncurrent assets	196,717	32,965	229,682
Capital assets	<u>14,068,668</u>	<u>21,373,810</u>	<u>35,442,478</u>
Total assets	<u>\$ 16,380,116</u>	<u>\$ 34,527,318</u>	<u>\$ 50,907,434</u>
LIABILITIES			
Other current liabilities	\$ 217,961	\$ 1,152,850	\$ 1,370,811
Noncurrent liabilities	<u>17,657,082</u>	<u>(6,559,867)</u>	<u>11,097,215</u>
Total liabilities	<u>\$ 17,875,043</u>	<u>\$ (5,407,017)</u>	<u>\$ 12,468,026</u>
NET POSITION			
Net investment in capital assets	\$ (2,655,165)	\$ 28,302,393	25,647,228
Restricted	2,030,499	5,876,257	7,906,756
Unrestricted	<u>(870,261)</u>	<u>5,755,685</u>	<u>4,885,424</u>
Total net position	<u>\$ (1,494,927)</u>	<u>\$ 39,934,335</u>	<u>\$ 38,439,408</u>

**HUNTSVILLE HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
March 31, 2014**

NOTE 14 – CONDENSED COMBINING INFORMATION FOR BLENDED COMPONENT UNITS (CONTINUED)

Condensed Statement of Revenues, Expenses and Changes in Net Position

	Blended Component		
	Unit		Total
	Huntsville Senior Apartments, LP	Primary Government	
Operating revenues			
Tenant revenues	\$ 447,372	\$ 1,723,681	\$ 2,171,053
Operating grants	66,528	16,381,673	16,448,201
Other revenues	5,817	357,688	363,505
Total operating revenues	<u>519,717</u>	<u>18,463,042</u>	<u>18,982,759</u>
Operating expenses			
Administration	158,549	4,218,571	4,377,120
Tenant services	751	764,578	765,329
Utilities	159,985	1,352,606	1,512,591
Maintenance and operations	250,416	3,149,932	3,400,348
General expenses	83,201	598,630	681,831
Protective services	4,848	488,138	492,986
Housing assistance payments	-	8,714,768	8,714,768
Other operating expenses	-	27,554	27,554
Depreciation	553,136	2,417,909	2,971,045
Total operating expenses	<u>1,210,886</u>	<u>21,732,686</u>	<u>22,943,572</u>
Revenue over/(under) operating expenses	(691,169)	(3,269,644)	(3,960,813)
Non-operating revenue (expense)	-	(31,734)	(31,734)
Capital contributions	<u>-</u>	<u>1,174,846</u>	<u>1,174,846</u>
Change in net position	(691,169)	(2,126,532)	(2,817,701)
Net position - beginning of year	<u>(803,758)</u>	<u>42,060,867</u>	<u>41,257,109</u>
Net position - end of year	<u>\$ (1,494,927)</u>	<u>\$ 39,934,335</u>	<u>\$ 38,439,408</u>

HUNTSVILLE HOUSING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
March 31, 2014

NOTE 14 – CONDENSED COMBINING INFORMATION FOR BLENDED COMPONENT UNITS (CONTINUED)

Condensed Statement of Cash Flows

	Blended Component		
	Unit		
	Huntsville Senior Apartments, LP	Primary Government	Total
Net cash provided by/used in:			
Operating activities	\$ (331,379)	\$ (952,773)	\$ (1,284,152)
Investing activities	24,163	16,835	40,998
Capital and related financing activities	200,000	(743,023)	(543,023)
Net increase/(decrease) in cash	(107,216)	(1,678,961)	(1,786,177)
Cash - beginning of year	109,265	16,522,539	16,631,804
Cash - end of year	<u>\$ 2,049</u>	<u>\$ 14,843,578</u>	<u>\$ 14,845,627</u>

NOTE 15 – PENDING GASB PRONOUNCEMENTS

The Authority will be required to implement GASB Statement No. 67, *Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25* for the period ending March 31, 2015. The objective of this Statement is to improve financial reporting by state and local governmental pension plans. This Statement is not expected to have an impact on the Agency as it does not include the financial report of a pension plan in its financial statements.

The Authority will be required to implement GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* for the period ending March 31, 2016. The objective of this Statement is to improve accounting and financial reporting by state and local government employers for the pension in which they are involved. The Authority is currently evaluating the effect of the implementation of this Statement.

The Authority will be required to implement GASB Statement No. 69, *Government Combinations and Disposals of Government Operations* for the period ended March 31, 2015. This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. This Statement is not expected to have an impact on the Authority.

The Authority will be required to implement GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees* for the period ended March 31, 2015. This Statement requires a government that extends a nonexchange financial guarantee to recognize a liability when qualitative factors and historical data, if any, indicate that it is more likely than not that the government will be required to make a payment on the guarantee. This Statement is not expected to have an impact on the Authority.

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

SUPPLEMENTAL INFORMATION

HUNTSVILLE HOUSING AUTHORITY
ENTITY-WIDE BALANCE SHEET SUMMARY
March 31, 2014

Line Item #	Accounts Description	Project Totals	Disaster Voucher	Shelter Plus Care	Competitive Capital Fund Stimulus Grant	CDBG/ NSP	ROSS	Housing Choice Vouchers	Business Activities	State and Local	Other Federal Program	COCC	Elimination	Total
CURRENT ASSETS														
Cash:														
111	Unrestricted	\$ 4,053,045	\$ -	\$ -	\$ -	615,392.00	\$ -	\$ 216,138	\$ 2,049	\$ -	\$ -	\$ 1,167,301	\$ -	\$ 6,053,925
112	Cash - restricted - modernization and development	5,045,262	-	-	-	-	-	-	-	-	-	-	-	5,045,262
113	Other restricted	159,546	-	-	-	-	-	817,860	2,030,499	-	88,718	228,621	-	3,325,244
114	Tenant security deposits	168,241	-	-	-	1,796.00	-	-	7,406	-	-	-	-	177,443
115	Restricted for payment of current liability	91,513	-	-	-	-	-	152,240	-	-	-	-	-	243,753
100	Total cash	9,517,607	-	-	-	617,188	-	1,186,238	2,039,954	-	88,718	1,395,922	-	14,845,627
Accounts and notes receivable:														
121	Accounts receivable - PHA projects	-	-	-	-	-	-	-	-	-	-	-	-	-
122	HUD other projects	3,503	-	50,149	-	-	5,040	20,020	-	-	-	-	-	78,712
124	Other government	-	-	-	-	-	-	-	-	-	-	-	-	-
125	Miscellaneous	14,093	-	-	-	-	-	9,522	54,516	-	-	55,081	(52,680)	80,532
126	Tenants	8,126	-	-	-	-	-	-	933	-	-	-	-	9,059
126.1	Allowance for doubtful accounts - tenants	(396)	-	-	-	-	-	-	-	-	-	-	-	(396)
127	Notes, loans, & mortgages receivable - current	-	-	-	-	-	-	-	-	-	-	-	-	-
128	Fraud recovery	674	-	-	-	-	-	-	-	-	-	-	-	674
129	Accrued interest receivable	1,764	-	-	-	-	-	-	-	-	-	294	-	2,058
120	Total receivables, net of allowances for uncollectibles	27,764	-	50,149	-	-	5,040	29,542	55,449	-	-	55,375	(52,680)	170,639
131	Investments - unrestricted	-	-	-	-	-	-	-	-	-	-	-	-	-
132	Investments - restricted	-	-	-	-	-	-	-	-	-	-	-	-	-
135	Investments - restricted for payment of current liability	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total current investments	-	-	-	-	-	-	-	-	-	-	-	-	-
142	Prepaid expenses and other assets	145,895	-	-	-	-	-	14,700	19,328	-	-	39,085	-	219,008
143	Inventories	-	-	-	-	-	-	-	-	-	-	-	-	-
143.1	Allowance for obsolete inventories	-	-	-	-	-	-	-	-	-	-	-	-	-
144	Interprogram - due from	-	-	-	-	-	-	4,446	-	-	-	517	(4,963)	-
145	Assets held for sale	-	-	-	-	-	-	-	-	-	-	-	-	-
150	Total current assets	9,691,266	-	50,149	-	617,188	5,040	1,234,926	2,114,731	-	88,718	1,490,899	(57,643)	15,235,274
NONCURRENT ASSETS														
Fixed assets:														
161	Land	3,980,627	-	-	-	37,400	-	-	1	-	-	584,742	-	4,602,770
162	Buildings	66,859,380	-	-	-	147,066	-	-	15,312,567	-	-	1,362,539	-	83,681,552
163	Furniture, equipment & mach - dwellings	-	-	-	-	-	-	-	-	-	-	-	-	-
164	Furniture, equipment & mach - admin.	1,188,467	-	-	-	-	-	67,539	98,904	-	-	662,826	-	2,017,736
165	Leasehold improvements	-	-	-	-	-	-	-	-	-	-	-	-	-
166	Accumulated depreciation	(51,562,337)	-	-	-	(11,853)	-	(56,384)	(1,342,804)	-	-	(1,886,202)	-	(54,859,580)
167	Construction in progress	-	-	-	-	-	-	-	-	-	-	-	-	-
168	Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-	-
160	Total fixed assets, net of accumulated depreciation	20,466,137	-	-	-	172,613	-	11,155	14,068,668	-	-	723,905	-	35,442,478
171	Notes, loans and mortgages receivable - noncurrent	6,728,583	-	-	-	-	-	-	-	-	-	200,000	(6,928,583)	-
174	Other assets	-	-	-	-	-	-	-	196,717	-	-	32,965	-	229,682
176	Investment in joint ventures	-	-	-	-	-	-	-	-	-	-	-	-	-
180	Total noncurrent assets	27,194,720	-	-	-	172,613	-	11,155	14,265,385	-	-	956,870	(6,928,583)	35,672,160
190	TOTAL ASSETS	\$ 36,885,986	\$ -	\$ 50,149	\$ -	\$ 789,801	\$ 5,040	\$ 1,246,081	\$ 16,380,116	\$ -	\$ 88,718	\$ 2,447,769	\$ (6,986,226)	\$ 50,907,434

HUNTSVILLE HOUSING AUTHORITY
ENTITY-WIDE BALANCE SHEET SUMMARY
March 31, 2014

Line Item #	Accounts Description	Project Totals	Disaster Voucher	Shelter Plus Care	Competitive Capital Fund Stimulus Grant	CDBG/NSP	ROSS	Housing Choice Vouchers	Business Activities	State and Local	Other Federal Program	COCC	Elimination	Total
CURRENT LIABILITIES														
311	Bank overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
312	Accounts payable < 90 days	137,970	-	45,703	-	-	-	34,531	102,440	-	-	98,333	(52,680)	366,297
313	Accounts payable > 90 days past due	-	-	-	-	-	-	-	71,667	-	-	-	-	71,667
321	Accrued wage/payroll taxes payable	80,481	-	-	-	-	4,523	14,521	2,578	-	-	40,892	-	142,995
322	Accrued compensated absences - current portion	120,908	-	-	-	-	-	24,483	-	-	-	78,013	-	223,404
324	Accrued contingency liability	-	-	-	-	-	-	-	-	-	-	-	-	-
325	Accrued interest payable	-	-	-	-	-	-	-	-	-	-	-	-	-
331	Accounts payable - HUD PHA programs	-	-	-	-	-	-	16,812	-	-	-	-	-	16,812
333	Accounts payable - other gov.	35,080	-	-	-	-	-	-	28,404	-	-	113	-	63,597
341	Tenant security deposits	168,241	-	-	-	1,796	-	-	7,406	-	-	-	-	177,443
342	Deferred revenues	46,590	-	-	-	-	-	-	5,466	-	-	14,500	-	66,556
343	Current portion of LT debt - capital projects / mortg	-	-	-	-	-	-	-	-	-	-	-	-	-
344	Current portion of LT debt - operating borrowings	-	-	-	-	-	-	-	-	-	-	-	-	-
345	Other current liabilities	92,171	-	-	-	-	-	149,869	-	-	-	-	-	242,040
346	Accrued liabilities - other	-	-	-	-	-	-	-	-	-	-	-	-	-
347	Interprogram (due to)	-	-	4,446	-	-	-	-	-	-	-	-	(4,963)	-
348	Loan liability - current	-	-	-	-	-	-	517	-	-	-	-	-	-
310	Total current liabilities	681,441	-	50,149	-	1,796	5,040	240,216	217,961	-	-	231,851	(57,643)	1,370,811
NON-CURRENT LIABILITIES														
351	Capital projects / mortgage revenue bonds	-	-	-	-	-	-	-	-	-	-	-	-	-
352	Long-term debt, net of current - operating borrowings	-	-	-	-	-	-	-	-	-	-	-	-	-
353	Non-current liabilities - other	159,546	-	-	-	-	-	138,370	933,249	-	-	-	-	1,231,165
354	Accrued compensated absences - non-current	36,964	-	-	-	-	-	8,056	-	-	-	25,780	-	70,800
355	Loan liability - non current	-	-	-	-	-	-	-	16,723,833	-	-	-	(6,928,583)	9,795,250
357	Accrued pension and OPEB liability	-	-	-	-	-	-	-	-	-	-	-	-	-
350	Total non-current liabilities	196,510	-	-	-	-	-	146,426	17,657,082	-	-	25,780	(6,928,583)	11,097,215
300	Total liabilities	877,951	-	50,149	-	1,796	5,040	386,642	17,875,043	-	-	257,631	(6,986,226)	12,468,026
EQUITY														
508.4	Net investment in capital assets	20,466,137	-	-	-	172,613	-	11,155	(2,655,165)	-	-	723,905	6,928,583	25,647,228
511.4	Restricted net position	5,045,262	-	-	-	-	-	715,277	2,030,499	-	88,718	27,000	-	7,906,756
512.4	Unrestricted net position	10,496,636	-	-	-	615,392	-	133,007	(870,261)	-	-	1,439,233	(6,928,583)	4,885,424
513	Total equity/net position	36,008,035	-	-	-	788,005	-	859,439	(1,494,927)	-	88,718	2,190,138	-	38,439,408
600	TOTAL LIABILITIES AND EQUITY/NET POSITION	\$ 36,885,986	\$ -	\$ 50,149	\$ -	\$ 789,801	\$ 5,040	\$ 1,246,081	\$ 16,380,116	\$ -	\$ 88,718	\$ 2,447,769	\$ (6,986,226)	\$ 50,907,434

HUNTSVILLE HOUSING AUTHORITY
ENTITY-WIDE REVENUE AND EXPENSE SUMMARY
Year Ended March 31, 2014

Line Item #	Accounts Description	Project Totals	Disaster	Shelter Plus	Competitive Capital	CDBG/	Housing Choice		Business	Other Federal			Elimination	Total
			Voucher	Care	Fund Stimulus Grant	NSP	ROSS	Vouchers	Activities	State and Local	Program	COCC		
REVENUE														
70300	Net tenant rental revenue	\$ 1,673,801	\$ -	\$ -	\$ -	\$ 2,480	\$ -	\$ -	\$ 446,553	\$ -	\$ -	\$ -	\$ -	\$ 2,122,834
70400	Tenant revenue - other	47,400	-	-	-	-	-	-	819	-	-	-	-	48,219
70500	Total tenant revenue	1,721,201	-	-	-	2,480	-	-	447,372	-	-	-	-	2,171,053
70600	HUD PHA operating grants	6,912,044	-	303,502	-	-	210,713	9,021,942	-	-	-	-	-	16,448,201
706.10	Capital grants	1,181,261	-	-	-	-	-	-	-	-	-	-	-	1,181,261
70700	Total fee revenue	-	-	-	-	-	-	-	-	-	2,372,923	(2,372,923)	-	-
70800	Other governmental grants	-	-	-	-	-	-	-	-	-	-	-	-	-
71100	Investment income - unrestricted	29,503	-	-	-	-	-	9,069	39	-	2,161	-	-	40,772
71200	Mortgage interest income	-	-	-	-	-	-	-	-	-	-	-	-	-
71300	Proceeds from disposition of assets held for sale	-	-	-	-	-	-	-	-	-	-	-	-	-
713.10	Cost of sales of assets	-	-	-	-	-	-	-	-	-	-	-	-	-
71400	Fraud recovery	-	-	-	-	-	-	131,624	-	-	-	-	-	131,624
71500	Other revenue	64,226	-	-	-	219	-	114,930	5,778	-	48,496	-	-	233,649
71600	Gain or loss on the sale of fixed assets	(71)	-	-	-	(56,759)	-	-	-	-	-	-	-	(56,830)
72000	Investment income - unrestricted	226	-	-	-	-	-	-	-	-	-	-	-	226
70000	Total revenue	9,908,390	-	303,502	-	(54,060)	210,713	9,277,565	453,189	-	-	2,423,580	(2,372,923)	20,149,956
EXPENSES														
Administrative:														
91100	Administrative salaries	780,721	-	895	-	15,152	-	323,823	52,476	-	-	1,211,253	-	2,384,320
91200	Auditing fees	24,750	-	-	-	-	-	11,550	14,820	-	4,950	-	-	56,070
91300	Management fee	1,321,084	-	-	-	-	20,000	216,804	43,984	-	-	-	(1,557,888)	43,984
91310	Bookkeeping fee	149,115	-	-	-	-	-	135,502	-	-	-	-	(284,617)	-
91400	Advertising and marketing	7,292	-	-	-	-	-	1,298	2,430	-	9,232	-	-	20,252
91500	Employee benefit contributions - administrative	325,073	-	359	-	4,126	-	141,372	6,814	-	410,967	-	-	888,711
91600	Office expenses	191,455	-	-	-	-	-	101,649	27,600	-	176,578	-	-	497,282
91700	Legal expense	42,298	-	-	-	144	-	-	2,455	-	208,677	-	-	253,574
91800	Travel	32,566	-	-	-	-	4,512	3,410	6,632	-	56,484	-	-	103,604
918.10	Allocated overhead	-	-	-	-	-	-	-	-	-	-	-	-	-
91900	Other	80,293	-	-	-	301	-	3,386	1,338	-	44,005	-	-	129,323
	Total administrative	2,954,647	-	1,254	-	19,723	24,512	938,794	158,549	-	-	2,122,146	(1,842,505)	4,377,120
92000	Asset management fee	199,780	-	-	-	-	-	-	-	-	-	-	(199,780)	-
Tenant services:														
92100	Salaries	127,932	-	-	-	-	124,825	91,853	-	-	-	-	-	344,610
92200	Relocation costs	31,161	-	-	-	-	-	-	-	-	-	-	-	31,161
92300	Employee benefit contributions	48,425	-	-	-	-	55,323	51,409	-	-	-	-	-	155,157
92400	Other	227,058	-	-	-	-	6,053	539	751	-	-	-	-	234,401
	Total tenant services	434,576	-	-	-	-	186,201	143,801	751	-	-	-	-	765,329
Utilities:														
93100	Water	288,466	-	-	-	38	-	-	8,561	-	-	1,273	-	298,338
93200	Electricity	386,480	-	-	-	270	-	-	124,406	-	-	22,050	-	533,206
93300	Gas	31,350	-	-	-	51	-	-	20,458	-	-	5,458	-	57,317
93400	Fuel	-	-	-	-	-	-	-	-	-	-	-	-	-
93600	Sewer	531,818	-	-	-	5	-	-	6,560	-	-	542	-	538,925
93800	Other utilities expense	64,226	-	-	-	170	-	-	-	-	20,409	-	-	84,805
	Total utilities	1,302,340	-	-	-	534	-	-	159,985	-	-	49,732	-	1,512,591
Ordinary maintenance & operations:														
94100	Labor	1,236,086	-	-	-	2,847	-	-	43,113	-	-	93,063	-	1,375,109
94200	Materials and other	830,685	-	-	-	2,517	-	2,533	160,753	-	-	77,614	-	1,074,102
94300	Contracts	626,381	-	-	-	-	-	-	37,275	-	-	6,689	(330,638)	339,707
94500	Employee benefits contribution	556,603	-	-	-	205	-	-	9,275	-	-	45,347	-	611,430
	Total ordinary maintenance & operations	3,249,755	-	-	-	5,569	-	2,533	250,416	-	-	222,713	(330,638)	3,400,348

HUNTSVILLE HOUSING AUTHORITY
ENTITY-WIDE REVENUE AND EXPENSE SUMMARY
Year Ended March 31, 2014

Line Item #	Accounts Description	Project Totals	Disaster		Shelter Plus		Competitive Capital		CDBG/		Housing		Other Federal		Elimination	Total
			Voucher	Care	Fund Stimulus Grant	NSP	ROSS	Choice	Business Activities	State and Local	Program	COCC				
EXPENSES (Continued)																
Protective services:																
95100	Labor	\$ 274,077	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 274,077
95200	Other contract costs	111,442	-	-	-	-	-	-	-	-	894	-	-	-	-	112,336
95300	Other	-	-	-	-	-	-	-	-	-	3,954	-	-	-	-	3,954
95500	Employee benefit contributions	102,619	-	-	-	-	-	-	-	-	-	-	-	-	-	102,619
	Total protective services	488,138	-	-	-	-	-	-	-	-	4,848	-	-	-	-	492,986
96100	Total Insurance premiums	428,686	-	-	-	-	1,186	-	23,120	-	26,607	-	-	30,303	-	509,902
General expenses:																
96200	Other general expenses	-	-	-	-	-	-	-	14,557	-	25,000	-	-	-	-	39,557
96210	Compensated absences	20,780	-	-	-	-	-	-	1,579	-	-	-	-	-	-	22,359
96300	Payments in lieu of taxes	30,700	-	-	-	-	-	-	-	-	24,207	-	-	-	-	54,907
96400	Bad debt - tenant rents	47,719	-	-	-	-	-	-	-	-	7,387	-	-	-	-	55,106
96000	Total general expenses	99,199	-	-	-	-	-	-	16,136	-	56,594	-	-	-	-	171,929
96700	Total interest expense and amortization cost	15,902	-	-	-	-	-	-	-	-	-	-	-	-	-	15,902
96900	Total operating expenses	9,173,023	-	1,254	-	-	27,012	210,713	1,124,384	-	657,750	-	-	2,424,894	(2,372,923)	11,246,107
97000	Excess of operating revenue over operating expenses	735,367	-	302,248	-	-	(81,072)	-	8,153,181	-	(204,561)	-	-	(1,314)	-	8,903,849
97100	Extraordinary maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
97200	Casualty losses - non capitalized	27,554	-	-	-	-	-	-	-	-	-	-	-	-	-	27,554
97300	Housing assistance payments	-	-	302,248	-	-	-	-	8,412,520	-	-	-	-	-	-	8,714,768
97350	Housing assistance payments - portability in	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
97400	Depreciation expense	2,322,392	-	-	-	-	13,094	-	7,871	-	537,398	-	-	74,552	-	2,955,307
97401	Amortization expense	-	-	-	-	-	-	-	-	-	15,738	-	-	-	-	15,738
90000	Total expenses	11,522,969	-	303,502	-	-	40,106	210,713	9,544,775	-	1,210,886	-	-	2,499,446	(2,372,923)	22,959,474
Other financing sources (uses):																
10010	Operating transfer in	890,951	-	-	-	-	-	-	160,000	-	-	-	-	-	(1,050,951)	-
10020	Operating transfer out	(890,951)	-	-	-	-	-	-	-	-	-	-	-	(160,000)	1,050,951	-
10040	Operating transfer to/from component unit	(72,943)	-	-	-	-	-	-	-	-	66,528	-	-	-	-	(6,415)
10070	Extraordinary items, net gain / loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10091	Inter project excess cash transfer in	278,000	-	-	-	-	-	-	-	-	-	-	-	-	(278,000)	-
10092	Inter project excess cash transfer out	(278,000)	-	-	-	-	-	-	-	-	-	-	-	-	278,000	-
10100	Total other financing sources (uses)	(72,943)	-	-	-	-	-	-	160,000	-	66,528	-	-	(160,000)	-	(6,415)
10000	EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENSES	\$ (1,687,522)	\$ -	\$ -	\$ -	\$ -	\$ (94,166)	\$ -	\$ (107,210)	\$ -	\$ (691,169)	\$ -	\$ -	\$ (235,866)	\$ -	\$ (2,815,933)
Memo Account Information																
11020	Required annual debt principal payments	\$ 795,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 795,000
11030	Beginning equity	31,692,073	26,190	-	5,503,484	882,171	-	942,227	(803,758)	500,000	88,718	2,426,004	-	-	-	41,257,109
11040	Prior period adjustments, equity transfers & correction	6,003,484	(26,190)	-	(5,503,484)	-	-	24,422	-	(500,000)	-	-	-	-	-	(1,768)
11170	Administrative fee equity	-	-	-	-	-	-	144,148	-	-	-	-	-	-	-	144,148
11180	Housing assistance payments equity	-	-	-	-	-	-	715,291	-	-	-	-	-	-	-	715,291
11190	Unit months available	20,328	-	600	-	5	-	18,823	1,032	-	-	-	-	-	-	40,788
11210	Unit months leased	20,217	-	600	-	5	-	18,096	989	-	-	-	-	-	-	39,907
11270	Excess cash	2,938,186	-	-	-	-	-	-	-	-	-	-	-	-	-	2,938,186
11610	Land purchases	-	-	-	-	42,700	-	-	-	-	-	20,412	-	-	-	63,112
11620	Building purchases	1,181,261	-	-	-	76,641	-	-	-	-	-	-	-	-	-	1,257,902
11630	Furniture & equipment - dwelling purchases	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11640	Furniture & equipment - administrative purchases	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13510	CFFP debt service payments	797,016	-	-	-	-	-	-	-	-	-	-	-	-	-	797,016
13901	Replacement Housing Factor funds	491,181	-	-	-	-	-	-	-	-	-	-	-	-	-	491,181

**HUNTSVILLE HOUSING AUTHORITY
PROJECT BALANCE SHEET SUMMARY
March 31, 2014**

Line Item #	Accounts Description	AMP 001	AMP 002	AMP 003	AMP 004	AMP 006	AMP 007	AMP 008	AMP 010	AMP 011	AMP 014	AMP 016	AMP 018	AMP 019	AMP 020	AMP 021	AMP 022	AMP 023	AMP 024	AMP 051	AMP 052	AMP 060	OTHER PROJ	Project Totals	
CURRENT ASSETS																									
111	Cash:																								
	Unrestricted	\$ 165,197	277,591	\$ 388,857	\$ 300,526	\$ 418,727	\$ 445,796	\$ 296,486	\$ 229,054	\$ 283,083	\$ 205,389	\$ 115,825	\$ 117,507	\$ 164,832	\$ 64,078	\$ 13,956	\$ 20,402	\$ 3,808	\$ 8,815	\$ 119,666	\$ 413,450	\$ -	\$ -	\$ -	\$ 4,053,045
112	Cash - restricted - modernization and development	5,045,262	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,045,262
113	Other restricted	-	3,691	11,726	3,850	1,803	11,077	-	16,094	-	4,457	29,396	6,456	16,436	23,532	12,291	5,490	-	346	12,901	-	-	-	-	159,546
114	Tenant security deposits	-	12,090	15,970	13,570	22,124	20,590	13,310	8,170	9,880	10,860	2,800	1,400	5,930	2,500	800	800	600	300	7,010	19,537	-	-	-	168,241
115	Restricted for payment of current liability	-	775	388	48	-	3,719	-	-	-	8,156	7,207	11,951	59,264	-	-	-	-	-	-	5	-	-	-	91,513
100	Total cash	5,210,459	294,147	416,941	317,994	442,654	481,182	309,796	253,318	292,963	228,862	155,238	137,314	246,462	90,110	27,047	26,692	4,408	9,115	127,022	445,893	-	-	-	9,517,607
Accounts and notes receivable:																									
121	Accounts receivable - PHA projects	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
122	HUD other projects	-	72	99	80	140	127	72	47	2,561	66	16	7	30	14	5	5	3	-	43	116	-	-	-	3,503
124	Other government	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
125	Miscellaneous	-	13,580	43	-	470	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	14,093
126	Tenants	-	562	257	1,442	1,956	157	164	393	1,429	360	350	-	-	-	-	-	-	-	563	493	-	-	-	8,126
126.1	Allowance for doubtful accounts - tenants	-	(49)	(25)	(107)	(95)	(4)	(2)	(18)	(22)	(35)	(11)	-	-	-	-	-	-	-	(7)	(21)	-	-	-	(396)
127	Notes, loans, & mortgages receivable - current	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
128	Fraud recovery	-	185	-	-	-	-	-	-	-	480	-	-	-	-	-	-	-	-	-	-	-	-	-	674
129	Accrued interest receivable	93	144	140	125	199	200	134	83	109	119	49	61	86	-	-	-	-	-	59	163	-	-	-	1,764
120	Total receivables, net of allowances for uncollectibles	93	14,494	514	1,540	2,670	480	368	505	4,077	999	404	68	116	14	5	5	3	-	658	751	-	-	-	27,764
131	Investments - unrestricted	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
132	Investments - restricted	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
135	Investments - restricted for payment of current liability	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
142	Prepaid expenses and other assets	-	10,600	6,840	5,367	7,372	6,962	8,327	3,219	8,151	17,561	442	942	2,741	450	150	150	13	-	36,880	29,728	-	-	-	145,895
143	Inventories	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
143.1	Allowance for obsolete inventories	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
144	Interprogram - due from	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
145	Assets held for sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
150	Total current assets	5,210,552	319,241	424,295	324,901	452,696	488,624	318,491	257,042	305,191	247,422	156,074	138,324	249,310	90,574	27,202	26,847	4,424	9,115	164,560	476,372	-	-	-	9,691,266
NONCURRENT ASSETS																									
Fixed assets:																									
161	Land	1,757,457	150,737	181,456	155,799	145,200	76,612	25,918	71,092	5,400	158,992	260,000	111,000	500,000	78,800	29,100	58,200	-	-	58,159	156,705	-	-	-	3,980,627
162	Buildings	-	5,274,181	4,387,243	2,703,300	9,891,511	13,230,160	3,355,661	3,132,510	2,607,099	5,608,035	1,032,079	608,694	2,617,335	1,630,936	405,141	470,510	446,755	44,426	2,855,975	6,557,829	-	-	-	66,859,380
163	Furniture, equipment & mach - dwellings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
164	Furniture, equipment & mach - admin.	-	259,473	119,268	48,271	183,652	130,528	109,079	57,668	101,369	36,206	-	-	57,948	-	-	-	-	-	18,000	67,005	-	-	-	1,188,467
165	Leasehold improvements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
166	Accumulated depreciation	-	(4,406,682)	(3,565,226)	(1,923,410)	(8,066,932)	(11,839,744)	(3,367,199)	(2,550,616)	(2,554,771)	(4,059,604)	(268,919)	(159,477)	(573,851)	(236,445)	(38,185)	(18,469)	(7,445)	(740)	(2,495,502)	(5,429,030)	-	-	-	(51,562,337)
167	Construction in progress	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
168	Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total fixed assets, net of accumulated depreciation	1,757,457	1,277,709	1,122,741	983,960	2,153,431	1,597,556	123,459	710,654	159,097	1,743,539	1,023,160	560,217	2,601,432	1,473,291	396,056	510,241	439,310	43,686	436,632	1,352,509	-	-	-	20,466,137
171	Notes, loans and mortgages receivable - noncurrent	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
174	Other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,728,583	6,728,583
176	Investment in joint ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
180	Total noncurrent assets	1,757,457	1,277,709	1,122,741	983,960	2,153,431	1,597,556	123,459	710,654	159,097	1,743,539	1,023,160	560,217	2,601,432	1,473,291	396,056	510,241	439,310	43,686	436,632	1,352,509	-	6,728,583	27,194,720	
190	TOTAL ASSETS	\$ 6,968,009	\$ 1,596,950	\$ 1,547,036	\$ 1,308,861	\$ 2,606,127	\$ 2,086,180	\$ 441,950	\$ 967,696	\$ 464,288	\$ 1,990,961	\$ 1,179,234	\$ 698,541	\$ 2,850,751	\$ 1,563,865	\$ 423,258	\$ 537,088	\$ 443,734	\$ 52,801	\$ 601,192	\$ 1,828,881	\$ -	\$ 6,728,583	\$ -	\$ 36,885,986

HUNTSVILLE HOUSING AUTHORITY
PROJECT BALANCE SHEET SUMMARY
March 31, 2014
(Continued)

Line Item	Account Description	AMP 001	AMP 002	AMP 003	AMP 004	AMP 006	AMP 007	AMP 008	AMP 010	AMP 011	AMP 014	AMP 016	AMP 018	AMP 019	AMP 020	AMP 021	AMP 022	AMP 023	AMP 024	AMP 051	AMP 052	AMP 060	OTHER PROJ	Project Totals	
CURRENT LIABILITIES																									
311	Bank overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
312	Accounts payable < 90 days	-	29,083	10,314	17,043	14,241	17,594	10,631	9,310	5,128	1,828	239	652	2,804	1,919	61	67	506	34	4,660	11,856	-	-	-	137,970
321	Accrued wage/payroll taxes payable	-	5,585	8,533	6,759	8,871	8,970	6,801	4,041	9,615	5,689	439	270	3,120	567	160	158	116	-	2,804	7,983	-	-	-	80,481
322	Accrued compensated absences - current portion	-	11,244	11,435	10,862	8,252	10,196	10,475	5,982	17,715	10,799	594	878	4,133	1,559	454	-	-	-	7,139	9,191	-	-	-	120,908
324	Accrued contingency liability	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
325	Accrued interest payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
331	Accounts payable - HUD PHA programs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
333	Accounts payable - other gov.	2	186	841	237	2,915	6,412	7,686	963	5,744	551	1,462	92	1,727	1,640	749	221	-	-	3,147	505	-	-	-	35,080
341	Tenant security deposits	-	12,090	15,970	13,570	22,124	20,590	13,310	8,170	9,880	10,860	2,800	1,400	5,930	2,500	800	800	600	300	7,010	19,537	-	-	-	168,241
342	Deferred revenues	-	-	34	1,450	32	17,309	-	17,006	-	2,571	1,046	285	120	470	-	-	-	-	-	6,267	-	-	-	46,590
343	Current portion of LT debt - capital projects / mortg	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
344	Current portion of LT debt - operating borrowings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
345	Other current liabilities	-	776	455	48	-	3,726	38	-	316	8,156	7,262	11,951	59,297	-	6	-	-	-	128	12	-	-	-	92,171
346	Accrued liabilities - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
347	Interprogram (due to)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
348	Loan liability - current	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
310	Total current liabilities	2	58,964	47,582	49,969	56,435	84,797	48,941	45,472	48,398	40,454	13,842	15,528	77,131	8,655	2,230	1,246	1,222	334	24,888	55,351	-	-	-	681,441
NON-CURRENT LIABILITIES																									
351	Capital projects / mortgage revenue bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
352	Long-term debt, net of current - operating borrowings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
353	Non-current liabilities - other	-	3,691	11,726	3,850	1,803	11,077	-	16,094	-	4,457	29,396	6,456	16,436	23,532	12,291	5,490	-	-	346	12,901	-	-	-	159,546
354	Accrued compensated absences - non-current	-	4,590	3,498	4,558	1,015	2,886	2,393	1,820	5,416	4,461	194	321	1,172	566	163	-	-	-	2,483	1,428	-	-	-	36,954
357	Accrued pension and OPEB liability	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
350	Total non-current liabilities	-	8,281	15,224	8,408	2,818	13,963	2,393	17,914	5,416	8,918	29,590	6,777	17,608	24,098	12,454	5,490	-	-	2,829	14,329	-	-	-	196,510
300	Total liabilities	2	67,245	62,806	58,377	59,253	98,760	51,334	63,386	53,814	49,372	43,432	22,305	94,739	32,753	14,684	6,736	1,222	334	27,717	69,680	-	-	-	877,951
EQUITY																									
508.4	Net investment in capital assets	1,757,457	1,277,709	1,122,741	983,960	2,153,431	1,597,556	123,459	710,654	159,097	1,743,539	1,023,160	560,217	2,601,432	1,473,291	396,056	510,241	439,310	43,686	436,632	1,352,509	-	-	-	20,466,137
511.4	Restricted net position	5,045,262	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,045,262
512.4	Unrestricted net position	165,288	251,996	361,489	266,524	393,443	389,864	267,157	193,656	251,377	198,050	112,642	116,019	154,580	57,821	12,518	20,111	3,202	8,781	136,843	406,692	-	6,728,583	10,496,636	
513	Total equity/net position	6,968,007	1,529,705	1,484,230	1,250,484	2,546,874	1,987,420	390,616	904,310	410,474	1,941,589	1,135,802	676,236	2,756,012	1,531,112	408,574	530,352	442,512	52,467	573,475	1,759,201	-	6,728,583	36,008,035	
600	TOTAL LIABILITIES AND EQUITY/ NET POSITION	\$ 6,968,009	\$ 1,596,950	\$ 1,547,036	\$ 1,308,861	\$ 2,606,127	\$ 2,086,180	\$ 441,950	\$ 967,696	\$ 464,288	\$ 1,990,961	\$ 1,179,234	\$ 698,541	\$ 2,850,751	\$ 1,563,865	\$ 423,258	\$ 537,088	\$ 443,734	\$ 52,801	\$ 601,192	\$ 1,828,881	\$ -	\$ 6,728,583	\$ 36,885,986	

HUNTSVILLE HOUSING AUTHORITY
PROJECT REVENUE AND EXPENSE SUMMARY
Year Ended March 31, 2014

Line Item #	Accounts Description	AMP																				OTHER	Project																						
		001	002	003	004	006	007	008	010	011	014	016	018	019	020	021	022	023	024	051	052	060	PROJ	Totals																					
REVENUE																																													
70300	Net tenant rental revenue	\$ -	\$ 74,052	\$ 22,990	\$ 33,723	\$ 213,047	\$ 227,405	\$ 330,596	\$ 78,638	\$ 260,437	\$ -	\$ 26,477	\$ 5,529	\$ 68,646	\$ 47,705	\$ 14,206	\$ 5,535	\$ 336	\$ -	\$ 111,731	\$ 152,668	\$ -	\$ -	\$ 1,673,801																					
70400	Tenant revenue - other	-	4,170	4,090	3,040	6,450	5,310	1,920	1,780	1,620	2,090	2,270	680	3,290	1,790	970	60	-	-	1,990	5,880	-	-	47,400																					
70500	Total tenant revenue	-	78,222	27,080	36,763	219,497	232,715	332,516	80,418	262,057	2,090	28,747	6,209	71,936	49,495	15,256	5,595	336	-	113,721	158,548	-	-	1,721,201																					
70600	HUD PHA operating grants	27,381	588,632	884,728	660,069	829,069	714,899	395,779	415,952	390,918	481,613	84,995	43,719	189,810	63,441	23,451	26,730	9	-	244,739	773,167	72,943	-	6,912,044																					
706.10	Capital grants	-	-	-	-	-	-	-	-	94,080	-	96,400	-	209,373	-	-	290,227	446,755	-	-	-	-	-	1,181,261																					
70700	Total fee revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-																					
70800	Other governmental grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-																					
71100	Investment income - unrestricted	585	2,113	2,941	2,333	3,634	3,628	2,158	1,519	1,738	1,869	618	514	1,233	239	104	41	-	-	1,092	3,144	-	-	29,503																					
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	1,641	881	1,984	354	5,583	6,450	5,314	912	4,053	1,429	8,520	594	12,146	924	1,912	98	-	97	11,334	-	-	64,226																						
71600	Gain or loss on the sale of fixed assets	-	-	-	-	-	-	(859)	-	-	-	144	-	-	-	-	-	-	-	144	-	-	-	(71)																					
72000	Investment income - unrestricted	-	25	-	11	72	-	-	13	1	20	25	-	-	-	-	-	-	-	19	40	-	-	226																					
70000	Total revenue	29,607	669,873	916,733	699,530	1,057,855	957,692	735,408	498,814	752,847	487,021	219,449	51,036	484,498	114,099	40,723	322,691	447,100	44,426	359,668	946,377	72,943	-	9,908,390																					
EXPENSES																																													
Administrative:																																													
91100	Administrative salaries	-	54,816	103,530	61,021	98,846	87,770	51,878	48,522	42,977	49,508	10,595	8,291	32,718	14,718	4,445	1,245	311	-	31,096	78,434	-	-	780,721																					
91200	Auditing fees	-	1,787	2,473	1,997	3,505	3,158	1,787	1,163	1,490	1,638	389	178	745	356	119	-	-	-	1,072	2,893	-	-	24,750																					
91300	Management fee	-	94,982	132,029	106,141	186,748	168,471	95,201	61,948	79,591	87,012	20,721	9,564	39,191	19,128	6,376	2,194	329	-	57,110	154,348	-	-	1,321,084																					
913.10	Bookkeeping fee	-	10,710	14,803	11,970	21,075	19,013	10,740	6,990	8,985	9,810	2,340	1,080	4,410	2,160	720	300	45	-	6,442	17,422	-	-	149,115																					
91400	Advertising and marketing	-	339	817	378	1,008	893	745	220	282	310	1,071	34	141	68	23	5	2	-	203	753	-	-	7,292																					
91500	Employee benefit contributions - administrative	-	25,662	43,114	28,567	37,207	32,973	22,953	17,771	19,042	23,210	4,634	3,007	11,723	5,407	1,612	172	23	-	13,769	34,227	-	-	325,073																					
91600	Office expenses	-	12,067	19,668	10,688	24,766	18,795	11,376	9,529	12,429	8,766	1,390	1,063	38,446	1,411	305	174	465	-	4,457	15,660	-	-	191,455																					
91700	Legal expense	4,906	5,011	1,946	3,149	3,488	2,414	422	18,266	59	137	-	-	-	-	-	-	-	-	-	2,500	-	-	42,298																					
91800	Travel	-	2,359	3,193	2,995	4,879	3,590	2,321	1,606	2,091	2,203	453	183	1,095	366	122	52	22	-	1,196	3,840	-	-	32,566																					
918.10	Allocated overhead	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-																					
91900	Other	8,287	2,104	3,562	2,500	4,479	3,884	2,268	1,921	14,239	11,139	2,315	290	5,270	1,352	424	2,650	2,375	-	1,050	985	8,799	-	80,293																					
	Total administrative	13,193	209,837	325,635	229,406	386,001	340,961	199,691	167,936	181,185	193,733	43,908	23,690	133,739	44,966	14,146	6,792	3,572	1,050	116,330	318,876	-	-	2,954,647																					
92000	Asset management fee	-	14,400	19,920	16,080	28,200	25,440	14,400	9,360	12,000	13,200	3,120	1,440	6,000	2,880	960	400	60	-	8,640	23,280	-	-	199,780																					
Tenant services:																																													
92100	Salaries	-	9,221	12,790	10,308	18,084	16,307	9,221	6,009	7,691	8,463	2,010	928	3,846	1,834	566	154	35	-	5,530	14,935	-	-	127,932																					
92200	Relocation costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,505	26,656	-	-	-	-	-	31,161																					
92300	Employee benefit contributions	-	3,493	4,834	3,903	6,839	6,171	3,492	2,273	2,912	3,203	759	349	1,456	697	228	68	3	-	2,094	5,651	-	-	48,425																					
92400	Other	-	44,774	42,749	32,369	34,392	7,630	5,421	20,283	5,430	25,009	141	92	3,285	84	552	14	2	-	3,138	1,693	-	-	227,058																					
	Total tenant services	-	57,488	60,373	46,580	59,315	30,108	18,134	28,565	16,033	36,675	2,910	1,369	8,587	2,615	5,851	26,892	40	-	10,762	22,279	-	-	434,756																					
Utilities:																																													
93100	Water	-	26,047	35,099	29,396	48,085	33,206	14,668	15,977	12,878	751	29	1,561	8,498	2,816	-	332	5	47	14,713	44,358	-	-	288,466																					
93200	Electricity	-	18,390	38,699	19,114	14,245	11,201	124,555	13,225	115,983	7,569	267	350	7,126	72	-	642	199	-	4,139	10,704	-	-	386,480																					
93300	Gas	-	501	7,256	4,081	3,322	796	13,417	68	126	767	1	-	107	-	-	-	-	-	46	862	-	-	31,350																					
93400	Fuel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-																					
93600	Sewer	-	53,872	64,931	60,923	85,747	61,141	14,613	31,740	14,651	373	23	2,720	13,472	3,786	-	59	1	52	29,136	94,778	-	-	531,818																					
93800	Other utilities expense	-	2,748	4,798	2,726	3,954	2,007	12,170	1,658	11,595	2,098	65	3,081	4,463	8,547	-	47	140	70	832	3,227	-	-	64,226																					
	Total utilities	-	101,558	150,783	116,240	155,353	108,351	179,423	62,668	155,233	11,558	385	7,712	33,666	15,221	-	1,080	345	169	48,866	153,729	-	-	1,302,340																					
Ordinary maintenance & operations:																																													
94100	Labor	-	116,705	119,080	119,663	153,489	164,700	58,507	65,996	82,618	102,225	1,473	488	64,810	1,111	469	571	78	-	48,022	136,081	-	-	1,236,086																					
94200	Materials and other	-	68,081	94,130	59,591	111,493	81,605	48,186	64,259	39,979	28,358	19,831	12,532	72,308	6,181	5,261	3,813	2,134	-	22,720	90,223	-	-	830,685																					
94300	Contracts	725	43,336	69,748	46,997	95,726	92,647	25,102	39,122	17,970	41,570	3,241	5,597	15,794	21,133	1,297	263	908	-	28,662	76,543	-	-	626,381																					
94500	Employee benefits contribution	-	55,703	51,418	59,284	61,885	64,858	48,747	29,921	45,717	51,894	105	43	23,300	79	38	41	6	-	17,164	48,400	-	-	556,609																					
	Total ordinary maintenance & operations	725	283,825	334,376	285,535	422,593	403,810	180,542	199,298	184,284	224,047	24,650	18,660	176,212	28,504	7,065	4,688	3,126	-	116,568	351,247	-	-	3,249,755																					

HUNTSVILLE HOUSING AUTHORITY
PROJECT REVENUE AND EXPENSE SUMMARY
Year Ended March 31, 2014
(Continued)

Line Item #	Accounts Description	AMP																				Project Totals		
		AMP 001	AMP 002	AMP 003	AMP 004	AMP 006	AMP 007	AMP 008	AMP 010	AMP 011	AMP 014	AMP 016	AMP 018	AMP 019	AMP 020	AMP 021	AMP 022	AMP 23	AMP 024	AMP 051	AMP 052		AMP 060	OTHER PROJ
Protective services:																								
95100	Labor	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 133,834	\$ -	\$ 140,243	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 274,077
95200	Other contract costs	-	9,274	12,827	10,355	18,167	16,362	-	6,021	-	8,495	2,002	925	3,863	1,859	624	107	-	-	5,566	14,995	-	-	111,442
95300	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
95500	Employee benefit contributions	-	-	-	-	-	-	49,951	-	52,668	-	-	-	-	-	-	-	-	-	-	-	-	-	102,619
	Total protective services	-	9,274	12,827	10,355	18,167	16,362	183,785	6,021	192,911	8,495	2,002	925	3,863	1,859	624	107	-	-	5,566	14,995	-	-	488,138
96100	Total Insurance premiums	-	31,685	33,660	26,340	46,321	39,271	28,812	14,425	24,029	32,883	4,045	3,624	12,806	3,796	928	773	-	-	67,663	57,625	-	-	428,686
General expenses:																								
96200	Other general expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
96210	Compensated absences	-	2,706	7,267	2,289	-	-	3,517	48	2,331	-	457	1,145	795	225	-	-	-	-	-	-	-	-	20,780
96300	Payments in lieu of taxes	-	-	-	-	2,766	5,965	7,414	777	5,145	1,305	-	1,593	1,618	749	221	-	-	-	3,147	-	-	-	30,700
96400	Bad debt - tenant rents	-	7,616	416	4,409	3,320	1,767	2,454	2,161	10,630	1,637	794	5,659	1,365	8	-	-	-	-	536	3,894	-	-	47,719
96000	Total general expenses	-	10,322	7,683	6,698	6,086	7,732	9,868	6,455	6,246	12,961	2,942	1,251	8,397	3,778	982	221	-	-	3,683	3,894	-	-	99,199
96700	Total interest expense and amortization cost	-	1,757	27	798	5,038	-	905	41	1,401	1,743	-	-	-	-	-	-	-	-	1,360	2,832	-	-	15,902
96900	Total operating expenses	13,918	720,146	945,284	738,032	1,127,074	972,035	814,655	495,633	771,962	534,953	85,705	58,671	383,270	103,619	30,556	40,953	7,143	1,219	379,438	948,757	-	-	9,173,023
97000	Excess of operating revenue over operating expenses	15,689	(50,273)	(28,551)	(38,502)	(69,219)	(14,343)	(79,247)	3,181	(19,115)	(47,932)	133,744	(7,635)	101,228	10,480	10,167	281,738	439,957	43,207	(19,770)	(2,380)	72,943	-	735,367
97100	Extraordinary maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
97200	Casualty losses - non capitalized	-	7,500	-	7,107	-	7,500	-	3,511	-	1,936	-	-	-	-	-	-	-	-	-	-	-	-	27,554
97300	Housing assistance payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
97400	Depreciation expense	-	161,487	102,693	93,448	308,717	718,737	158,955	83,859	59,661	146,191	36,458	29,372	100,950	85,143	22,352	12,899	7,445	740	46,247	147,038	-	-	2,322,392
90000	Total expenses	13,918	889,133	1,047,977	838,587	1,435,791	1,698,272	973,610	583,003	831,623	681,144	124,099	88,043	484,220	188,762	52,908	53,852	14,588	1,959	425,685	1,095,795	-	-	11,522,969
Other financing sources (uses):																								
10010	Operating transfer in	-	103,032	97,801	117,722	41,758	8,653	67,573	114,652	72,870	42,616	2,982	364	71,282	20,608	4,033	74	9	-	47,809	77,113	-	-	890,951
10020	Operating transfer out	-	(101,555)	(97,822)	(118,593)	(41,777)	(9,357)	(65,499)	(114,079)	(70,231)	(44,159)	(3,610)	(535)	(71,355)	(20,890)	(3,556)	(74)	(9)	-	(46,974)	(80,876)	-	-	(890,951)
10040	Operating transfers to/from component unit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(72,943)	-	(72,943)
10070	Extraordinary items, net gain / loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10091	Inter project excess cash transfer in	-	35,000	-	-	57,000	-	5,000	-	100,000	-	-	-	-	-	-	-	10,000	10,000	28,000	33,000	-	-	278,000
10092	Inter project excess cash transfer out	(20,000)	-	(45,000)	-	-	(60,000)	-	(28,000)	-	(35,000)	-	-	-	(35,000)	(10,000)	(45,000)	-	-	-	-	-	-	(278,000)
10100	Total other financing sources (uses)	(20,000)	36,477	(45,021)	(871)	56,981	(60,704)	7,074	(27,427)	102,639	(1,543)	(35,628)	(171)	(73)	(35,282)	(9,523)	(45,000)	10,000	10,000	28,835	29,237	(72,943)	-	(72,943)
10000	EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENSES	\$ (4,311)	\$ (182,783)	\$ (176,265)	\$ (139,928)	\$ (320,955)	\$ (801,284)	\$ (231,128)	\$ (111,616)	\$ 23,863	\$ (195,666)	\$ 59,722	\$ (37,178)	\$ 205	\$ (109,945)	\$ (21,708)	\$ 223,839	\$ 442,512	\$ 52,467	\$ (37,182)	\$ (120,181)	\$ -	\$ -	\$ (1,687,522)
Memo Account Information																								
11020	Required annual debt principal payments	\$ -	\$ 87,837	\$ 1,356	\$ 39,872	\$ 251,896	\$ -	\$ -	\$ 45,266	\$ 2,073	\$ 70,025	\$ 87,137	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 67,987	\$ 141,551	\$ -	\$ -	\$ 795,000
11030	Beginning equity	6,972,318	1,712,488	1,660,495	1,390,412	2,867,829	2,788,704	621,744	1,015,926	386,611	2,137,255	1,076,080	713,414	2,755,807	1,641,057	430,282	306,513	-	725,099	610,657	1,879,382	-	-	31,692,073
11040	Prior period adjustments, equity transfers & correction	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(725,099)	-	-	6,728,583	6,003,484
11170	Administrative fee equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11180	Housing assistance payments equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11190	Unit months available	-	1,412	1,980	1,602	2,784	2,539	1,440	924	1,200	1,260	312	144	584	285	96	40	6	-	864	2,280	576	-	20,328
11210	Unit months leased	-	1,400	1,975	1,590	2,774	2,530	1,432	920	1,198	1,248	312	144	584	285	96	40	6	-	859	2,275	549	-	20,217
11270	Excess cash	164,795	187,598	281,419	205,929	296,476	307,806	194,813	151,990	186,042	141,842	105,832	110,657	153,011	49,598	10,459	18,770	2,670	8,680	71,826	294,051	(6,078)	-	2,938,186
11610	Land purchases	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11620	Building purchases	-	-	-	-	-	-	-	94,080	-	-	-	-	-	-	-	-	290,227	445,755	45,426	-	-	-	1,181,261
11630	Furniture & equipment - dwelling purchases	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11640	Furniture & equipment - administrative purchases	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13510	CFPP debt service payments	-	88,060	1,360	39,973	252,535	-	-	45,380	2,078	70,203	87,358	-	-	-	-	-	-	-	68,159	141,910	-	-	797,016
13901	Replacement Housing Factor funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	445,755	45,426	-	-	-	-	491,181

HUNTSVILLE HOUSING AUTHORITY
STATEMENT AND CERTIFICATE OF PROGRAM COSTS – CAPITAL FUND PROGRAM
March 31, 2014

2010 Capital Fund Program Grant	AL09P047501-10
Funds approved	\$ 2,984,758
Funds expended	2,984,758
Excess of funds approved	\$ -
Funds advanced	\$ 2,984,758
Funds expended	2,984,758
Excess of funds advanced	\$ -
 Replacement Housing Factor Grant	 AL09R047501-10
Funds approved	\$ 140,160
Funds expended	140,160
Excess of funds approved	\$ -
Funds advanced	\$ 140,160
Funds expended	140,160
Excess of funds advanced	\$ -
 Replacement Housing Factor Grant	 AL09R047501-11
Funds approved	\$ 121,819
Funds expended	121,819
Excess of funds approved	\$ -
Funds advanced	\$ 121,819
Funds expended	121,819
Excess of funds advanced	\$ -
 Replacement Housing Factor Grant	 AL09R047501-12
Funds approved	\$ 108,584
Funds expended	108,584
Excess of funds approved	\$ -
Funds advanced	\$ 108,584
Funds expended	108,584
Excess of funds advanced	\$ -
 Replacement Housing Factor Grant	 AL09R047501-13
Funds approved	\$ 107,899
Funds expended	107,899
Excess of funds approved	\$ -
Funds advanced	\$ 107,899
Funds expended	107,899
Excess of funds advanced	\$ -

HUNTSVILLE HOUSING AUTHORITY
STATEMENT AND CERTIFICATE OF PROGRAM COSTS – CAPITAL FUND PROGRAM
March 31, 2014

Replacement Housing Factor Grant	AL09R047502-10
Funds approved	\$ 104,143
Funds expended	104,143
Excess of funds approved	<u>\$ -</u>
Funds advanced	\$ 104,143
Funds expended	104,143
Excess of funds advanced	<u>\$ -</u>
Replacement Housing Factor Grant	AL09R047502-11
Funds approved	\$ 89,559
Funds expended	89,559
Excess of funds approved	<u>\$ -</u>
Funds advanced	\$ 89,559
Funds expended	89,559
Excess of funds advanced	<u>\$ -</u>
Replacement Housing Factor Grant	AL09R047502-12
Funds approved	\$ 22,097
Funds expended	22,097
Excess of funds approved	<u>\$ -</u>
Funds advanced	\$ 22,097
Funds expended	22,097
Excess of funds advanced	<u>\$ -</u>
Replacement Housing Factor Grant	AL09R047502-13
Funds approved	\$ 22,203
Funds expended	22,203
Excess of funds approved	<u>\$ -</u>
Funds advanced	\$ 22,203
Funds expended	22,203
Excess of funds advanced	<u>\$ -</u>

**HUNTSVILLE HOUSING AUTHORITY
SCHEDULE OF CLOSED GRANTS
March 31, 2014**

2010 ROSS Grant

AL047RFS184A011

Funds approved	\$	55,550
Funds expended		<u>55,550</u>
Excess of funds approved	\$	<u><u>-</u></u>
Funds advanced	\$	55,550
Funds expended		<u>55,550</u>
Excess of funds advanced	\$	<u><u>-</u></u>

SNAP Continuum of Care Grant

AL0086L4C031202

Funds approved	\$	54,133
Funds expended		<u>51,215</u>
Excess of funds approved	\$	<u><u>2,918</u></u>
Funds advanced	\$	54,133
Funds expended		<u>51,215</u>
Excess of funds advanced	\$	<u><u>2,918</u></u>

SPC Continuum of Care Grant

AL0046C4C031104

Funds approved	\$	305,268
Funds expended		<u>255,097</u>
Excess of funds approved	\$	<u><u>50,171</u></u>
Funds advanced	\$	305,268
Funds expended		<u>255,097</u>
Excess of funds advanced	\$	<u><u>50,171</u></u>

SINGLE AUDIT REPORTS



**Independent Auditors' Report on Internal Control over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial
Statements Performed in Accordance with *Government Auditing Standards***

Board of Commissioners of the
Huntsville Housing Authority
Huntsville, Alabama

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Huntsville Housing Authority (the Authority), which comprise the statement of net position as of March 31, 2014, and the related statements of revenues, expenses and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated July 30, 2014.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

Purpose of this Report

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

CliftonLarsonAllen LLP

Baltimore, Maryland
July 30, 2014

**Independent Auditors' Report on Compliance with Requirements That Could
Have a Direct and Material Effect on a Major Program and on Internal Control Over
Compliance and Schedule of Expenditures of Federal Awards
in Accordance with OMB Circular A-133**

Board of Commissioners of the
Huntsville Housing Authority
Huntsville, Alabama

Report on Compliance for Each Major Federal Program

We have audited the Huntsville Housing Authority's (the Authority) compliance with the types of compliance requirements described in the OMB Circular A-133 *Compliance Supplement* that could have a direct and material effect on the Authority's major federal program for the year ended March 31, 2014. The Authority's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal program.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Authority's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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 on compliance for its major federal program. However, our audit does not provide a legal determination of the Authority's compliance.

Opinion on the Major Federal Program

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended March 31, 2014.

Report on Internal Control Over Compliance

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on its major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance the each major federal program 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. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the result of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

CliftonLarsonAllen LLP

Baltimore, Maryland
July 30, 2014

HUNTSVILLE HOUSING AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended March 31, 2014

	CFDA Number	Federal Expenditures
U.S. Department of Housing and Urban Development (HUD)		
Shelter Plus Care	14.238	\$ 303,502
Low Rent Public Housing	14.850	5,564,760
Resident Opportunity and Supportive Services	14.870	210,713
Housing Choice Vouchers	14.871	9,544,775
Public Housing Capital Fund Program	14.872	2,528,544
TOTAL FEDERAL EXPENDITURES		\$ 18,152,294

See accompanying notes.

HUNTSVILLE HOUSING AUTHORITY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
March 31, 2014

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 2014 Single Audit would be disclosed in Schedule I and the status of prior year findings and questioned costs would be disclosed in Schedule II.

See accompanying schedule.

**HUNTSVILLE HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended March 31, 2014**

I. Summary of Independent Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

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 auditors' report issued on compliance for major programs: Unmodified

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

Name of Federal Program	CFDA Number	Expenditures
Housing Choice Voucher Program	14.871	<u>\$ 9,544,775</u>

Dollar threshold used to distinguish between type A and type B programs: \$ 544,569

Auditee qualified as low-risk auditee? X Yes _____ No

**HUNTSVILLE HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended March 31, 2014**

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, 2013**

None