

**HUNTSVILLE HOUSING AUTHORITY**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEAR ENDED MARCH 31, 2016**

**HUNTSVILLE HOUSING AUTHORITY  
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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 business-type activities and the aggregate discretely presented component units of Huntsville Housing Authority (the Authority) as of and for the year ended March 31, 2016, and the related statements of revenues, expenses and changes in net position, and, where applicable, 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 opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The audit of the discretely presented component units were not conducted in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 opinions.

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and discretely presented component units of the Authority as of March 31, 2016, and the changes in financial position and cash flows for the year then ended in conformity 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 4 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 certification 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 schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is also presented for purposes of additional analysis and is not a required part of the basic financial statements.

The financial data schedules, statement and certification 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 schedules, statement and certification 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 August 10, 2016, 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

Board of Commissioners  
Huntsville Housing Authority

performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Baltimore, Maryland  
August 10, 2016

**HUNTSVILLE HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
MARCH 31, 2016**

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 \$37.8 million for 2016 and \$39.2 million for 2015, a \$1.4 million decrease from 2015.
- The Authority's revenues decreased by \$0.2 million during 2016. Revenues decreased from \$20.6 million to \$20.4 million for 2015 and 2016, respectively.
- The total expenses of all Authority programs increased from \$21.3 million to \$21.8 million, for a total increase of \$0.5 million.

**Entity-Wide Financial Statements**

The entity-wide financial statements (see pages 13-15) 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 "Noncurrent." The Authority did not have any deferred outflows of resources or deferred inflows of resources in either fiscal year 2016 or 2015.

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 Revenues, 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, 2016**

**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 uncertainties that 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.

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 expended in prior fiscal years.

**HUNTSVILLE HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
MARCH 31, 2016**

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 HUD that promotes supportive services and encourages self-sufficiency among the Authority's resident population.

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

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

*Family Self-Sufficiency Program* - a grant program funded by the Department of HUD that encourages self-sufficiency among residents. This grant covers the salary and benefits for one Public Housing FSS Coordinator and two Housing Choice Voucher FSS Coordinators.

*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.

*Business Activities* – The Authority maintains a set of books for non-HUD funding. These are resources earned from activities not funded by HUD. An example of this is an electrician employed by this fund. Any income generated from his services is considered "non-HUD" funds. Also developer fees earned by the Authority for Huntsville Senior Apartments, LP and 360 Properties LP are considered "non-HUD funds. These "non-HUD" funds are reported under Business Activities.



**HUNTSVILLE HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
MARCH 31, 2016**

**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**

	2016 (in millions of dollars)	2015 (in millions of dollars)	Variance
<b>Assets</b>			
Current and Restricted Assets	\$ 11.7	\$ 12.6	\$ (0.9)
Noncurrent Assets	35.3	28.5	6.8
Total Assets	<u>47.0</u>	<u>41.1</u>	<u>5.9</u>
<b>Liabilities</b>			
Current Liabilities	1.9	1.4	0.5
Noncurrent Liabilities	7.3	0.5	6.8
Total Liabilities	<u>9.2</u>	<u>1.9</u>	<u>7.3</u>
<b>Net Position</b>			
Investment in Capital Assets	19.5	21.4	(1.9)
Restricted Net Position	4.5	5.3	(0.8)
Unrestricted Net Position	13.8	12.5	1.3
Total Net Position	<u>\$ 37.8</u>	<u>\$ 39.2</u>	<u>\$ (1.4)</u>

For more detailed information see page 13 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 \$39.2 million to \$37.8 million. "Investment in capital assets" decreased by \$1.9 million. This change in Capital Assets is explained in the section Capital Assets and Debt Administration found on page 10 of this report. Unrestricted Net Position increased by \$1.3 million. Restricted Net Position decreased 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 \$0.9 million. The major source of this change is due to the use of restricted funds for securing a new bond in fiscal year 2016.

Noncurrent assets increased by \$6.8 million. The increase was primarily due to new notes receivable from a component unit of \$8.3 million. The receivable information can be found in Note 5 of the accompanying notes. Capital assets, net of depreciation, decreased \$1.5 million from the prior year and is explained in tables 3 and 4. Noncurrent liabilities increased by \$6.8 million from the prior year due to the issuance of new debt of \$7.3 million. Information related to the debt can be found in Note 7 of the accompanying notes.

**HUNTSVILLE HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
MARCH 31, 2016**

A breakdown of assets, liabilities, and net position by program can be found in the supplemental information.

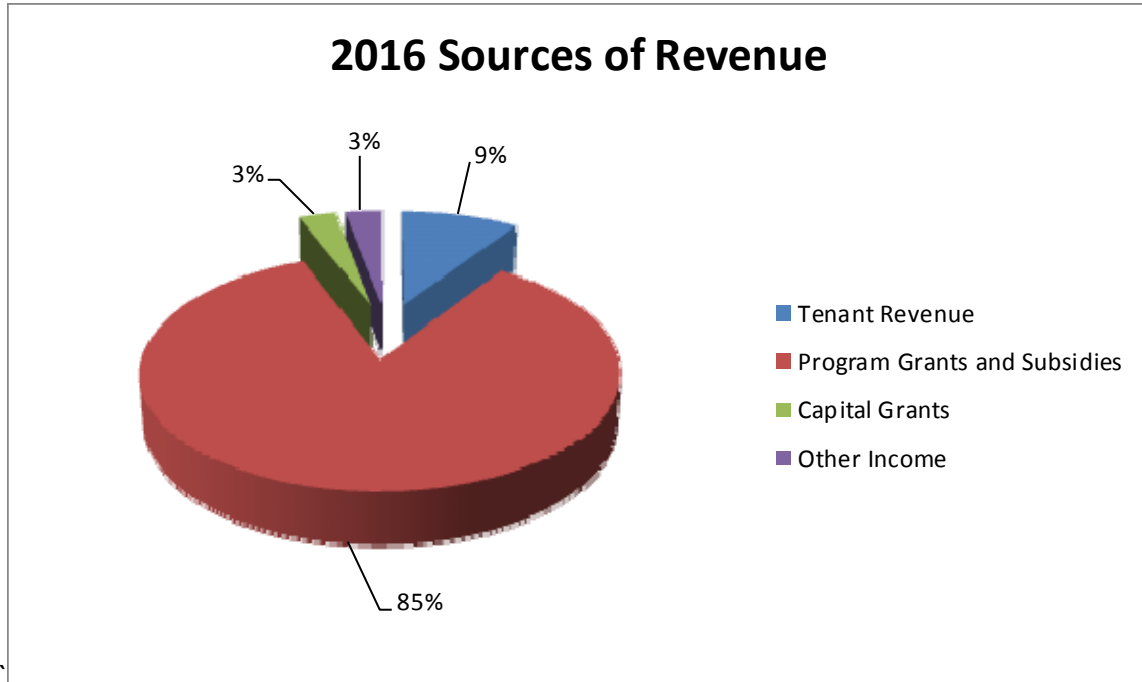
Table 2 compares the revenues and expenses for the current year and previous fiscal year. The Authority is engaged only in Business-Type Activities.

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

	2016 (in millions of dollars)	2015 (in millions of dollars)	Variance
<b>Revenues</b>			
Tenant Revenue	\$ 1.9	\$ 1.8	\$ 0.1
Program Grants and Subsidies	17.3	16.0	1.3
Capital Grants	0.6	2.3	(1.7)
Other Income	0.6	0.5	0.1
Total Revenues	20.4	20.6	(0.2)
<b>Expenses</b>			
Administrative	4.2	4.1	0.1
Tenant Services	0.6	0.5	0.1
Utilities	1.5	1.4	0.1
Maintenance	3.3	3.3	-
Protective Services	0.3	0.4	(0.1)
General Expenses	1.0	0.6	0.4
Housing Assistance Payments	8.7	8.6	0.1
Other Expenses	0.1	0.1	-
Depreciation and Amortization	2.1	2.3	(0.2)
Total Expenses	21.8	21.3	0.5
<b>Net Increase (Decrease)</b>	(1.4)	(0.7)	(0.7)
Beginning Net Position	39.2	39.9	0.7
<b>Ending Net Position</b>	\$ 37.8	\$ 39.2	\$ 1.4

**HUNTSVILLE HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
MARCH 31, 2016**

The pie chart below illustrates revenues by funding source. Please note that approximately 85% of funding is derived from grants and subsidy payments from HUD.



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

Operating subsidy/grants increased by \$1.3 million, from \$16.0 million to \$17.3 million. This increase is primarily due to an increase of \$0.8 and \$0.5 in Housing Choice Voucher and Public Housing subsidy, respectively.

Capital Grant Revenue decreased from \$2.3 million to \$0.6 million. The decrease of \$1.7 million is due to the renovation of the exterior of Todd Towers that was done in the prior fiscal year. The work was required due to a water intrusion problem that occurred. A project this size was not done in fiscal year 2016.

Total expenses increased by \$0.5 million, from \$21.3 million to \$21.8 million. A majority of the increase was due to a \$0.4 million increase in general expenses. The increase was due to a public housing operating draw that was then transferred to 360 Properties Huntsville, L.P., a discretely presented component unit.

A breakdown of revenues and expenses by program can be found in the supplemental information.

**Capital Assets and Debt Administration**

As of year-end, the Authority had \$19.9 million invested in a variety of capital assets as reflected in the following schedule, which represents a \$1.5 million decrease from the prior year capital asset investments of \$21.4 million. This decrease is primarily due to depreciation as shown in table 3 below.

**HUNTSVILLE HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
MARCH 31, 2016**

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

	2016	2015	Variance	% Change
Land	\$ 4,590,369	\$ 4,602,769	\$ (12,400)	(0.27)%
Buildings	71,184,993	70,671,529	513,464	0.73%
Equipment - Administration	1,869,033	1,826,680	42,353	2.32%
Accumulated Depreciation	(57,695,870)	(55,672,679)	(2,023,191)	3.63%
Total Capital Assets	<u>\$ 19,948,525</u>	<u>\$ 21,428,299</u>	<u>\$ (1,479,774)</u>	(6.91)%

The following reconciliation summarizes the change in Capital Assets, which is presented in detail in Note 4.

**Table 4  
Change in Capital Assets**

<b>Beginning Balance, April 1, 2015</b>	<u>\$ 21,428,299</u>
Additions	<u>672,289</u>
Retirements	(128,872)
Less Accumulated Depreciation on Retirements	<u>(29,464)</u>
Net Retirements	<u>(99,408)</u>
Depreciation	<u>(2,052,655)</u>
<b>Ending Balance, March 31, 2016</b>	<u>\$ 19,948,525</u>

This year's major additions are:

Capital Improvement Programs	\$ 620,984
Equipment Purchases	51,305
Total Additions	<u>\$ 672,289</u>

**HUNTSVILLE HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
MARCH 31, 2016**

**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 2016:

**Public Housing Assessment System  
Financial Condition Indicators  
March 31, 2016**

	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

**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 2015 was funded at 85.36%; calendar year (CY) 2016 is estimated to be funded at 89.76%.

Capital Fund – The 2011 Capital Fund was 14% lower than 2010; the 2012 Capital Fund was 10% below 2011; the 2013 Capital Fund was 3% lower than the 2012 Capital Fund. The 2014 Capital Fund was increased by 8.91% and the 2015 Capital Fund increased by 6%. The 2014 and 2015 increases are due to the inclusion of Replacement Housing Funds in the Capital Fund. The overall decreases over the past years make this amount insufficient to meet the needs of housing authorities.

Section 8 – CY 2015 continued the same method of funding for administrative fees as CY 2014 (based on lease-up and subject to proration). This same process continues for CY 2016. HUD actually funded administrative fees for CY 2015 at 81%. This proration was an increase of 2% from the prior year. The proration for 2015 resulted in a decrease of approximately \$28,850 of administrative fee funding. The proration rate for Administrative fees for CY 2016 are estimated to increase to 84%. However, this funding is not sufficient to meet the needs of the Authority. In order to continue operations, the Central Office Cost Center aided the Authority's HCV program through an operating transfer during FY 2016. An operating transfer is estimated to be needed in FY 2017.

Section 8 – Total Housing Assistance Payment (HAP) revenue for CY 2015 was \$8,526,139, which was a \$93,650 decrease from the prior year. HAP funding is based on prior year data and does not consider an increase in HAP due to unemployment or changes in the economy.

**HUNTSVILLE HOUSING AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
MARCH 31, 2016**

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 began a "fee for service" approach and bills 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. Annual unemployment rates in the Huntsville, Alabama metropolitan area decreased from 6.1% in March, 2014 to 5.3% in March, 2015. As of March, 2016, the unemployment rate has increased 0.9% to 6.2%.
- 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 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 Authority's federally-mandated mission to further affordable housing opportunities in the City.

**FINANCIAL CONTACT**

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

**HUNTSVILLE HOUSING AUTHORITY  
STATEMENT OF NET POSITION  
MARCH 31, 2016**

	Business-Type Activities	Discretely Presented Component Units (As of December 31, 2015)
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 5,991,358	\$ 197,114
Cash and Cash Equivalents - Restricted	5,390,040	1,964,990
Accounts Receivable	132,284	2,374
Tenant Accounts Receivable, Net	19,182	14,982
Prepaid Expenses and Other Assets	192,283	33,386
Total Current Assets	11,725,147	2,212,846
<b>CAPITAL ASSETS</b>		
Land	4,590,369	606,406
Buildings and Improvements	71,184,993	25,730,525
Furniture and Equipment	1,869,033	111,306
Less Accumulated Depreciation	(57,695,870)	(2,593,085)
Net Capital Assets	19,948,525	23,855,152
<b>OTHER NONCURRENT ASSETS</b>		
Notes Receivable - From Component Unit	15,191,030	-
Other Assets	130,465	810,668
Total Other Noncurrent Assets	15,321,495	810,668
Total Assets	\$ 46,995,167	\$ 26,878,666
<b>LIABILITIES AND NET POSITION</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable	\$ 452,012	\$ 919,739
Accrued Wages and Payroll Taxes	194,052	3,959
Accrued Compensated Absences - Current Portion	248,233	-
Accrued Interest Payable	74,094	-
Accounts Payable - Other Governments	61,431	56,614
Tenant Security Deposits	168,794	16,212
Unearned Revenues	31,501	6,043
Loan Liability - Current	308,899	-
Other Current Liabilities	358,360	-
Total Current Liabilities	1,897,376	1,002,567
<b>LONG-TERM LIABILITIES</b>		
Loan Liability - Noncurrent	6,832,775	24,986,280
Accrued Compensated Absences - Noncurrent	78,302	-
Noncurrent Liabilities - Other	404,981	797,419
Total Long-Term Liabilities	7,316,058	25,783,699
Total Liabilities	9,213,434	26,786,266
<b>NET POSITION</b>		
Net Investment in Capital Assets	19,484,745	(1,131,128)
Restricted Net Position	4,456,575	1,079,587
Unrestricted Net Position	13,840,413	143,941
Total Net Position	37,781,733	92,400
Total Liabilities and Net Position	\$ 46,995,167	\$ 26,878,666

See accompanying Notes to Financial Statements.

**HUNTSVILLE HOUSING AUTHORITY**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**YEAR ENDED MARCH 31, 2016**

	Business-Type Activities	Discretely Presented Component Units (As of December 31, 2015)
<b>OPERATING REVENUES</b>		
Dwelling Rent	\$ 1,980,377	\$ 604,797
Operating Grants	17,280,876	106,136
Other Revenue	551,510	4,291
Total Operating Revenues	<u>19,812,763</u>	<u>715,224</u>
<b>OPERATING EXPENSES</b>		
Administrative	4,226,117	332,149
Tenant Services	573,409	1,334
Utilities	1,484,504	189,884
Maintenance and Operations	3,323,473	163,605
Protective Services	286,738	1,161
General Expense	1,003,357	152,028
Housing Assistance Payments	8,721,733	-
Total Operating Expenses	<u>19,619,331</u>	<u>840,161</u>
Operating Income (Loss) Before Depreciation	193,432	(124,937)
Depreciation and Amortization	<u>2,052,655</u>	<u>750,471</u>
Total Operating Loss	<u>(1,859,223)</u>	<u>(875,408)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
Investment Income	37,473	38
Interest Expense	(200,818)	-
Loss on Disposal of Capital Assets	(35,689)	-
Total Non-Operating Revenues (Expenses)	<u>(199,034)</u>	<u>38</u>
<b>DECREASE IN NET POSITION BEFORE CAPITAL CONTRIBUTIONS</b>		
	(2,058,257)	(875,370)
Capital Contributions	-	2,997,743
Capital Grants	<u>634,471</u>	<u>-</u>
<b>INCREASE (DECREASE) IN NET POSITION</b>	(1,423,786)	2,122,373
Net Position - Beginning of Year	<u>39,205,519</u>	<u>(2,029,973)</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 37,781,733</u>	<u>\$ 92,400</u>

See accompanying Notes to Financial Statements.



**HUNTSVILLE HOUSING AUTHORITY  
STATEMENT OF CASH FLOWS  
YEAR ENDED MARCH 31, 2016**

	<u>Business-Type Activities</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash Received from Dwelling Rent	\$ 1,976,479
Cash Received from Grants	17,875,191
Cash Received from Other Sources	551,510
Cash Payments for Salaries and Benefits	(5,880,755)
Cash Payments to Vendors and Landlords	<u>(21,824,665)</u>
Net Cash Flows Used by Operating Activities	<u>(7,302,240)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Acquisition of Capital Assets	(672,289)
Proceeds from Sale of Assets	63,719
Capital Grants	634,471
Proceeds from Issuance of Long Term Debt	7,280,000
Payments on Long Term Debt	(138,326)
Interest Paid on Long Term Debt	<u>(200,818)</u>
Net Cash Flows Provided by Capital and Related Financing Activities	<u>6,966,757</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Investment Income	<u>37,473</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(298,010)
Cash and Cash Equivalents - Beginning of Year	<u>11,679,408</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u><u>\$ 11,381,398</u></u>
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES</b>	
Operating Loss	\$ (1,859,223)
Adjustment to Reconcile Operating Loss to Net Cash Used by Operating Activities:	
Depreciation	2,052,655
Provision for Bad Debts	540
Effects of Changes in Operating Assets and Liabilities:	
Accounts Receivable	593,775
Tenant Accounts Receivable, Net	(462)
Prepaid Expenses and Other Assets	(37,647)
Notes Receivable	(8,262,447)
Accounts Payable	(39,918)
Accrued Wages and Payroll Taxes	29,245
Accrued Interest Payable	74,094
Accrued Compensated Absences	8,616
Tenant Security Deposits	(3,436)
Unearned Revenue	(1,333)
Other Liabilities	97,015
Noncurrent Other Liabilities	<u>46,286</u>
Net Cash Used by Operating Activities	<u><u>\$ (7,302,240)</u></u>

See accompanying Notes to Financial Statements.

**HUNTSVILLE HOUSING AUTHORITY**  
**COMBINING STATEMENT OF NET POSITION – DISCRETELY PRESENTED COMPONENT UNITS**  
**MARCH 31, 2016**

	360 Properties Huntsville, L.P.	Huntsville Senior Apartments, L.P.	Total
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	\$ 132,370	\$ 64,744	\$ 197,114
Cash and Cash Equivalents - Restricted	89,954	1,875,036	1,964,990
Accounts Receivable	-	2,374	2,374
Tenant Accounts Receivable, Net	13,115	1,867	14,982
Prepaid Expenses and Other Assets	16,514	16,872	33,386
Total Current Assets	<u>251,953</u>	<u>1,960,893</u>	<u>2,212,846</u>
<b>CAPITAL ASSETS</b>			
Land	606,405	1	606,406
Buildings and Improvements	10,406,380	15,324,145	25,730,525
Furniture and Equipment	12,402	98,904	111,306
Less Accumulated Depreciation	(174,325)	(2,418,760)	(2,593,085)
Net Capital Assets	<u>10,850,862</u>	<u>13,004,290</u>	<u>23,855,152</u>
<b>OTHER NONCURRENT ASSETS</b>			
Other Assets	<u>645,425</u>	<u>165,243</u>	<u>810,668</u>
Total Assets	<u>\$ 11,748,240</u>	<u>\$ 15,130,426</u>	<u>\$ 26,878,666</u>
<b>LIABILITIES AND NET POSITION</b>			
<b>CURRENT LIABILITIES</b>			
Accounts Payable	\$ 805,958	\$ 113,781	\$ 919,739
Accrued Wages and Payroll Taxes	-	3,959	3,959
Accounts Payable - Other Governments	-	56,614	56,614
Tenant Security Deposits	8,000	8,212	16,212
Unearned Revenues	2,062	3,981	6,043
Total Current Liabilities	<u>816,020</u>	<u>186,547</u>	<u>1,002,567</u>
<b>LONG-TERM LIABILITIES</b>			
Loan Liability - Noncurrent	8,262,446	16,723,834	24,986,280
Noncurrent Liabilities - Other	7,954	789,465	797,419
Total Long-Term Liabilities	<u>8,270,400</u>	<u>17,513,299</u>	<u>25,783,699</u>
Total Liabilities	<u>9,086,420</u>	<u>17,699,846</u>	<u>26,786,266</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	2,588,416	(3,719,544)	(1,131,128)
Restricted Net Position	74,000	1,005,587	1,079,587
Unrestricted Net Position	(596)	144,537	143,941
Total Net Position	<u>2,661,820</u>	<u>(2,569,420)</u>	<u>92,400</u>
Total Liabilities and Net Position	<u>\$ 11,748,240</u>	<u>\$ 15,130,426</u>	<u>\$ 26,878,666</u>

See accompanying Notes to Financial Statements.

**HUNTSVILLE HOUSING AUTHORITY**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION –**  
**DISCRETELY PRESENTED COMPONENT UNITS**  
**YEAR ENDED MARCH 31, 2016**

	360 Properties Huntsville, L.P.	Huntsville Senior Apartments, L.P.	Total
<b>OPERATING REVENUES</b>			
Dwelling Rent	\$ 143,996	\$ 460,801	\$ 604,797
Operating Grants	-	106,136	106,136
Other Revenue	-	4,291	4,291
Total Operating Revenues	<u>143,996</u>	<u>571,228</u>	<u>715,224</u>
<b>OPERATING EXPENSES</b>			
Administrative	173,009	159,140	332,149
Tenant Services	-	1,334	1,334
Utilities	21,640	168,244	189,884
Maintenance and Operations	23,477	140,128	163,605
Protective Services	-	1,161	1,161
General Expense	65,231	86,797	152,028
Total Operating Expenses	<u>283,357</u>	<u>556,804</u>	<u>840,161</u>
Operating Income (Loss) Before Depreciation	(139,361)	14,424	(124,937)
Depreciation and Amortization	196,562	553,909	750,471
Total Operating Loss	<u>(335,923)</u>	<u>(539,485)</u>	<u>(875,408)</u>
<b>NON-OPERATING REVENUES</b>			
Investment Income	-	38	38
Total Non-Operating Revenues	<u>-</u>	<u>38</u>	<u>38</u>
<b>DECREASE IN NET POSITION BEFORE CAPITAL CONTRIBUTIONS</b>	(335,923)	(539,447)	(875,370)
Capital Contributions	2,997,743	-	2,997,743
<b>INCREASE (DECREASE) IN NET POSITION</b>	2,661,820	(539,447)	2,122,373
Net Position - Beginning of Year	-	(2,029,973)	(2,029,973)
<b>NET POSITION - END OF YEAR</b>	<u>\$ 2,661,820</u>	<u>\$ (2,569,420)</u>	<u>\$ 92,400</u>

See accompanying Notes to Financial Statements.

**HUNTSVILLE HOUSING AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2016**

**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 provides 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 component units 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 two entities should be presented as discretely presented component units in the Authority's financial statements. The Authority is the owner of Neighborhood Acquisition and Redevelopment, Inc. (NARI), a non-profit organization.

NARI is a 90% owner of the Huntsville Senior Housing, Inc. which is a .01% general partner of Huntsville Senior Apartments, L.P. Huntsville Senior Apartments, L.P. owns and operates Gateway Place Apartments, an 86-unit elderly apartment complex that was placed in service during 2012. The financial statements of Huntsville Senior Apartments, L.P. are included in the Authority's statements as a discretely presented component unit. The partnership has a calendar year end and accordingly, the amounts included are as of and for the respective year end that falls within the Authority's March 31, 2016 year end. The statements were prepared in accordance with Governmental Accounting Standards Board (GASB) guidance.

NARI is a 90% owner of 360 Properties GP, Inc. which is a .01% general partner of 360 Properties Huntsville, L.P. 360 Properties Huntsville, L.P. owns and operates Legacy Hill and Chestnut Glen, an 80-unit low income housing tax credit apartment complex that was placed in service during fiscal year 2016. The financial statements of 360 Properties Huntsville, L.P. are included in the Authority's statements as a discretely presented component unit. The partnership has a calendar year end and accordingly, the amounts included are as of and for the respective year end that falls within the Authority's March 31, 2016 year end. The statements were prepared in accordance with Governmental Accounting Standards Board (GASB) guidance.

**HUNTSVILLE HOUSING AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2016**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Reporting Entity (continued)**

Separate financial statements are issued for both discretely presented component units, prepared in accordance with Financial Accounting Standards Board (FASB) guidance, and can be obtained by contacting the Director of Finance/CFO at the Huntsville Housing Authority, P.O. Box 486, Huntsville, Alabama 35804-0486.

Huntsville Housing Inspection Services, LLC was established on April 17, 2015. There was no activity for this entity.

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

**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.

**HUNTSVILLE HOUSING AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2016**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basis of Accounting and Measurement Focus (continued)**

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.

**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.

**Allowance for Doubtful Accounts**

Receivables from tenants and others are reported net of an allowance for doubtful accounts. Management estimates this allowance based on historical collection experience. Management believes amounts due from federal, state and local governments are fully collectable.

**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 (half-year convention) 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 Revenue, Expenses and Changes in Net Position. Estimated useful lives are as follows:

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

**Notes Receivable**

The Authority advances money to affordable housing projects to help fund the development of public housing units and other affordable units. Such notes are payable out of the properties' cash flows, residual values and possible mortgage proceeds. A provision for possible losses of the notes receivable is made, when in the opinion of management, the note balance exceeds the net realizable value of the underlying collateral.

**HUNTSVILLE HOUSING AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2016**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Compensated Absences**

Compensated absences represent amounts to which employees are entitled based on accumulated leave earned in accordance with the Authority's Personnel Policy. Employees may be compensated for accumulated vacation leave in the event of retirement or termination from service at the current salary. All vacation hours in excess of 240 will be forfeited the last pay period of the fiscal year unless approved for carryover by the Executive Director/CEO. Employees may also be compensated for accumulated sick leave in the event of retirement or termination from service at the rate of \$25 per day of accrued sick leave. An employee may accrue a maximum of 1,440 hours of sick leave.

**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.

**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 Investment in Capital Assets," or "Restricted Net Position."

When both restricted and unrestricted resources are available for us, it is the Authority's policy to use restricted resources first and unrestricted resources as needed.

**New Accounting Pronouncements**

The Authority implemented GASB Statement No. 68, *Financial Reporting for Pension Plans – an amendment of GASB Statement No. 27* for the period ending March 31, 2016. The objective of this Statement is to improve financial reporting by state and local governmental pension plans. The statement did not have an impact on the Authority.

**HUNTSVILLE HOUSING AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2016**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**New Accounting Pronouncements (continued)**

The Authority implemented GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date—an Amendment of GASB Statement No. 68* for the period ending March 31, 2016. The objective of this statement is to address the application of transition provisions of Statement No. 68 related to contributions made to a defined benefit pension plan after the measurement date of the entity's beginning net pension liability. The statement did not have an impact on the Authority.

**NOTE 2 CASH AND CASH EQUIVALENTS**

**Deposits**

***Business-Type Activities***

The Authority's cash and cash equivalents consist of cash held in interest and non-interest bearing checking accounts and certificates of deposit. For the fiscal year ended March 31, 2016, the carrying amount of the Authority's cash (including restricted cash) was \$11,381,398 and the bank balance was \$11,533,680.

***Discretely Presented Component Unit - 360 Properties Huntsville, L.P.***

360 Properties' cash and cash equivalents consist of cash held in interest and non-interest bearing checking accounts and certificates of deposit. For the fiscal year ended December 31, 2015, the carrying amount of the entity's cash (including restricted cash) was \$222,324, and the bank balance was \$218,944

***Discretely Presented Component Unit - Huntsville Senior Apartments, L.P.***

Huntsville Senior Apartments' cash and cash equivalents consist of cash held in interest and non-interest bearing checking accounts and certificates of deposit. For the fiscal year ended December 31, 2015, the carrying amount of the entity's cash (including restricted cash) was \$1,939,780, and the bank balance was \$1,941,441.

**Custodial Credit Risk**

Custodial credit risk is the risk that, in the event of a bank failure, the entity's deposits will not be returned to it. FDIC limits for the year ended March 31, 2016 equaled \$250,000 per fiduciary account per financial institution. All bank balances noted above were sufficiently collateralized as of March 31, 2016.



**HUNTSVILLE HOUSING AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2016**

**NOTE 3 RESTRICTED CASH AND CASH EQUIVALENTS**

Restricted cash and cash equivalents consisted of the following as of the respective fiscal year ends:

	Business- Type Activities	Discretely Presented Component Units
Restricted for HAP (Net Restricted Assets)	\$ 245,176	\$ -
Restricted Section 8 Rental	39,000	-
Restricted AHFA MF Revenue Bond Funds	602,190	-
Restricted Proceeds from Sale of Council Courts	3,528,209	-
Restricted Proceeds from Ground Lease	30,000	-
Restricted - Financial Literacy Grant	14,500	-
Restricted for Gateway Place and 360 Properties Reserves	-	1,948,778
Restrictions for Tenant Security Deposits	168,794	16,212
FSS Escrow	762,171	-
Total Restricted Cash	<u>\$ 5,390,040</u>	<u>\$ 1,964,990</u>

**NOTE 4 CAPITAL ASSETS**

**Business-Type Activities**

Capital assets for business-type activities consisted of the following as of March 31, 2016:

	Balance, April 1, 2015	Additions	Transfers & Deletions	Balance, March 31, 2016
Land	\$ 4,602,769	\$ -	\$ (12,400)	\$ 4,590,369
Total Assets Not Being Depreciated	<u>4,602,769</u>	<u>-</u>	<u>(12,400)</u>	<u>4,590,369</u>
Buildings and Improvements	70,671,529	620,984	(107,520)	71,184,993
Furniture and Equipment	1,826,680	51,305	(8,952)	1,869,033
Total Property and Equipment	<u>72,498,209</u>	<u>672,289</u>	<u>(116,472)</u>	<u>73,054,026</u>
Less Accumulated Depreciation	<u>(55,672,679)</u>	<u>(2,052,655)</u>	<u>29,464</u>	<u>(57,695,870)</u>
Net Book Value	<u>\$ 21,428,299</u>	<u>\$ (1,380,366)</u>	<u>\$ (99,408)</u>	<u>\$ 19,948,525</u>

**HUNTSVILLE HOUSING AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2016**

**NOTE 4 CAPITAL ASSETS (CONTINUED)**

**Discretely Presented Component Units**

Capital assets of the discretely presented component units consisted of the following as of December 31, 2015:

	January 1, 2015	Additions	Transfers & Deletions	December 31, 2015
Land	\$ 1	\$ 606,405	\$ -	\$ 606,406
Total Assets Not Being Depreciated	1	606,405	-	606,406
Buildings and Improvements	15,324,145	10,406,380	-	25,730,525
Furniture and Equipment	98,904	12,402	-	111,306
Total Property and Equipment	15,423,049	10,418,782	-	25,841,831
Less Accumulated Depreciation	(1,880,588)	(712,497)	-	(2,593,085)
Net Book Value	\$ 13,542,462	\$ 10,312,690	\$ -	\$ 23,855,152

**NOTE 5 NOTES RECEIVABLE – DUE FROM DISCRETELY PRESENTED COMPONENT UNIT**

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. In addition, the Authority entered into a ground lease agreement with Huntsville Senior Apartments, L.P. on August 10, 2009 and amended on July 1, 2010. The Authority leased the land for a period of 50 years and the agreement calls for a base rent of \$1 per year prepaid in full by Huntsville Senior Apartments, L.P.

As of March 31, 2016, the following amounts are due from Huntsville Senior Apartments, L.P.:

Loan Source	Amount
Capital Fund Recovery Competition	\$ 5,503,484
HOME Investment Partnerships Program	500,000
Capital Fund Recovery Grant	725,099
COCC	200,000
Total	\$ 6,928,583

**HUNTSVILLE HOUSING AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2016**

**NOTE 5 NOTES RECEIVABLE – DUE FROM DISCRETELY PRESENTED COMPONENT UNIT  
(CONTINUED)**

On July 31, 2015, the Authority entered into two construction loan agreements with 360 Properties Huntsville L.P. in connection with the acquisition and construction of a 40-unit affordable housing development known as Chestnut Glen and a 40-unit affordable housing development known as Legacy Hill, both located in Huntsville, Madison County, AL.

As of March 31, 2016, the following amounts are due from 360 Properties Huntsville, L.P.:

Loan Source	Amount
Authority CFFP Funds Promissory Note	\$ 6,677,894
Authority Funds Promissory Note	1,584,553
Total	\$ 8,262,447

**NOTE 6 INTERPROGRAM ACTIVITY**

The Authority manages several programs. Many charges, i.e., payroll, benefits, insurance, etc. are paid by and subsequently reimbursed to the COCC or the Housing Choice Voucher Program. Balances due for such charges are reflected in the Inter-program Due to/Due from account balances on the Financial Data Schedule. Inter-programs at March 31, 2016 consisted of the following:

COCC	\$ (456)
FSS	456
Continuum of Care	(4,994)
Housing Choice Vouchers	4,994
Total	\$ -

**NOTE 7 NOTES PAYABLE**

**Business-Type Activities**

Long-term debt for business-type activities consisted of the following as of March 31, 2016:

The Authority entered into a promissory note agreement on July 31, 2015 with Capital One, N.A. for \$7,280,000. The note bears interest from the date of the loan agreement dated as of July 1, 2015. Interest accrues at 4.15% per annum with a maturity date of July 1, 2032. The Initial Trust Indenture, dated as of July 1, 2015, by and between Alabama Housing Finance Authority (Issuer) and Regions Bank, pursuant to which the Issuer's \$7,280,000 Multi-Family Housing Revenue Bond (Chestnut Glen and Legacy Hill Projects), 2015 Series A, is being issued and where the Authority agreed to pay the principal and interest on the bond.

**HUNTSVILLE HOUSING AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2016**

**NOTE 7 NOTES PAYABLE (CONTINUED)**

**Business-Type Activities (Continued)**

Changes in the total long-term debt of the business-type activities during fiscal year ended March 31, 2016 are summarized below:

Description	Long-Term Debt Outstanding			Long-Term Debt Outstanding 3/31/2016	Amount Due Within One Year
	4/1/2015	Issued	Retired		
AHFA 2015A Note	\$ -	\$ 7,280,000	\$ (138,326)	\$ 7,141,674	\$ 308,899
Total Long-Term Debt	\$ -	\$ 7,280,000	\$ (138,326)	\$ 7,141,674	\$ 308,899

Principal and interest payments due on the business-type activities note payable are as follows:

Fiscal Year	Principal	Interest	Total
2017	\$ 308,899	\$ 293,207	\$ 602,106
2018	321,851	280,255	602,106
2019	335,346	266,760	602,106
2020	349,408	252,698	602,106
2021	364,058	238,048	602,106
2022-2026	2,062,479	948,051	3,010,530
2027-2031	2,532,698	477,831	3,010,529
2032-2033	866,935	36,224	903,159
Total	\$ 7,141,674	\$ 2,793,074	\$ 9,934,748

**Discretely Presented Component Units**

Long-term debt of the discretely presented component units consisted of the following as of December 31, 2015:

Huntsville Senior Apartments, L.P., in conjunction with the Authority, entered into a loan on July 30, 2010 with Alabama Housing Finance Authority for \$9,795,250 in order to finance the construction of the project. The funds were provided by allocations to the State of Alabama by the United States Department of the Treasury under its Grants to States for Low-Income Housing Projects in Lieu of Low-Income Housing Credits for 2009 (the Exchange Program), established under Section 1602 of the American Recovery and Reinvestment Act of 2009. The note is secured by the underlying property. If the Project remains compliant with all requirements of the Exchange Program throughout the 15-year compliance period the loan will be forgiven in full on the last day of the compliance period. The loan does not require any principal or interest payments during the term of the loan.

**HUNTSVILLE HOUSING AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2016**

**NOTE 7 NOTES PAYABLE (CONTINUED)**

**Discretely Presented Component Units (Continued)**

On July 30, 2010 Huntsville Senior Apartments, L.P. entered into a loan with Huntsville Housing Authority for \$6,428,583 in order to finance the development and construction of the project. The funds were provided through Capital Fund recovery grants allocated to Huntsville Housing Authority under the American Recovery and Reinvestment Act of 2009. Advances on the note bear interest at the rate of 0% per annum. The note is secured by the underlying property. This loan was converted to a Permanent Loan on December 31, 2012. Payments on the note shall be based on a 40 year amortization schedule and are dependent on net cash flows from operations according to the terms described in the Amended and Restated Limited Partnership Agreement dated July 1, 2010. The loan matures July 1, 2050.

On July 30, 2010 Huntsville Senior Apartments, L.P. entered into a loan with Huntsville Housing Authority in the amount of \$500,000 for the development and construction of the Project. The funds were provided by HOME Investment Partnership Program grants to Huntsville Housing Authority. The loan is secured by a 3rd mortgage lien on the Project and an assignment of rents. The note bears interest at the rate of 0% per annum. The note matures on the earlier of (a) the expiration of the 20-year affordability period or, (b) the date on which the principal amount of the Note has been declared or automatically becomes due and payable. The affordability period began when the project was placed in service on December 31, 2012.

On July 31, 2015, 360 Properties Huntsville, L.P. entered into a loan with Huntsville Housing Authority (CFFP Lender) for \$6,667,894 in connection with the acquisition and construction of a 40-unit affordable housing development known as Chestnut Glen and a 40-unit affordable housing development known as Legacy Hill, both located in Huntsville, Madison County, AL. Advances on the note bear interest at the rate of 0% per annum. The note is secured by the underlying property. Principal payment shall be due on the maturity date, June 30, 2065.

On July 31, 2015, 360 Properties Huntsville, L.P. entered into a loan with Huntsville Housing Authority (the Lender) for \$2,546,642 in connection with the acquisition and construction of a 40-unit affordable housing development known as Chestnut Glen and a 40-unit affordable housing development known as Legacy Hill, both located in Huntsville, Madison County, AL. Advances on the note bear interest of 0% per annum. The note is secured by the underlying property. Principal payment shall be due on the maturity date, June 30, 2055.

**HUNTSVILLE HOUSING AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2016**

**NOTE 7 NOTES PAYABLE (CONTINUED)**

**Discretely Presented Component Units (Continued)**

Changes in the total long-term debt of the discretely presented component units during fiscal year ended December 31, 2015 are summarized below:

Description	Long-Term Debt Outstanding			Long-Term Debt Outstanding 12/31/2015	Amount Due Within One Year
	1/1/2015	Issued	Retired		
AHFA Tax Credit Loan	\$ 9,795,250	\$ -	\$ -	\$ 9,795,250	\$ -
Capital Fund Recovery Loan	6,428,583	-	-	6,428,583	-
HOME Loan	500,000	-	-	500,000	-
Authority CFFP Funds Note	-	6,677,894	-	6,677,894	-
Authority Funds Note	-	2,546,642	(962,089)	1,584,553	-
<b>Total Long-Term Debt</b>	<b>\$ 16,723,833</b>	<b>\$ 9,224,536</b>	<b>\$ (962,089)</b>	<b>\$ 24,986,280</b>	<b>\$ -</b>

Principal and interest payments due on all of the discretely presented component units' notes payable are as follows:

Fiscal Year	Principal	Interest	Total
2026	\$ 9,795,250	\$ -	\$ 9,795,250
2032	500,000	-	500,000
2050	6,428,583	-	6,428,583
2055	1,584,553	-	1,584,553
2065	6,677,894	-	6,677,894
<b>Total</b>	<b>\$ 24,986,280</b>	<b>\$ -</b>	<b>\$ 24,986,280</b>

**NOTE 8 OTHER LONG-TERM LIABILITIES**

***Business-Type Activities***

Other long-term liabilities for business-type activities consist of the following:

	Balance, March 31, 2015	Increases	Decreases	Balance, March 31, 2016	Due Within One Year
	Accrued Compensated Absences	\$ 317,919	\$ 8,616	\$ -	\$ 326,535
Other Noncurrent Liabilities	-	1,170	-	1,170	-
FSS Escrows	617,719	144,452	-	762,171	358,360
<b>Total Other Long-Term Liabilities</b>	<b>\$ 935,638</b>	<b>\$ 154,238</b>	<b>\$ -</b>	<b>\$ 1,089,876</b>	<b>\$ 606,593</b>

**HUNTSVILLE HOUSING AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2016**

**NOTE 8 OTHER LONG-TERM LIABILITIES (CONTINUED)**

**Discretely Presented Component Units**

Other long-term liabilities for the discretely presented component units consist of the following:

	Balance, December 31, 2014	Increases	Decreases	Balance, December 31, 2015	Due Within One Year
Huntsville Senior Apartments Developer Holdback	\$ 933,023	\$ -	\$ 71,786	\$ 861,237	\$ 71,772
360 Properties Huntsville FSS Escrows	-	7,954	-	7,954	-
Total	<u>\$ 933,023</u>	<u>\$ 7,954</u>	<u>\$ 71,786</u>	<u>\$ 869,191</u>	<u>\$ 71,772</u>

**NOTE 9 EMPLOYEE BENEFIT PLANS**

The Authority contributes to the Huntsville Housing Authority Retirement Plan (the plan), a defined contribution pension plan, for its employees having at least three months of service. The plan is administered by Billings and Company, Inc.. Benefit terms, including contribution requirements, for the plan are established and may be amended by a resolution approved by the Board of Commissioners of the Authority. The Authority is required to contribute 15.3% of annual salary to individual employee accounts for each participating employee. Total employer contributions to the plan for the year ended March 31, 2016 were \$608,736.

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 55. Nonvested contributions are forfeited upon termination of employment and such forfeitures are used to pay a portion of the plan's administrative expenses. For the year ended March 31, 2016, forfeitures totaled \$17,366. 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.

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.

**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.

**HUNTSVILLE HOUSING AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2016**

**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 GROUND LEASES**

On October 19, 2012, a ground lease was established for 99 years as part of the agreement between the Authority and Twickenham Square Venture, LLC, in the total amount of \$6,578,100. The lease provided an option to defer the first payment for 5 years from the date of the lease. This option was exercised by the lessee making the first payment due October 2017. After that date rent will be due and payable on or before the first day of each calendar month during the term of the lease. Payments are increased in 5 year increments beginning in October 2017 in the amount of \$11,250, and are based on the following schedule:

	Monthly	Annual	Total
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	2,860,416
Total			<u>\$ 6,458,916</u>

On October 26, 2015, a ground lease was established for 10 years with Bryant Bank, in the amount of \$100,000 per annum, payable at the rate of \$8,333 per month, for the duration of the initial term. Rent is due on the rent commencement date. The commencement date is the earlier of (i) the date that the Lessee receives a certificate of occupancy for the improvements from the City of Huntsville, or (ii) April 26, 2017. The lease provides an option to extend the initial term an additional 10 years, not to extend a lease of 60 years. The annual base rent to be paid on each of the extended terms is to be determined on the first day of each extended term. The extended lease rent is determined as the initial rent adjusted for the consumer price index for all urban consumers.

**NOTE 14 PENDING GASB PRONOUNCEMENTS**

The Authority will be required to implement GASB Statement No. 72, *Fair Value Measurement and Application*, for the period ending March 31, 2017. The objective of this Statement is to enhance the comparability of financial statements among governments and related entities by establishing a consistent hierarchy of fair value measurement techniques. The Authority is currently evaluating the effect of the implementation of this Statement.

The Authority will be required to implement GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68*, and Amendments to Certain Provisions of GASB Statements 67 and 68, for the period ending March 31, 2017. The objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability. The Authority is currently evaluating the effect of the implementation of this Statement.



**HUNTSVILLE HOUSING AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2016**

**NOTE 14 PENDING GASB PRONOUNCEMENTS (CONTINUED)**

The Authority will be required to implement GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, for the period ending March 31, 2018. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. The Authority does not believe this Statement will impact the financial statements as they do not have an OPEB plan.

The Authority will be required to implement GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, for the period ending March 31, 2017. The objective of this Statement is to identify—in the context of the current governmental financial reporting environment—the hierarchy of generally accepted accounting principles (GAAP). The Authority is currently evaluating the effect of the implementation of this Statement.

The Authority will be required to implement GASB Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Pension Plans*, for the period ending March 31, 2017. The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The Authority does not believe this Statement will impact the financial statements as they do not have a multiple-employer pension plan.

The Authority will be required to implement GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, for the period ending March 31, 2017. The objective of this Statement is to enhance comparability of financial statements by providing qualifying external investment pools and participants in those pools with consistent application of an amortized cost-based measurement for financial reporting purposes. The Authority does not believe this Statement will impact the financial statements as they do not have any external investment pools.

The Authority will be required to implement GASB Statement No. 80, *Blending Requirements for Certain Component Units—an amendment of GASB Statement No. 14*, for the period ending March 31, 2018. The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. The Authority is currently evaluating the effect of the implementation of this Statement.

The Authority will be required to implement GASB Statement No. 81, *Irrevocable Split-Interest Agreements*, for the period ending March 31, 2018. The objective of this Statement is to improve accounting and financial reporting by clarifying the recognition and measurement guidance when a government or government entity is the beneficiary of an irrevocable split-interest agreement. The Authority is currently evaluating the effect of the implementation of this Statement.

**HUNTSVILLE HOUSING AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2016**

**NOTE 14 PENDING GASB PRONOUNCEMENTS (CONTINUED)**

The Authority will be required to implement GASB Statement No. 82, *Pension Issues – an amendment of GASB Statements No. 67, No. 68, and No. 73*, for the period ending March 31, 2018. The objective of this Statement is to address issues related to the presentation of payroll-related measures in required supplementary information, the selection of assumptions for financial reporting purposes and the classification of payments made by employers to satisfy employee contribution requirements. The Authority is currently evaluating the effect of the implementation of this Statement.

**SUPPLEMENTAL INFORMATION**

**HUNTSVILLE HOUSING AUTHORITY  
ENTITY-WIDE BALANCE SHEET SUMMARY  
MARCH 31, 2016**

Line Item #	Accounts Description	Project Totals	Continuum of Care	FSS	CDBG/NSP	ROSS	Housing Choice Vouchers	Other Federal Program	Business Activities	COCC	Elimination	Total Enterprise Fund	Discrete Component Units	Total Reporting Entity
<b>CURRENT ASSETS</b>														
Cash:														
111	Unrestricted	\$ 4,056,049	\$ -	\$ -	\$ 566,901	\$ -	\$ 197,281	\$ -	\$ 137,225	\$ 1,033,902	\$ -	\$ 5,991,358	\$ 197,114	\$ 6,188,472
112	Cash - restricted - modernization and development	-	-	-	-	-	-	-	-	-	-	-	-	-
113	Other restricted	4,351,470	-	-	-	-	370,368	88,718	-	53,500	-	4,864,056	1,948,778	6,812,834
114	Tenant security deposits	168,794	-	-	-	-	-	-	-	-	-	168,794	16,212	185,006
115	Restricted for payment of current liability	110,491	-	-	-	-	246,699	-	-	-	-	357,190	-	357,190
100	Total cash	8,686,804	-	-	566,901	-	814,348	88,718	137,225	1,087,402	-	11,381,398	2,162,104	13,543,502
Accounts and notes receivable:														
121	Accounts receivable - PHA projects	-	-	-	-	-	-	-	-	-	-	-	-	-
122	HUD other projects	61,449	29,393	5,601	-	-	-	-	-	-	-	96,443	-	96,443
124	Other government	-	-	-	-	-	-	-	-	-	-	-	-	-
125	Miscellaneous	768	-	-	-	-	11,430	-	-	21,538	-	33,736	2,374	36,110
126	Tenants	19,878	-	-	-	-	-	-	-	-	-	19,878	15,517	35,395
126.1	Allowance for doubtful accounts - tenants	(696)	-	-	-	-	-	-	-	-	-	(696)	(535)	(1,231)
127	Notes, loans, & mortgages receivable - current	-	-	-	-	-	-	-	-	-	-	-	-	-
128	Fraud recovery	-	-	-	-	-	-	-	-	-	-	-	-	-
129	Accrued interest receivable	1,804	-	-	-	-	-	-	-	301	-	2,105	-	2,105
120	Total receivables, net of allowances for uncollectibles	83,203	29,393	5,601	-	-	11,430	-	-	21,839	-	151,466	17,356	168,822
131	Investments - unrestricted	-	-	-	-	-	-	-	-	-	-	-	-	-
132	Investments - restricted	-	-	-	-	-	-	-	-	-	-	-	-	-
135	Investments - restricted for payment of current liability	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total current investments	-	-	-	-	-	-	-	-	-	-	-	-	-
142	Prepaid expenses and other assets	119,243	-	-	-	-	12,625	-	-	60,415	-	192,283	33,386	225,669
143	Inventories	-	-	-	-	-	-	-	-	-	-	-	-	-
143.1	Allowance for obsolete inventories	-	-	-	-	-	-	-	-	-	-	-	-	-
144	Interprogram - due from	-	-	456	-	-	4,994	-	-	-	(5,450)	-	-	-
145	Assets held for sale	-	-	-	-	-	-	-	-	-	-	-	-	-
150	Total current assets	8,889,250	29,393	6,057	566,901	-	843,397	88,718	137,225	1,169,656	(5,450)	11,725,147	2,212,846	13,937,993
<b>NONCURRENT ASSETS</b>														
Fixed assets:														
161	Land	3,980,627	-	-	25,000	-	-	-	-	584,742	-	4,590,369	606,406	5,196,775
162	Buildings	69,782,908	-	-	39,546	-	-	-	-	1,362,539	-	71,184,993	25,730,525	96,915,518
163	Furniture, equipment & mach - dwellings	-	-	-	-	-	-	-	-	-	-	-	-	-
164	Furniture, equipment & mach - admin.	1,166,804	-	-	-	-	63,547	-	-	638,682	-	1,869,033	111,306	1,980,339
165	Leasehold improvements	-	-	-	-	-	-	-	-	-	-	-	-	-
166	Accumulated depreciation	(55,715,586)	-	-	(6,590)	-	(60,690)	-	-	(1,913,004)	-	(57,695,870)	(2,593,085)	(60,288,955)
167	Construction in progress	-	-	-	-	-	-	-	-	-	-	-	-	-
168	Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-	-
160	Total fixed assets, net of accumulated depreciation	19,214,753	-	-	57,956	-	2,857	-	-	672,959	-	19,948,525	23,855,152	43,803,677
171	Notes, loans and mortgages receivable - noncurrent	14,991,030	-	-	-	-	-	-	-	200,000	-	15,191,030	-	15,191,030
174	Other assets	97,500	-	-	-	-	-	-	-	32,965	-	130,465	810,668	941,133
176	Investment in joint ventures	-	-	-	-	-	-	-	-	-	-	-	-	-
180	Total noncurrent assets	34,303,283	-	-	57,956	-	2,857	-	-	905,924	-	35,270,020	24,665,820	59,935,840
290	<b>TOTAL ASSETS</b>	<b>\$ 43,192,533</b>	<b>\$ 29,393</b>	<b>\$ 6,057</b>	<b>\$ 624,857</b>	<b>\$ -</b>	<b>\$ 846,254</b>	<b>\$ 88,718</b>	<b>\$ 137,225</b>	<b>\$ 2,075,580</b>	<b>\$ (5,450)</b>	<b>\$ 46,995,167</b>	<b>\$ 26,878,666</b>	<b>\$ 73,873,833</b>

**HUNTSVILLE HOUSING AUTHORITY  
ENTITY-WIDE BALANCE SHEET SUMMARY  
MARCH 31, 2016**

Line Item #	Accounts Description	Project Totals	Continuum of Care	FSS	CDBG/NSP	ROSS	Housing Choice Vouchers	Other Federal Program	Business Activities	COCC	Elimination	Total Enterprise Fund	Discrete Component Units	Total Reporting Entity
<b>CURRENT LIABILITIES</b>														
311	Bank overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
312	Accounts payable < 90 days	353,424	24,399	-	21	-	42,895	-	-	31,273	-	452,012	919,739	1,371,751
313	Accounts payable > 90 days past due	-	-	-	-	-	-	-	-	-	-	-	-	-
321	Accrued wage/payroll taxes payable	110,766	-	6,057	-	-	18,900	-	-	58,329	-	194,052	3,959	198,011
322	Accrued compensated absences - current portion	141,647	-	-	-	-	33,222	-	-	73,364	-	248,233	-	248,233
324	Accrued contingency liability	-	-	-	-	-	-	-	-	-	-	-	-	-
325	Accrued interest payable	74,094	-	-	-	-	-	-	-	-	-	74,094	-	74,094
331	Accounts payable - HUD PHA programs	-	-	-	-	-	13,977	-	-	-	-	13,977	-	13,977
333	Accounts payable - other gov.	44,501	-	-	-	-	-	-	-	2,953	-	47,454	56,614	104,068
341	Tenant security deposits	168,794	-	-	-	-	-	-	-	-	-	168,794	16,212	185,006
342	Deferred revenues	14,611	-	-	-	-	-	-	-	16,890	-	31,501	6,043	37,544
343	Current portion of LT debt - capital projects / mortg	308,899	-	-	-	-	-	-	-	-	-	308,899	-	308,899
344	Current portion of LT debt - operating borrowings	-	-	-	-	-	-	-	-	-	-	-	-	-
345	Other current liabilities	111,661	-	-	-	-	246,699	-	-	-	-	358,360	-	358,360
346	Accrued liabilities - other	-	-	-	-	-	-	-	-	-	-	-	-	-
347	Interprogram (due to)	-	4,994	-	-	-	-	-	-	456	(5,450)	-	-	-
348	Loan liability - current	-	-	-	-	-	-	-	-	-	-	-	-	-
310	Total current liabilities	<u>1,328,397</u>	<u>29,393</u>	<u>6,057</u>	<u>21</u>	<u>-</u>	<u>355,693</u>	<u>-</u>	<u>-</u>	<u>183,265</u>	<u>(5,450)</u>	<u>1,897,376</u>	<u>1,002,567</u>	<u>2,899,943</u>
<b>NONCURRENT LIABILITIES</b>														
351	Capital projects / mortgage revenue bonds	6,832,775	-	-	-	-	-	-	-	-	-	6,832,775	-	6,832,775
352	Long-term debt, net of current - operating borrowings	-	-	-	-	-	-	-	-	-	-	-	-	-
353	Noncurrent liabilities - other	191,071	-	-	-	-	213,910	-	-	-	-	404,981	797,419	1,202,400
354	Accrued compensated absences - noncurrent	42,621	-	-	-	-	8,249	-	-	27,432	-	78,302	-	78,302
355	Loan liability - noncurrent	-	-	-	-	-	-	-	-	-	-	-	24,986,280	24,986,280
357	Accrued pension and OPEB liability	-	-	-	-	-	-	-	-	-	-	-	-	-
350	Total noncurrent liabilities	<u>7,066,467</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>222,159</u>	<u>-</u>	<u>-</u>	<u>27,432</u>	<u>-</u>	<u>7,316,058</u>	<u>25,783,699</u>	<u>33,099,757</u>
300	Total liabilities	<u>8,394,864</u>	<u>29,393</u>	<u>6,057</u>	<u>21</u>	<u>-</u>	<u>577,852</u>	<u>-</u>	<u>-</u>	<u>210,697</u>	<u>(5,450)</u>	<u>9,213,434</u>	<u>26,786,266</u>	<u>35,999,700</u>
<b>EQUITY</b>														
508.4	Net investment in capital assets	18,750,973	-	-	57,956	-	2,857	-	-	672,959	-	19,484,745	(1,131,128)	18,353,617
511.4	Restricted net position	4,160,399	-	-	-	-	156,458	88,718	-	51,000	-	4,456,575	1,079,587	5,536,162
512.4	Unrestricted net position	<u>11,886,297</u>	<u>-</u>	<u>-</u>	<u>566,880</u>	<u>-</u>	<u>109,087</u>	<u>-</u>	<u>137,225</u>	<u>1,140,924</u>	<u>-</u>	<u>13,840,413</u>	<u>143,941</u>	<u>13,984,354</u>
513	Total equity/net position	<u>34,797,669</u>	<u>-</u>	<u>-</u>	<u>624,836</u>	<u>-</u>	<u>268,402</u>	<u>88,718</u>	<u>137,225</u>	<u>1,864,883</u>	<u>-</u>	<u>37,781,733</u>	<u>92,400</u>	<u>37,874,133</u>
600	<b>TOTAL LIABILITIES AND EQUITY/NET POSITION</b>	<u>\$ 43,192,533</u>	<u>\$ 29,393</u>	<u>\$ 6,057</u>	<u>\$ 624,857</u>	<u>\$ -</u>	<u>\$ 846,254</u>	<u>\$ 88,718</u>	<u>\$ 137,225</u>	<u>\$ 2,075,580</u>	<u>\$ (5,450)</u>	<u>\$ 46,995,167</u>	<u>\$ 26,878,666</u>	<u>\$ 73,873,833</u>

**HUNTSVILLE HOUSING AUTHORITY  
ENTITY-WIDE REVENUE AND EXPENSE SUMMARY  
YEAR ENDED MARCH 31, 2016**

Line Item #	Accounts Description	Project Totals	Continuum of Care	FSS	CDBG/ NSP	ROSS	Housing Choice Vouchers	Other Federal Program	Business Activities	COCC	Elimination	Total Enterprise Fund	Discrete Component Unit	Total Reporting Entity
<b>REVENUE</b>														
70300	Net tenant rental revenue	\$ 1,917,887	\$ -	\$ -	\$ 2,580	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,920,467	\$ 600,206	\$ 2,520,673
70400	Tenant revenue - other	59,810	-	-	100	-	-	-	-	-	-	59,910	4,591	64,501
70500	Total tenant revenue	1,977,697	-	-	2,680	-	-	-	-	-	-	1,980,377	604,797	2,585,174
70600	HUD PHA operating grants	7,449,148	308,779	188,058	-	72,802	9,262,089	-	-	-	-	17,280,876	-	17,280,876
706.1	Capital grants	634,471	-	-	-	-	-	-	-	-	-	634,471	-	634,471
70700	Total fee revenue	-	-	-	-	-	-	-	-	2,405,821	(2,405,821)	-	-	-
70800	Other governmental grants	-	-	-	-	-	-	-	-	-	-	-	106,136	106,136
71100	Investment income - unrestricted	33,433	-	-	-	-	410	-	-	3,546	-	37,389	38	37,427
71200	Mortgage interest income	-	-	-	-	-	-	-	-	-	-	-	-	-
71300	Proceeds from disposition of assets held for sale	-	-	-	-	-	-	-	-	-	-	-	-	-
713.1	Cost of sales of assets	-	-	-	-	-	-	-	-	-	-	-	-	-
71400	Fraud recovery	-	-	-	-	-	132,950	-	-	-	-	132,950	-	132,950
71500	Other revenue	230,478	-	-	2,667	-	82,003	-	55,381	48,031	-	418,560	4,291	422,851
71600	Gain or loss on the sale of fixed assets	-	-	-	(35,689)	-	-	-	-	-	-	(35,689)	-	(35,689)
72000	Investment income - unrestricted	84	-	-	-	-	-	-	-	-	-	84	-	84
70000	Total revenue	10,325,311	308,779	188,058	(30,342)	72,802	9,477,452	-	55,381	2,457,398	(2,405,821)	20,449,018	715,262	21,164,280
<b>EXPENSES</b>														
Administrative:														
91100	Administrative salaries	712,352	1,157	-	87,614	-	358,167	-	-	1,177,163	-	2,336,453	66,287	2,402,740
91200	Auditing fees	18,837	-	-	-	-	17,043	-	-	8,970	-	44,850	15,075	59,925
91300	Management fee	1,336,988	-	-	-	-	226,080	-	-	-	(1,563,068)	-	65,396	65,396
91310	Bookkeeping fee	149,647	-	-	-	-	141,300	-	-	-	(290,947)	-	-	-
91400	Advertising and marketing	8,903	-	-	-	-	260	-	-	21,289	-	30,452	2,145	32,597
91500	Employee benefit contributions - administrative	298,119	314	-	-	-	141,630	-	-	440,718	-	880,781	14,517	895,298
91600	Office expenses	232,095	-	-	-	-	106,000	-	-	180,670	-	518,765	98,875	617,640
91700	Legal expense	65,646	-	-	-	-	300	-	-	99,234	-	165,180	2,028	167,208
91800	Travel	32,069	-	-	-	-	2,220	-	-	51,087	-	85,376	11,775	97,151
918.10	Allocated overhead	-	-	-	-	-	-	-	-	-	-	-	-	-
91900	Other	85,133	-	-	-	-	3,870	-	-	75,257	-	164,260	56,051	220,311
	Total administrative	2,939,789	1,471	-	87,614	-	996,870	-	-	2,054,388	(1,854,015)	4,226,117	332,149	4,558,266
92000	Asset management fee	201,480	-	-	-	-	-	-	-	-	(201,480)	-	-	-
Tenant services:														
92100	Salaries	174,574	-	123,039	-	49,358	13,662	-	-	-	-	360,633	-	360,633
92200	Relocation costs	-	-	-	-	-	-	-	-	-	-	-	-	-
92300	Employee benefit contributions	64,150	-	65,019	-	20,071	3,259	-	-	-	-	152,499	-	152,499
92400	Other	56,480	-	-	-	3,373	424	-	-	-	-	60,277	1,334	61,611
	Total tenant services	295,204	-	188,058	-	72,802	17,345	-	-	-	-	573,409	1,334	574,743
Utilities:														
93100	Water	372,676	-	-	70	-	-	-	-	1,837	-	374,583	16,326	390,909
93200	Electricity	346,901	-	-	309	-	-	-	-	19,858	-	367,068	132,271	499,339
93300	Gas	28,272	-	-	-	-	-	-	-	2,766	-	31,038	25,788	56,826
93400	Fuel	-	-	-	-	-	-	-	-	-	-	-	-	-
93600	Sewer	619,005	-	-	91	-	-	-	-	1,599	-	620,695	10,583	631,278
93800	Other utilities expense	68,557	-	-	163	-	-	-	-	22,400	-	91,120	4,916	96,036
	Total utilities	1,435,411	-	-	633	-	-	-	-	48,460	-	1,484,504	189,884	1,674,388
Ordinary maintenance & operations:														
94100	Labor	1,279,219	-	-	-	-	-	-	-	96,690	-	1,375,909	63,970	1,439,879
94200	Materials and other	917,783	-	-	16,879	-	2,727	-	-	59,982	-	997,371	48,349	1,045,720
94300	Contracts	650,961	-	-	-	-	-	-	-	7,955	(350,326)	308,590	36,663	345,253
94500	Employee benefits contribution	594,982	-	-	-	-	-	-	-	46,621	-	641,603	14,623	656,226
	Total ordinary maintenance & operations	3,442,945	-	-	16,879	-	2,727	-	-	211,248	(350,326)	3,323,473	163,605	3,487,078

**HUNTSVILLE HOUSING AUTHORITY  
ENTITY-WIDE REVENUE AND EXPENSE SUMMARY  
YEAR ENDED MARCH 31, 2016**

Line Item #	Accounts Description	Project Totals	Continuum of Care	FSS	CDBG/ NSP	ROSS	Housing Choice Vouchers	Other Federal Program	Business Activities	COCC	Elimination	Total Enterprise Fund	Discrete Component Unit	Total Reporting Entity
<b>EXPENSES (Continued)</b>														
Protective services:														
95100	Labor	\$ 95,789	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 95,789	\$ -	\$ 95,789
95200	Other contract costs	115,790	-	-	-	-	-	-	-	36,576	-	152,366	-	152,366
95300	Other	-	-	-	-	-	-	-	-	-	-	-	1,161	1,161
95500	Employee benefit contributions	38,583	-	-	-	-	-	-	-	-	-	38,583	-	38,583
	Total protective services	250,162	-	-	-	-	-	-	-	36,576	-	286,738	1,161	287,899
96100	Total insurance premiums	459,279	-	-	728	-	21,965	-	-	49,587	-	531,559	88,247	619,806
General expenses:														
96200	Other general expenses	303,596	-	-	-	-	5,541	-	-	-	-	309,137	25,000	334,137
96210	Compensated absences	31,010	-	-	-	-	5,356	-	-	-	-	36,366	-	36,366
96300	Payments in lieu of taxes	38,798	-	-	-	-	-	-	-	-	-	38,798	36,895	75,693
96400	Bad debt - tenant rents	86,957	-	-	-	-	-	-	-	-	-	86,957	1,886	88,843
96600	Bad debt - other	-	-	-	-	-	540	-	-	-	-	540	-	540
96000	Total general expenses	460,361	-	-	-	-	11,437	-	-	-	-	471,798	63,781	535,579
96700	Total interest expense and amortization cost	200,818	-	-	-	-	-	-	-	-	-	200,818	-	200,818
96900	Total operating expenses	9,685,449	1,471	188,058	105,854	72,802	1,050,344	-	-	2,400,259	(2,405,821)	11,098,416	840,161	11,938,577
97000	Excess of operating revenue over operating expenses	639,862	307,308	-	(136,196)	-	8,427,108	-	55,381	57,139	-	9,350,602	(124,899)	9,225,703
97100	Extraordinary maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-
97200	Casualty losses - non capitalized	-	-	-	-	-	-	-	-	-	-	-	-	-
97300	Housing assistance payments	-	307,308	-	-	-	8,414,425	-	-	-	-	8,721,733	-	8,721,733
97350	Housing assistance payments - portability in	-	-	-	-	-	-	-	-	-	-	-	-	-
97400	Depreciation expense	2,015,453	-	-	5,724	-	2,841	-	-	28,637	-	2,052,655	712,497	2,765,152
97401	Amortization expense	-	-	-	-	-	-	-	-	-	-	-	37,974	37,974
90000	Total expenses	11,700,902	308,779	188,058	111,578	72,802	9,467,610	-	-	2,428,896	(2,405,821)	21,872,804	1,590,632	23,463,436
Other financing sources (uses):														
10010	Operating transfer in	790,742	-	-	-	-	50,000	-	-	-	(840,742)	-	-	-
10020	Operating transfer out	(790,742)	-	-	-	-	-	-	-	(50,000)	840,742	-	-	-
10040	Operating transfer to/from component unit	-	-	-	-	-	-	-	-	-	-	-	-	-
10070	Extraordinary items, net gain / loss	-	-	-	-	-	-	-	-	-	-	-	-	-
10091	Inter project excess cash transfer in	369,497	-	-	-	-	-	-	-	-	(369,497)	-	-	-
10092	Inter project excess cash transfer out	(369,497)	-	-	-	-	-	-	-	-	369,497	-	-	-
10093	Transfers between program and project in	-	-	-	-	-	-	-	81,844	-	(81,844)	-	-	-
10094	Transfers between program and project out	-	-	-	(17,250)	-	-	-	-	(64,594)	81,844	-	-	-
10100	Total other financing sources (uses)	-	-	-	(17,250)	-	50,000	-	81,844	(114,594)	-	-	-	-
10000	<b>EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENSES</b>	<b>\$ (1,375,591)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (159,170)</b>	<b>\$ -</b>	<b>\$ 59,842</b>	<b>\$ -</b>	<b>\$ 137,225</b>	<b>\$ (86,092)</b>	<b>\$ -</b>	<b>\$ (1,423,786)</b>	<b>\$ (875,370)</b>	<b>\$ (2,299,156)</b>
<b>Memo Account Information</b>														
11020	Required annual debt principal payments	\$ 138,326	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 138,326	\$ -	\$ 138,326
11030	Beginning equity	36,173,260	-	-	784,006	-	208,560	88,718	-	1,950,975	-	39,205,519	(2,029,973)	37,175,546
11040	Prior period adjustments, equity transfers & correction	-	-	-	-	-	-	-	-	-	-	-	2,997,743	2,997,743
11170	Administrative fee equity	-	-	-	-	-	111,944	-	-	-	-	111,944	-	111,944
11180	Housing assistance payments equity	-	-	-	-	-	156,458	-	-	-	-	156,458	-	156,458
11190	Unit months available	20,952	600	-	5	-	19,405	-	-	-	-	40,962	1,432	42,394
11210	Unit months leased	20,738	600	-	5	-	18,840	-	-	-	-	40,183	1,391	41,574
11270	Excess cash	2,337,982	-	-	-	-	-	-	-	-	-	2,337,982	-	2,337,982
11610	Land purchases	-	-	-	-	-	-	-	-	-	-	-	-	-
11620	Building purchases	620,983	-	-	-	-	-	-	-	-	-	620,983	-	620,983
11630	Furniture & equipment - dwelling purchases	-	-	-	-	-	-	-	-	-	-	-	-	-
11640	Furniture & equipment - administrative purchases	38,166	-	-	-	-	-	-	-	13,140	-	51,306	-	51,306
13510	CFFP debt service payments	-	-	-	-	-	-	-	-	-	-	-	-	-
13901	Replacement Housing Factor funds	-	-	-	-	-	-	-	-	-	-	-	-	-

# HUNTSVILLE HOUSING AUTHORITY PROJECT BALANCE SHEET SUMMARY MARCH 31, 2016

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	AMP 061	AMP 062	OTHER PROJ	Project Totals	
<b>CURRENT ASSETS</b>																											
111	Cash:																										
	Unrestricted	\$ 89,250	\$ 303,290	\$ 403,306	\$ 295,535	\$ 512,192	\$ 458,132	\$ 281,826	\$ 218,175	\$ 252,489	\$ 229,109	\$ 88,666	\$ 105,914	\$ 142,012	\$ 48,499	\$ 14,921	\$ 15,700	\$ 15,143	\$ 14,319	\$ 138,180	\$ 429,391	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,056,049
	Cash - restricted - modernization and development	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
112	Other restricted	3,558,209	3,459	13,158	3,325	11,644	20,221	-	24,172	-	2,283	10,449	10,155	30,716	8,361	22,181	15,779	7,153	111	1,981	5,923	-	301,095	301,095	-	4,351,470	
114	Tenant security deposits	-	11,920	16,110	13,180	21,904	21,710	13,320	8,110	10,020	10,860	2,800	1,200	5,430	2,400	800	800	600	600	6,950	20,080	-	-	-	-	-	168,794
115	Restricted for payment of current liability	-	9,942	2,958	1,988	1,608	14,115	-	1,150	-	2,778	11,794	-	34,943	25,057	1,612	-	-	2,212	334	-	-	-	-	-	-	110,491
100	Total cash	3,647,459	328,611	435,532	314,028	547,348	514,178	295,146	251,607	262,509	245,030	113,709	117,269	213,101	84,317	39,514	32,279	22,896	17,242	147,445	455,394	-	301,095	301,095	-	8,688,804	
<b>Accounts and notes receivable:</b>																											
121	Accounts receivable - PHA projects	-	-	-	-	-	22,500	-	4,587	34,362	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
122	HUD other projects	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	61,449
124	Other government	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
125	Miscellaneous	-	-	10	4	4	12	-	14	-	6	-	4	2	-	-	-	-	-	-	712	-	-	-	-	-	768
126	Tenants	-	2,413	887	1,452	5,950	2,592	990	1,823	-	1,761	-	-	-	8	-	-	-	-	640	1,362	-	-	-	-	-	19,878
126.1	Allowance for doubtful accounts - tenants	-	(158)	(63)	(59)	(113)	(21)	(18)	(63)	-	(163)	-	-	-	-	-	-	-	-	(8)	(30)	-	-	-	-	(696)	
127	Notes, loans, & mortgages receivable - current	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
128	Fraud recovery	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
129	Accrued interest receivable	95	148	144	128	203	205	137	84	111	122	50	63	88	-	-	-	-	-	60	166	-	-	-	-	-	1,804
120	Total receivables, net of allowances for uncollectibles	95	2,403	978	1,525	6,044	25,288	1,109	6,445	34,473	1,726	50	67	90	8	-	-	-	-	692	2,210	-	-	-	-	-	83,203
142	Prepaid expenses and other assets	-	9,869	4,785	3,834	5,179	4,685	3,106	1,903	2,971	3,553	303	1,476	1,900	234	78	77	59	39	39,645	35,547	-	-	-	-	-	119,243
145	Assets held for sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
150	Total current assets	3,647,554	340,883	441,295	319,387	558,571	544,151	299,361	259,955	299,953	250,309	114,062	118,812	215,091	84,559	39,592	32,356	22,955	17,281	187,782	493,151	-	301,095	301,095	-	8,889,250	
<b>NONCURRENT ASSETS</b>																											
<b>Fixed assets:</b>																											
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	600,000	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	13,252,660	3,571,389	3,137,097	4,939,071	5,608,035	1,032,079	608,694	2,626,011	1,630,936	405,141	4,705,510	446,755	206,991	2,855,975	6,735,329	-	-	-	-	-	69,782,908
163	Furniture, equipment & mach - dwellings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
164	Furniture, equipment & mach - admin.	-	229,323	115,753	46,968	178,647	129,225	106,920	56,365	119,173	34,903	-	-	55,342	2,430	1,250	-	-	-	18,000	72,505	-	-	-	-	-	1,166,804
165	Leasehold improvements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
166	Accumulated depreciation	-	(4,671,797)	(3,748,876)	(2,105,211)	(8,674,357)	(12,964,637)	(3,450,518)	(2,712,972)	(2,643,619)	(4,463,125)	(348,263)	(218,221)	(786,106)	(406,975)	(83,014)	(64,494)	(37,229)	(10,176)	(2,586,814)	(5,739,182)	-	-	-	-	-	(55,715,586)
167	Construction in progress	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
168	Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
160	Total fixed assets, net of accumulated depreciation	1,757,457	982,444	935,576	800,856	1,541,001	493,860	253,709	551,582	2,420,025	1,338,805	943,816	501,473	2,395,247	1,305,191	352,477	464,216	409,526	196,815	345,320	1,225,357	-	-	-	-	-	19,214,753
<b>Notes, loans and mortgages receivable - noncurrent</b>																											
171	Other assets	1,584,553	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,338,947	3,338,947	6,728,583	14,991,030	
174	Investment in joint ventures	97,500	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	97,500
180	Total noncurrent assets	3,439,510	982,444	935,576	800,856	1,541,001	493,860	253,709	551,582	2,420,025	1,338,805	943,816	501,473	2,395,247	1,305,191	352,477	464,216	409,526	196,815	345,320	1,225,357	-	3,338,947	3,338,947	6,728,583	34,303,283	
190	<b>TOTAL ASSETS</b>	\$ 7,087,064	\$ 1,323,327	\$ 1,376,871	\$ 1,120,243	\$ 2,099,572	\$ 1,038,011	\$ 553,070	\$ 811,537	\$ 2,719,978	\$ 1,589,114	\$ 1,057,878	\$ 620,285	\$ 2,610,338	\$ 1,389,750	\$ 392,069	\$ 496,572	\$ 432,481	\$ 214,096	\$ 533,102	\$ 1,718,508	\$ -	\$ 3,640,042	\$ 3,640,042	\$ 6,728,583	\$ 43,192,533	



# HUNTSVILLE HOUSING AUTHORITY PROJECT BALANCE SHEET SUMMARY MARCH 31, 2016

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	AMP 061	AMP 062	OTHER PROJ	Project Totals	
<b>CURRENT LIABILITIES</b>																											
311	Bank overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
312	Accounts payable < 90 days	-	26,162	34,645	28,953	47,258	60,187	8,293	20,228	40,313	14,782	768	2,077	8,748	4,673	1,334	1,334	2	635	13,765	39,267	-	-	-	-	-	353,424
321	Accrued wage/payroll taxes payable	-	8,122	10,836	10,453	15,346	11,115	8,734	6,165	9,324	7,863	700	418	5,129	856	276	274	205	116	4,179	10,635	-	-	-	-	-	110,786
322	Accrued compensated absences - current portion	-	18,572	8,569	13,846	9,610	14,326	10,831	8,011	15,439	16,829	787	1,042	4,931	2,083	695	695	521	346	6,499	8,015	-	-	-	-	-	141,647
324	Accrued contingency liability	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
325	Accrued interest payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	37,047	37,047	-	74,094
331	Accounts payable - HUD PHA programs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
333	Accounts payable - other gov.	-	256	750	232	5,433	7,771	8,673	2,124	7,356	173	1,748	590	2,633	897	659	668	601	361	1,820	1,756	-	-	-	-	-	44,501
341	Tenant security deposits	-	11,920	16,110	13,180	21,904	21,710	13,320	8,110	10,020	10,860	2,800	1,200	5,430	2,400	800	800	600	600	6,950	20,080	-	-	-	-	-	168,794
342	Deferred revenues	-	175	609	1,709	-	1,470	-	205	-	3,378	1,042	380	309	692	150	160	103	-	-	-	4,229	-	-	-	-	14,611
343	Current portion of LT debt - capital projects / mortg	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
344	Current portion of LT debt - operating borrowings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
345	Other current liabilities	-	9,940	3,004	1,990	1,756	14,149	77	1,314	-	2,790	11,795	434	34,943	25,288	1,612	-	-	2,212	340	17	-	-	-	-	-	111,661
346	Accrued liabilities - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
347	Interprogram (due to)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
348	Loan liability - current	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
310	Total current liabilities	-	75,147	74,523	70,363	101,307	130,728	49,928	46,157	82,452	56,695	19,640	6,141	62,123	36,889	5,526	3,931	2,032	4,270	33,553	83,999	-	191,497	191,496	-	1,328,397	
<b>NONCURRENT LIABILITIES</b>																											
351	Capital projects / mortgage revenue bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,416,387	3,416,388	-	6,832,775
352	Long-term debt, net of current - operating borrowings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
353	Noncurrent liabilities - other	-	3,459	13,158	3,325	11,644	20,221	-	24,172	-	2,283	10,449	10,155	30,716	8,361	22,181	15,779	7,153	111	1,981	5,923	-	-	-	-	-	191,071
354	Accrued compensated absences - noncurrent	-	4,820	2,770	3,045	4,494	6,125	3,322	1,923	5,177	4,634	55	296	1,233	592	197	197	148	98	3,086	409	-	-	-	-	-	42,621
357	Accrued pension and OPEB liability	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
350	Total noncurrent liabilities	-	8,279	15,928	6,370	16,138	26,346	3,322	26,095	5,177	6,917	10,504	10,451	31,949	8,953	22,378	15,976	7,301	209	5,067	6,332	-	3,416,387	3,416,388	-	7,066,467	
300	Total liabilities	-	83,426	90,451	76,733	117,445	157,074	53,250	72,252	87,629	63,612	30,144	16,592	94,072	45,842	27,904	19,907	9,333	4,479	38,620	90,331	-	3,607,884	3,607,884	-	8,394,864	
<b>EQUITY</b>																											
508.4	Net investment in capital assets	1,757,457	982,444	935,576	800,856	1,541,001	493,860	253,709	551,582	2,420,025	1,338,805	943,816	501,473	2,395,247	1,305,191	352,477	464,216	409,526	196,815	345,320	1,225,357	-	(231,890)	(231,890)	-	18,750,973	
511.4	Restricted net position	3,558,209	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	301,095	301,095	-	-	4,160,399
512.4	Unrestricted net position	1,771,398	257,457	350,844	242,654	441,126	387,077	246,111	187,703	212,324	186,697	83,918	102,220	121,019	38,717	11,688	12,449	13,622	12,802	149,162	402,820	-	(37,047)	(37,047)	6,728,583	11,886,297	
513	Total equity/net position	7,087,064	1,239,901	1,286,420	1,043,510	1,982,127	880,937	499,820	739,285	2,632,349	1,525,502	1,027,734	603,693	2,516,266	1,343,908	364,165	476,665	423,148	209,617	494,482	1,628,177	-	32,158	32,158	6,728,583	34,797,669	
600	<b>TOTAL LIABILITIES AND EQUITY/ NET POSITION</b>	<b>\$ 7,087,064</b>	<b>\$ 1,323,327</b>	<b>\$ 1,376,871</b>	<b>\$ 1,120,243</b>	<b>\$ 2,099,572</b>	<b>\$ 1,038,011</b>	<b>\$ 553,070</b>	<b>\$ 811,537</b>	<b>\$ 2,719,978</b>	<b>\$ 1,589,114</b>	<b>\$ 1,057,878</b>	<b>\$ 620,285</b>	<b>\$ 2,610,338</b>	<b>\$ 1,389,750</b>	<b>\$ 392,069</b>	<b>\$ 496,572</b>	<b>\$ 432,481</b>	<b>\$ 214,096</b>	<b>\$ 533,102</b>	<b>\$ 1,718,508</b>	<b>\$ -</b>	<b>\$ 3,640,042</b>	<b>\$ 3,640,042</b>	<b>\$ 6,728,583</b>	<b>\$ 43,192,533</b>	

# HUNTSVILLE HOUSING AUTHORITY

## PROJECT REVENUE AND EXPENSE SUMMARY

### YEAR ENDED MARCH 31, 2016

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	AMP 061	AMP 062	OTHER PROJ	Project Totals	
<b>REVENUE</b>																											
70300	Net tenant rental revenue	\$ -	\$ 65,638	\$ 40,397	\$ 47,795	\$ 270,528	\$ 279,854	\$ 333,180	\$ 121,142	\$ 273,073	\$ -	\$ 33,272	\$ 16,343	\$ 83,554	\$ 34,139	\$ 13,096	\$ 12,664	\$ 11,032	\$ 9,803	\$ 102,510	\$ 169,867	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,917,887
70400	Tenant revenue - other	-	3,870	5,140	3,560	8,330	6,990	2,250	3,560	2,360	2,810	1,880	1,220	4,610	1,900	1,010	280	610	250	1,650	7,530	-	-	-	-	-	59,810
70500	Total tenant revenue	-	69,508	45,537	51,355	278,858	286,844	335,430	124,702	275,433	2,810	35,152	17,563	88,164	36,039	14,106	12,944	11,642	10,053	104,160	177,397	-	-	-	-	-	1,977,697
70600	HUD PHA operating grants	-	549,081	875,170	667,465	918,093	792,276	332,599	376,727	313,967	505,840	95,310	45,698	215,887	53,556	19,437	16,034	25,223	13,341	235,250	829,250	112,638	227,361	228,645	-	7,449,148	
70610	Capital grants	-	-	-	-	22,500	206,998	4,587	391,710	-	-	-	8,676	-	-	-	-	-	-	-	-	-	-	-	-	-	634,471
70700	Total fee revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
70800	Other governmental grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
71100	Investment income - unrestricted	699	1,873	3,381	2,682	3,719	3,383	2,117	2,075	2,032	1,974	1,088	702	1,027	448	382	346	291	579	883	3,752	-	-	-	-	-	33,433
71200	Mortgage interest income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
71300	Proceeds from disposition of assets held for sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
71310	Cost of sales of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
71400	Fraud recovery	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
71500	Other revenue	105,848	11,890	21,691	6,854	5,547	20,405	7,441	1,784	3,903	3,867	13,627	1,525	10,601	3,378	634	153	138	174	1,408	9,608	-	1	1	-	-	230,478
71600	Gain or loss on the sale of fixed assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
72000	Investment income - restricted	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	84
70000	Total revenue	106,547	632,352	945,779	728,356	1,206,217	1,125,408	884,585	509,875	987,045	514,491	145,177	65,488	324,355	93,421	34,559	29,477	37,594	24,147	341,701	1,020,007	112,638	227,404	228,688	-	10,325,311	
<b>EXPENSES</b>																											
<b>Administrative:</b>																											
91100	Administrative salaries	-	53,363	88,277	59,377	85,626	76,866	38,791	46,829	32,547	47,967	10,880	7,368	30,775	14,374	4,681	4,630	3,457	1,431	23,394	81,559	-	-	-	-	-	712,352
91200	Auditing fees	-	1,346	1,877	1,516	2,534	2,389	1,346	872	1,137	1,251	285	133	568	266	95	95	45	69	815	2,198	-	-	-	-	-	18,837
91300	Management fee	-	95,223	130,774	106,296	187,586	169,509	95,717	62,334	79,938	87,416	20,868	9,577	39,476	19,209	6,422	6,422	4,816	3,210	57,227	154,568	-	-	-	-	-	1,336,988
91310	Bookkeeping fee	-	10,650	14,602	11,888	21,008	18,990	10,717	6,982	8,955	9,780	2,340	1,073	4,410	2,152	720	720	540	360	6,458	17,302	-	-	-	-	-	149,647
91400	Advertising and marketing	-	349	1,746	389	1,276	1,036	417	521	348	320	845	35	380	69	23	23	17	11	250	848	-	-	-	-	-	9,903
91500	Employee benefit contributions - administrative	-	21,861	38,780	24,213	38,719	34,623	18,478	17,151	15,508	19,690	3,969	2,743	11,327	5,269	1,686	1,682	1,238	380	11,092	29,710	-	-	-	-	-	298,119
91600	Office expenses	-	17,498	25,969	13,650	27,559	21,707	31,587	12,698	24,714	11,778	2,286	1,640	9,256	2,320	623	578	462	271	6,194	21,305	-	-	-	-	-	232,095
91700	Legal expense	-	797	5,710	1,238	4,092	5,619	556	7,722	3,474	5,601	314	-	737	-	-	-	-	97	7,744	-	-	-	-	-	-	65,646
91800	Travel	-	1,428	5,855	1,855	4,115	3,865	2,552	1,276	2,120	1,604	564	135	564	271	91	91	68	45	1,302	4,469	-	-	-	-	-	32,069
91810	Allocated overhead	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
91900	Other	14	2,491	17,202	3,409	4,436	3,885	7,328	1,943	17,795	6,301	1,425	477	339	5,817	799	699	580	1,211	773	8,209	-	-	-	-	-	85,133
	Total administrative	21,959	205,036	330,792	223,831	377,151	338,229	207,489	158,327	186,536	191,708	43,776	23,181	97,832	49,747	15,140	14,940	11,223	6,988	107,992	327,912	-	-	-	-	-	2,939,789
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	960	720	480	8,640	23,280	-	-	-	-	-	201,480
<b>Tenant services:</b>																											
92100	Salaries	-	12,489	17,277	13,944	24,442	22,060	12,489	8,127	10,411	11,448	2,714	1,250	5,213	2,496	836	840	607	261	7,490	20,180	-	-	-	-	-	174,574
92200	Relocation costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
92300	Employee benefit contributions	-	4,588	6,347	5,122	8,980	8,102	4,588	2,985	3,825	4,205	995	457	1,913	917	308	307	230	117	2,754	7,410	-	-	-	-	-	64,150
92400	Other	-	4,360	4,439	3,513	8,734	4,911	5,054	2,471	3,754	2,229	1,064	99	1,516	199	66	67	50	33	743	6,389	-	-	-	-	-	65,480
	Total tenant services	-	21,437	28,063	22,679	42,156	36,073	22,131	13,583	17,890	17,882	4,773	1,806	8,642	3,612	1,210	1,214	887	411	17,676	33,979	-	-	-	-	-	295,204
<b>Utilities:</b>																											
93100	Water	-	33,715	47,295	38,019	61,204	41,872	19,876	23,616	17,520	1,131	145	2,398	10,743	4,009	20	4	-	842	21,094	49,173	-	-	-	-	-	372,876
93200	Electricity	-	15,239	36,827	19,181	14,075	12,868	110,166	10,660	100,394	6,639	687	263	5,848	304	76	6	-	-	5,074	8,574	-	-	-	-	-	346,901
93300	Gas	-	1,523	5,910	2,085	2,920	1,850	12,687	-	236	681	9	-	116	-	-	-	-	-	167	1,088	-	-	-	-	-	28,272
93400	Fuel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
93600	Sewer	-	64,805	82,305	72,927	95,944	68,037	16,886	47,598	16,215	951	108	4,739	14,136	5,446	7	1	-	1,149	41,574	86,177	-	-	-	-	-	619,005
93800	Other utilities expense	-	2,759	6,025	3,241	4,535	2,594	11,868	1,571	11,088	1,696	213	3,395	4,593	943	3	1	-	1,064	1,370	3,198	-	-	-	-	-	68,557
	Total utilities	-	118,041	178,362	135,453	176,678	126,151	171,483	83,445	145,453	11,098	1,162	10,795	35,436	19,192	106	12	-	3,055	69,279	148,210	-	-	-	-	-	1,435,411
<b>Ordinary maintenance &amp; operations:</b>																											
94100	Labor	-	110,152	136,802	132,307	165,506	154,500	65,027	82,719	87,096	99,222	998	811	59,325	1,179	527	123	68	71	52,363	130,403	-	-	-	-	-	1,279,219
94200	Materials and other	-	101,753	96,556	45,670	102,849	126,533	71,313	60,038	29,845	33,343	20,982	17,747	54,495	15,315	5,310	4,389	6,175	33	14,964	110,573	-	-	-	-	-	917,783
94300	Contracts	-	44,766	69,849	49,997	98,846	97,931	26,277	33,009	21,122	38,491	4,359	3,771	13,461	15,706	5,240	5,126	11,334	1,264	29,363	81,049	-	-	-	-	-	650,961
94500	Employee benefits contribution	-	44,917	60,410	59,520	69,813	66,554	40,723	27,897	45,198	61,626	72	58	34,414	83	37	9	5	5	18,038	65,603	-	-	-	-	-	594,982
	Total ordinary maintenance & operations	-	301,588	363,617	287,394	437,034	445,518	203,340	203,663	183,261	232,682																

# HUNTSVILLE HOUSING AUTHORITY PROJECT REVENUE AND EXPENSE SUMMARY YEAR ENDED MARCH 31, 2016

Line	Accounts Description	AMP 001	AMP 002	AMP 003	AMP 004	AMP 006	AMP 007	AMP 008	AMP 010	AMP 011	AMP 014	AMP 016	AMP 018	AMP 019	AMP 020	AMP 021	AMP 022	AMP 023	AMP 024	AMP 051	AMP 052	AMP 060	AMP 061	AMP 062	OTHER PROJ	Project Totals		
Protective services:																												
95100	Labor	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 46,634	\$ -	\$ 49,155	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 95,789	
95200	Other contract costs	-	9,587	13,270	10,711	18,781	16,940	-	6,218	-	8,789	2,061	961	3,995	1,922	648	648	-	-	5,795	15,504	-	-	-	-	-	115,790	
95300	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
95500	Employee benefit contributions	-	-	-	-	-	-	18,644	-	-	-	19,939	-	-	-	-	-	-	-	-	-	-	-	-	-	-	38,583	
	Total protective services	-	9,587	13,270	10,711	18,781	16,940	65,278	6,218	69,094	8,789	2,061	961	3,995	1,922	648	648	-	-	5,795	15,504	-	-	-	-	-	250,162	
96100	Total insurance premiums	-	32,606	33,133	24,645	43,671	34,085	18,029	28,649	12,404	50,012	5,724	5,632	17,944	4,878	1,560	1,604	1,457	1,117	84,593	57,536	-	-	-	-	-	459,279	
General expenses:																												
96200	Other general expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	303,596	
96210	Compensated absences	-	5,105	3,122	1,078	870	2,141	1,334	280	1,694	11,869	48	921	266	145	145	109	445	1,438	-	-	-	112,638	94,837	96,121	-	31,010	
96300	Payments in lieu of taxes	-	-	-	-	4,776	7,271	8,105	1,785	6,495	-	1,688	337	2,514	869	660	667	601	361	1,676	993	-	-	-	-	-	-	38,798
96400	Bad debt - tenant rents	-	9,587	12,108	6,095	92	17,741	8,718	3,592	6,717	4,897	671	209	3,724	45	1,236	-	-	-	3,242	8,283	-	-	-	-	-	86,957	
96000	Total general expenses	-	14,692	15,230	7,173	5,738	27,153	18,157	5,657	14,906	16,766	2,359	594	7,159	1,180	2,941	812	710	806	6,356	9,276	-	-	112,638	94,837	96,121	-	460,361
96700	Total interest expense and amortization cost	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	100,409	100,409	-	200,818
96900	Total operating expenses	21,959	717,387	982,387	727,966	1,131,409	1,048,589	720,307	508,902	641,644	542,137	89,386	66,796	338,703	115,694	32,779	29,837	32,579	14,230	415,019	1,003,325	112,638	195,246	196,530	-	-	9,685,449	
97000	Excess of operating revenue over operating expenses	84,588	(85,035)	(36,608)	390	74,808	76,819	164,278	973	345,401	(27,646)	55,791	(1,308)	(14,348)	(22,273)	1,780	(360)	5,015	9,917	(73,318)	16,682	-	32,158	32,158	-	-	639,862	
97100	Extraordinary maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
97200	Casualty losses - non capitalized	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
97300	Housing assistance payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
97400	Depreciation expense	-	140,796	100,145	91,132	305,539	473,162	14,202	81,845	74,289	202,367	39,672	29,372	107,575	85,387	22,477	24,663	14,892	5,245	45,295	157,398	-	-	-	-	-	2,015,453	
90000	Total expenses	21,959	858,183	1,082,532	819,098	1,436,948	1,521,751	734,509	690,747	715,933	744,504	129,058	96,168	446,278	201,081	55,256	54,500	47,471	19,475	460,314	1,160,723	112,638	195,246	196,530	-	-	11,700,902	
Other financing sources (uses):																												
10010	Operating transfer in	-	23,793	3,870	27,076	1,712	1,483	54,459	32,315	54,233	496	13,051	5	74,420	11	5,439	4	6,380	6,378	562	29,049	-	227,361	228,645	-	-	790,742	
10020	Operating transfer out	-	(23,793)	(3,870)	(27,076)	(1,712)	(1,483)	(54,459)	(32,315)	(54,233)	(496)	(13,051)	(5)	(74,420)	(11)	(5,439)	(4)	(6,380)	(6,378)	(562)	(29,049)	-	(227,361)	(228,645)	-	-	(790,742)	
10040	Operating transfers to/from component unit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
10070	Extraordinary items, net gain / loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
10091	Inter project excess cash transfer in	-	95,000	66,663	20,000	-	-	31,661	20,000	25,905	-	-	-	15,000	20,000	-	-	-	-	11	75,257	-	-	-	-	-	369,497	
10092	Inter project excess cash transfer out	(35,000)	(113)	(396)	(1,110)	-	(956)	-	(134)	-	(2,195)	(80,677)	(10,247)	(201)	(449)	(17,098)	(13,104)	(18,066)	(46,000)	-	(143,751)	-	-	-	-	-	(369,497)	
10100	Total other financing sources (uses)	(35,000)	94,887	66,267	18,890	-	(956)	31,661	19,866	25,905	(2,195)	(80,677)	(10,247)	14,799	19,551	(17,098)	(13,104)	(18,066)	(45,989)	75,257	(143,751)	-	-	-	-	-	-	
10000	EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENSES	\$ 49,588	\$ (130,944)	\$ (70,486)	\$ (71,852)	\$ (230,731)	\$ (397,299)	\$ 181,737	\$ (61,006)	\$ 297,017	\$ (232,208)	\$ (64,558)	\$ (40,927)	\$ (107,124)	\$ (88,109)	\$ (37,795)	\$ (38,127)	\$ (27,943)	\$ (41,317)	\$ (43,356)	\$ (284,467)	\$ -	\$ 32,158	\$ 32,158	\$ -	\$ -	\$ (1,375,591)	
Memo Account Information																												
11020	Required annual debt principal payments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 138,326	
11030	Beginning equity	7,037,476	1,370,845	1,356,906	1,115,362	2,212,858	1,278,236	318,083	800,291	2,335,332	1,757,710	1,092,292	644,620	2,623,390	1,432,017	401,960	514,792	451,091	250,934	537,838	1,912,644	-	-	-	-	6,728,583	36,173,260	
11040	Prior period adjustments, equity transfers & correction	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11170	Administrative fee equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11180	Housing assistance payments equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11190	Unit months available	-	1,416	1,978	1,608	2,784	2,544	1,428	936	1,200	1,271	311	144	588	288	96	96	72	48	852	2,316	576	200	200	-	-	20,952	
11210	Unit months leased	-	1,396	1,533	1,585	2,765	2,532	1,417	931	1,194	1,255	311	143	588	287	96	96	72	48	849	2,295	561	186	198	-	-	20,738	
11270	Excess cash	87,516	194,091	270,033	182,838	349,027	303,724	188,026	146,267	162,782	143,944	76,539	95,621	92,738	29,727	9,174	10,181	11,070	11,724	78,898	286,441	-	(113,479)	(113,479)	-	-	2,503,403	
11610	Land purchases	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11620	Building purchases	-	-	-	-	-	22,500	206,998	4,587	378,222	-	-	8,676	-	-	-	-	-	-	-	-	-	-	-	-	-	620,983	
11630	Furniture & equipment - dwelling purchases	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11640	Furniture & equipment - administrative purchases	-	-	13,849	-	-	-	-	-	20,637	-	-	-	-	2,430	1,250	-	-	-	-	-	-	-	-	-	-	38,166	
13510	CFFP debt service payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
13901	Replacement Housing Factor funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

**HUNTSVILLE HOUSING AUTHORITY  
 STATEMENT AND CERTIFICATION OF PROGRAM COSTS – CAPITAL FUND PROGRAM  
 MARCH 31, 2016**

<b>2013 Capital Fund Program Grant</b>	<b><u>AL09P047501-13</u></b>
Funds Approved	\$ 2,225,374
Funds Expended	<u>2,225,374</u>
Excess of Funds Approved	<u>\$ -</u>
Funds Advanced	\$ 2,225,374
Funds Expended	<u>2,225,374</u>
Excess of Funds Advanced	<u>\$ -</u>

**HUNTSVILLE HOUSING AUTHORITY  
SCHEDULE OF CLOSED GRANTS  
MARCH 31, 2016**

<b>2007 ROSS Grant</b>	<b><u>AL047REF099A007</u></b>
Funds Approved	\$ 350,000
Funds Expended	<u>350,000</u>
Excess of Funds Approved	<u>\$ -</u>
Funds Advanced	\$ 350,000
Funds Expended	<u>350,000</u>
Excess of Funds Advanced	<u>\$ -</u>
<b>2008 ROSS GRANT</b>	<b><u>AL047RPS040A008</u></b>
Funds Approved	\$ 462,000
Funds Expended	<u>462,000</u>
Excess of Funds Approved	<u>\$ -</u>
Funds Advanced	\$ 462,000
Funds Expended	<u>462,000</u>
Excess of Funds Advanced	<u>\$ -</u>

## **SINGLE AUDIT REPORTS**



## CliftonLarsonAllen

### **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  
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 business-type activities and the discretely presented component units of the Huntsville Housing Authority (the Authority), which comprise the statement of net position as of March 31, 2016, 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 August 10, 2016. The audits of all of the discretely presented component units were not performed in accordance with *Government Auditing Standards*.

#### **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  
August 10, 2016





**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR  
FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Board of Commissioners  
Huntsville Housing Authority  
Huntsville, Alabama

**Report on Compliance for the Major Federal Program**

We have audited the Huntsville Housing Authority's (the Authority) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Authority's major federal program for the year ended March 31, 2016. 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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for 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 the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about 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 the 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, 2016.

### **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 for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



**CliftonLarsonAllen LLP**

Baltimore, Maryland  
August 10, 2016

**HUNTSVILLE HOUSING AUTHORITY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED MARCH 31, 2016**

Federal Grantor/Pass through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
<b>Department of Housing and Urban Development Direct Programs</b>				
Continuum of Care	14.267	-	\$ 254,957	\$ 308,779
Public and Indian Housing	14.850	-	-	6,390,774
Resident Opportunity and Supportive Services	14.870	-	-	72,802
Section 8 Housing Choice Vouchers	14.871	-	-	9,464,769
Public Housing Capital Fund Program	14.872	-	-	1,692,845
PIH Family Self-Sufficiency Program	14.896	-	-	188,058
			<u>\$ 254,957</u>	<u>\$ 18,118,027</u>
Total Expenditures of Federal Awards			<u>\$ 254,957</u>	<u>\$ 18,118,027</u>

See accompanying notes.

**HUNTSVILLE HOUSING AUTHORITY**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**MARCH 31, 2016**

**NOTE 1 BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Huntsville Housing Authority (the Authority) under programs of the federal government for the year ended March 31, 2016. The information in this Schedule is presented in accordance with the requirements of 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Authority.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through, entity identifying numbers are presented where available.

**NOTE 3 SUBRECIPIENTS**

Of the federal expenditures presented in the accompanying schedule, the Authority provided federal awards to a subrecipient (Huntsville-Madison County Mental Health Board, Inc.) in the amount of \$254,957 under the Continuum of Care program (CFDA #14.267) for the year ended March 31, 2016.

**NOTE 4 NON-CASH FEDERAL ASSISTANCE**

The Authority did not receive any non-cash Federal assistance for the year ended March 31, 2016.

**HUNTSVILLE HOUSING AUTHORITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED MARCH 31, 2016**

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**Section I – Summary of Auditors’ Results**

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***Financial Statements***

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? \_\_\_\_\_ yes        X   no
  - Significant deficiency(ies) identified? \_\_\_\_\_ yes        X   none reported
3. Noncompliance material to financial statements noted? \_\_\_\_\_ yes        X   no

***Federal Awards***

1. Internal control over major federal programs:
- Material weakness(es) identified? \_\_\_\_\_ yes        X   no
  - Significant deficiency(ies) identified? \_\_\_\_\_ yes        X   none reported
2. Type of auditors’ report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? \_\_\_\_\_ yes        X   no

***Identification of Major Federal Programs***

<b>CFDA Number(s)</b>	<b>Name of Federal Program or Cluster</b>
14.871	Section 8 Housing Choice Vouchers
Dollar threshold used to distinguish between Type A and Type B programs:	\$ <u>  750,000  </u>
Auditee qualified as low-risk auditee?	<u>  X  </u> yes      _____ no

**HUNTSVILLE HOUSING AUTHORITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED MARCH 31, 2016**

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**Section II – Financial Statement Findings**

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Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

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**Section III – Findings and Questioned Costs – Major Federal Programs**

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Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).

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**Section IV – Prior Year Findings**

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There were no findings in the prior year that were required to be reported.