

AUDIT REPORT
AND
SUPPLEMENTAL DATA FOR
HOUSING AUTHORITY OF THE CITY OF COMMERCE
COMMERCE, OKLAHOMA

JUNE 30, 2016

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HOUSING AUTHORITY OF THE CITY OF COMMERCE
COMMERCE, OKLAHOMA
JUNE 30, 2016

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Housing Authority of the City of Commerce
Commerce, Oklahoma

Report on the Financial Statements

We have audited the accompanying financial statements of the Housing Authority of the City of Commerce, as of and for the fiscal year ended June 30, 2016, 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 the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and in accordance with Oklahoma Statutes. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Housing Authority of the City of Commerce, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Housing Authority of the City of Commerce's basic financial statements. The accompanying Financial Data Schedule and Other Supplementary Information as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Housing Authority of the City of Commerce.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been

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subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the 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 January 11, 2017, on our consideration of the Housing Authority of the City of Commerce's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in compliance with *Government Auditing Standards* in considering Housing Authority of the City of Commerce's internal control over financial reporting and compliance.

Kershaw CPA & Associates, P.C.
Kershaw CPA & Associates, PC

January 11, 2017

Housing Authority of the City of Commerce Commerce, OK

Management's Discussion and Analysis June 30, 2016 (Unaudited)

Management's Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their *Statement No. 34 Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* issued June 1999.

Our discussion and analysis of the financial performance for the Housing Authority of the City of Commerce provides an overview of the financial activities for the fiscal year ended June 30, 2016. Please read the MD&A in conjunction with the Housing Authority's financial statements.

Financial Highlights

- **Assets:**
As of June 30, 2016, total assets were \$439,395 as compared to \$475,056, as of June 30, 2015, a decrease of \$35,661. Current assets decreased \$15,076 and capital assets decreased \$20,585.
- **Liabilities:**
Total liabilities increased \$474 from \$9,401 in 2015 to \$9,875 in 2016. All of the Authority's liabilities were current liabilities which will become due and payable during the 2017 fiscal year.
- **Revenues:**
In 2016, total revenue decreased \$35,285, as compared to 2015, due to decreases in Federal Grants and Subsidy revenue.
- **Expenses:**
Total expenses increased \$27,534 due to increases in routine maintenance, general, depreciation, utility and administrative expenses.

Overview of the Financial Statements

This annual report includes this Management Discussion and Analysis report, the Basic Financial Statements, the Notes to the Financial Statements and the Financial Data Schedule (FDS) (as referenced in the section of Supplemental Information Required by HUD). The financial statements are presented as fund level financial statements because the Housing Authority only has proprietary funds.

Housing Authority of the City of Commerce
Management's Discussion and Analysis
June 30, 2016 (Unaudited)

The financial statements report information using accounting methods similar to those used by private sector companies. These statements offer short-term and long-term financial information about the Housing Authority's activities. The Statement of Net Position includes assets and liabilities plus provides information about the nature and amounts of investments in resources (assets) and obligations to the Housing Authority's creditors (liabilities). It also provides the basis for evaluating the capital structure to include assessing liquidity and financial flexibility.

For accounting purposes, the Housing Authority is classified as an enterprise fund. Enterprise funds account for activities similar to those found in the private business sector where the determination of net income is necessary or useful to sound financial administration. Enterprise funds are reported using the full accrual method of accounting in which all assets and all liabilities associated with the operation of these funds are included on the balance sheet. The focus of enterprise funds is on income measurement which, together with the maintenance of equity, is an important financial indicator.

All of the current year's revenues and expenses are accounted for in the Statement of Revenues, Expenses, and Changes in Fund Net Position. This statement measures the success of operations over the past year and can be used to determine whether the Housing Authority has successfully recovered all its costs through its user fees and other charges, profitability and credit worthiness.

The Statement of Cash Flows reports cash receipts, cash payments, and net changes in cash resulting from operating, investing, and financing activities plus provides answers to such questions as where did cash come from, what was cash used for, and what was the change in the cash balance during the reporting period.

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

The section Supplemental Information Required by HUD contains the Financial Data Schedule (FDS). HUD has established Uniform Financial Reporting Standards that require the Housing Authority to submit financial information electronically to HUD using the FDS format. This financial information has been electronically transmitted to the Real Estate Assessment Center (REAC) for the year-ended June 30, 2016.

Financial Analysis

One of the most important questions asked about the Authority's finances; "Is the Housing Authority as a whole better off, or worse off, as a result of the achievements of the reported fiscal year?" The information presented in this Management's Discussion and Analysis is to assist the reader in answering this question.

The basic financial statements are the Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Fund Net Position. The Statement of Net Position provides a summary of assets and liabilities as of the close of business on June 30, 2016. The Statement of Revenues, Expenses, and Changes in Fund Net Position summarize the revenues, and sources of those revenues, generated and the expenses incurred in operating the Housing Authority for the year ended June 30, 2016.

Commerce Housing Authority has a low rent program that provides housing for qualified tenants and a capital fund program that the Housing Authority uses for improvements to its low rent property. The following analysis focuses on the net position and the change in net position as a whole and not the individual programs.

	Net Position			
	June 30,			
	<u>2016</u>	<u>2015</u>	<u>Change</u>	<u>% of Change</u>
Current Assets	\$ 149,110	\$ 164,186	\$ (15,076)	-9.18%
Capital Assets, Net	<u>290,285</u>	<u>310,870</u>	<u>(20,585)</u>	<u>-6.62%</u>
Total Assets	<u>\$ 439,395</u>	<u>\$ 475,056</u>	<u>\$ (35,661)</u>	<u>-7.51%</u>
Current Liabilities	<u>9,875</u>	<u>9,401</u>	<u>474</u>	<u>5.04%</u>
Total Liabilities	<u>\$ 9,875</u>	<u>\$ 9,401</u>	<u>\$ 474</u>	<u>5.04%</u>
Net Position:				
Investment in Capital Assets	290,285	310,870	(20,585)	-6.62%
Unrestricted Net Position	<u>139,235</u>	<u>154,785</u>	<u>(15,550)</u>	<u>-10.05%</u>
Total Net Position	<u>\$ 429,520</u>	<u>\$ 465,655</u>	<u>\$ (36,135)</u>	<u>-7.76%</u>

Housing Authority of the City of Commerce
Management's Discussion and Analysis
June 30, 2016 (Unaudited)

Assets:

Current assets are resources that are reasonably expected, based on the plans and intentions of the Authority, to be converted into cash or its equivalent during the current operating cycle.

As of June 30, 2016, current assets were \$149,110 as compared to \$164,186, as of June 30, 2015, a decrease of \$15,076. The change consisted of decreases in cash/cash equivalents of \$62,166, inventories of \$3,109, and total receivables (tenant rents) of \$639 with increases in investments of \$50,125 and prepaid expenses (insurance) of \$713.

Liabilities:

Current liabilities are current debts that are owed by the Authority and due within 12 months. It is expected that current liabilities will consume current financial resources to satisfy debt.

As of June 30, 2016, current liabilities were \$9,875 as compared to \$9,401, as of June 30, 2015, an increase of \$474. The change consisted of increases in accrued wage/payroll taxes payable of \$434, payment in lieu of taxes (PILOT) of \$383, accounts (utility) payable of \$206, and unearned revenue (tenant prepaid rents) of \$69 with decreases in tenant security deposits of \$618.

Net Position:

As of June 30, 2016, the Housing Authority had \$429,520 invested in total net position. Of this amount, \$139,235 of unrestricted net position may be used to meet the Authority's future ongoing expenses and obligations. The remainder of \$290,285 represents the investment in capital assets of land, buildings, furnishings, leasehold improvements, equipment, and construction in progress.

Capital Assets				
(Net of Accumulated Depreciation)				
June 30,				
	<u>2016</u>	<u>2015</u>	<u>Change</u>	<u>% of Change</u>
Land	\$ 24,270	\$ 24,270	\$ 0	0.00%
Buildings	1,084,547	1,084,547	0	0.00%
Furniture & Equipment - Dwell	19,709	19,709	0	0.00%
Furniture & Equipment - Admin	24,301	9,551	14,750	154.43%
Leasehold Improvements	<u>357,283</u>	<u>357,283</u>	<u>0</u>	<u>0.00%</u>
Subtotal	1,510,110	1,495,360	14,750	0.99%
Accumulated Depreciation	<u>(1,219,825)</u>	<u>(1,184,490)</u>	<u>(35,335)</u>	<u>2.98%</u>
Net Capital Assets	<u>\$ 290,285</u>	<u>\$ 310,870</u>	<u>\$ (20,585)</u>	<u>-6.62%</u>

Capital Assets:

Capital assets are long-term tangible assets obtained as a result of past transactions, events, or circumstances and include buildings, equipment, and improvements to buildings and land.

Net capital assets decreased \$20,585 due to annual depreciation exceeding capital purchases.

At fiscal year-end, administrative equipment increased \$14,750 due to purchases of computer software and a 2012 Ford F-150 truck.

Debt

The Authority had no long-term obligations such as notes or bonds payable.

	Expendable Fund Balance			% of
	<u>2016</u>	<u>2015</u>	<u>Change</u>	<u>Change</u>
Expendable Fund Balance	\$ <u>137,679</u>	\$ <u>150,120</u>	\$ <u>(12,441)</u>	<u>-8.29%</u>
Number of Months Expendable Fund	<u>11.85</u>	<u>15.56</u>	<u>(3.71)</u>	<u>-23.83%</u>

Expendable Fund Balance:

The expendable fund balance is a measure of the liquidity of the entity. If current assets, less materials inventory, are converted to cash and the Authority pays all current liabilities, the amount of cash remaining is the expendable fund balance. Commerce Housing Authority's expendable fund balance decreased \$12,441 due to decreases in current assets (figures based on 2016 and 2015 FDS information).

Number of Months Expendable Fund Balance:

The number of months in expendable funds is a measure of how many months the Authority could operate under current conditions without any additional income. The number of months in expendable funds is calculated by dividing the total expenses for the year, less depreciation, by twelve (12) to arrive at the average monthly expenses. The expendable fund balance is divided by average monthly expense to arrive at the number of months expendable fund balance. The Authority's number of months expendable fund balance

Housing Authority of the City of Commerce
Management's Discussion and Analysis
June 30, 2016 (Unaudited)

decreased 3.71 months due to decreases in the expendable fund balance and increases in average monthly expense (figures based on 2016 and 2015 FDS information).

Changes in Net Position
For the Year Ended June 30

	<u>2016</u>	<u>2015</u>	<u>Change</u>	<u>% of Change</u>
Revenue:				
Tenant Revenue	\$ 69,979	\$ 62,981	\$ 6,998	11.11%
Federal Grants & Subsidy	67,793	101,948	(34,155)	-33.50%
Investment	359	226	133	58.85%
Other Income	439	7,848	(7,409)	-94.41%
Gain/Loss on Sale of Capital Assets	0	852	(852)	-100.00%
Total Revenue	<u>138,570</u>	<u>173,855</u>	<u>(35,285)</u>	<u>-20.30%</u>
Expenses:				
Administrative	52,689	50,735	1,954	3.85%
Utilities	12,980	10,136	2,844	28.06%
Routine Maintenance	48,004	35,192	12,812	36.41%
Protective Services	0	38	(38)	-100.00%
General	25,697	18,055	7,642	42.33%
Non-Routine	0	1,597	(1,597)	-100.00%
Depreciation	35,335	31,418	3,917	12.47%
Total Operating Expenses	<u>174,705</u>	<u>147,171</u>	<u>27,534</u>	<u>18.71%</u>
Increase (Decrease) in Net Position	<u>\$ (36,135)</u>	<u>\$ 26,684</u>	<u>\$ (62,819)</u>	<u>-235.42%</u>

Revenues:

The Authority has two basic sources of revenues. Rents and other tenant charges and funds received from the Department of Housing and Urban Development (HUD) in the form of operating subsidies and capital improvement grants.

Tenant revenue increased \$6,998 due to increases in tenant rent revenue of \$2,518 and other tenant revenue (tenant charges and collection losses) of \$4,480.

HUD revenue will often vary from year to year since it is dependent on the federal budget (operating subsidy) and availability and/or use of grant revenues. In 2016, Commerce Housing Authority's operating grants decreased \$34,155 from \$101,948 in 2015 to \$67,793. Capital Grant revenue gets

Housing Authority of the City of Commerce
Management's Discussion and Analysis
June 30, 2016 (Unaudited)

recognized as funds are expended. The Authority expended more Capital Grant revenue in 2016 than in 2015.

Investment income increase \$133 while other income decreased \$7,409 (due to restitution income and surety bond claims received in 2015).

Expenses:

Administrative expenses increased \$1,954 due to increases in operating expenses.

Utilities increased \$2,844 due to increases in water of \$2,019, sewer of \$1,284, and electricity of \$456 with decreases in natural gas of \$915. In general, utility increases and/or decreases are due mainly to rate changes, changes in consumption, and/or unseasonal weather.

Routine maintenance expense increased \$12,812 from \$35,192 in 2015 to \$48,004 in 2016. Material expenses increased \$9,313 and maintenance contract costs increased \$3,158 due to more general upkeep and maintenance repairs. Labor increased \$166 and employee benefits increased \$175.

Protective services expense decreased \$38 which had minimal effects on Commerce Housing Authority's 2016 financial statements.

General expenses increased \$7,642 from \$18,055 in 2015 to \$25,697 in 2016. Tenant bad-debt expense increased \$4,005 because more rents were deemed to be uncollectible. Total insurance premiums increased \$1,729 due mainly to increases in property premiums. Other general expense (local taxes) was \$1,525 and payment in lieu of taxes increased \$383.

Non-routine expense decreased \$1,597 due to extraordinary repairs reported in 2015; as compared to no repairs in 2016.

Depreciation expense increased \$3,917, from \$31,418 to \$35,335, due to assets place in service.

Economic Factors

The Housing Authority is primarily dependent upon HUD for the funding of operations. The entity is affected by both federal budgetary decisions and by local economic conditions.

Contacting the Housing Authority's Financial Management

Our financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the Housing Authority's finances and to show accountability for the money it receives. If you have questions about this report or wish to request additional financial information contact Mr. J. Mark McDowell, Executive Director, Housing Authority of the City of Commerce, 610 D Street, Commerce, OK, 74339, telephone number (918) 675-4748.

HOUSING AUTHORITY OF THE CITY OF COMMERCE
 COMMERCE, OKLAHOMA
 STATEMENT OF NET POSITION
 JUNE 30, 2016

	2016
<u>ASSETS</u>	
<u>Current Assets:</u>	
Cash - Unrestricted	\$ 89,427
Cash - Tenant Security Deposits	2,882
Investments - Unrestricted	50,125
Accounts Receivable:	
Tenants, Net of Allowance for Doubtful Accounts	400
Prepaid Expenses	4,662
Inventory, Net of Allowance for Obsolete	1,556
Other Receivables	58
Total Current Assets	149,110
<u>Noncurrent Assets:</u>	
Capital Assets, Net of Depreciation	290,285
Total Noncurrent Assets	290,285
TOTAL ASSETS	\$ 439,395
<u>LIABILITIES & NET POSITION</u>	
<u>Current Liabilities:</u>	
Accounts Payable	\$ 3,250
Tenant Security Deposits	2,882
PILOT Liability	3,499
Accounts Payable - HUD	-
Prepaid Tenant Rents	244
Employee Withholding	-
Total Current Liabilities	9,875
<u>Noncurrent Liabilities:</u>	
Accrued Compensated Absences - Long-Term	-
Total Noncurrent Liabilities	-
TOTAL LIABILITIES	9,875
<u>NET POSITION</u>	
Net investment in capital assets	290,285
Restricted for debt service	-
Unrestricted	139,235
TOTAL NET POSITION	429,520
TOTAL LIABILITIES AND NET POSITION	\$ 439,395

See Accountant's Audit Report & Notes Which Accompany These Financial Statements

**HOUSING AUTHORITY OF THE CITY OF COMMERCE
COMMERCE, OKLAHOMA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN TOTAL NET POSITION
FOR THE TWELVE MONTHS ENDED JUNE 30, 2016**

	2016
<u>OPERATING REVENUE:</u>	
Dwelling Rental	\$ 69,979
HUD Operating Subsidies	67,793
Capital Grants	-
Other Income	439
Total Operating Revenue	138,211
<u>OPERATING EXPENSES:</u>	
Administration	52,689
Tenant Services	-
Utilities	12,980
Ordinary Maintenance	48,004
Protective Services	-
Insurance	16,668
General	9,029
Extraordinary Maintenance	-
Other Expenses	-
Depreciation	35,335
Total Operating Expenses	174,705
NET OPERATING INCOME (LOSS)	(36,494)
<u>NON-OPERATING REVENUES (EXPENSES):</u>	
Interest Income	359
Interest Expense	-
Gain (Loss) on Sale of Assets	-
NET NON-OPERATING REVENUES (EXPENSES)	359
CHANGE IN NET POSITION	(36,135)
TOTAL NET POSITION, BEGINNING OF YEAR	465,655
PRIOR YEAR ADJUSTMENTS	-
TOTAL NET POSITION, END OF YEAR	\$ 429,520

See Accountant's Audit Report & Notes Which Accompany These Financial Statements

HOUSING AUTHORITY OF THE CITY OF COMMERCE
 COMMERCE, OKLAHOMA
 STATEMENT OF CASH FLOWS
 FOR THE TWELVE MONTHS ENDED JUNE 30, 2016

	2016
<u>Cash Flows from Operating Activities:</u>	
Cash From Dwelling Rentals	\$ 70,687
Cash From HUD and Other Sources	68,232
Cash Payments for Laborers and Suppliers	(136,569)
Net Cash Provided (Used) by Operating Activities	2,350
<u>Cash Flows from Capital & Related Financing Activities:</u>	
Additions to Capital Assets	(14,750)
Proceeds from sale of Capital Assets	-
Principal Payments on Long-Term Debt	-
Interest Paid On Long-Term Debt	-
Net Cash Provided (Used) by Capital & Related Financing Activities	(14,750)
<u>Cash Flows from Investing Activities:</u>	
(Increase)Decrease in Investments	-
Interest Income	359
Net Cash Provided (Used) by Investing Activities	359
Net Increase (Decrease) in Cash and Cash Equivalents	(12,041)
Cash & Cash Equivalents, Beginning of Year	154,475
Cash & Cash Equivalents, Prior Year Adjustment	-
Cash & Cash Equivalents, End of Year	\$ 142,434
<u>Reconciliation of operating income (loss) to net cash provided</u>	
<u>operating activities:</u>	
Net Operating Income (Loss)	\$ (36,494)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities	
Depreciation	35,335
(Increase)Decrease in Receivables	639
(Increase)Decrease in Prepaid Expenses	(713)
(Increase)Decrease in Inventory	3,109
Increase(Decrease) in Accounts Payable	640
Increase(Decrease) in Tenant Security Deposits	(618)
Increase(Decrease) in Prepaid Rents	69
Increase(Decrease) in Other Liabilities	383
Net Cash Provided (Used) by Operating Activities	\$ 2,350

See Accountant's Audit Report & Notes Which Accompany These Financial Statements

HOUSING AUTHORITY OF THE CITY OF COMMERCE
COMMERCE, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization - The Housing Authority of the City of Commerce, Oklahoma is a non-profit governmental organization which was organized under the laws of the State of Oklahoma to provide housing for qualified individuals in accordance with the rules and regulations prescribed by HUD.

Reporting Entity - The PHA's financial statements include all of the Housing Authority's operations. The criteria for including organizations as component units within the PHA's reporting entity include whether:

1. The organization is legally separate (can be sued in their own name).
2. The PHA holds the corporate powers of the organization.
3. The PHA appoints a voting majority of the organizations board.
4. The organization has the potential to impose a financial benefit/burden on the PHA.
5. There is fiscal dependency by the organization on the PHA.

Based on these criteria, the PHA has no component units.

Basis of Accounting - The PHA uses fund accounting and all funds are of the proprietary fund type. Proprietary funds use the economic resources measurement focus. The accounting objectives are determination of net income, financial position, and cash flows. All assets and liabilities associated with a proprietary fund's activities are included on the statement of net assets. Proprietary fund net assets are segregated into Invested in Capital Assets, Net of Related Debt, Restricted for Debt Services and Unrestricted.

The financial statements of the Housing Authority are prepared in accordance with generally accepted accounting principles (GAAP). The Housing Authority's reporting entity applies to all relevant *Governmental Accounting Standards Board (GASB)* pronouncements. Proprietary funds and similar component units apply to *Financial Accounting Standards Board (FASB)* pronouncements and *Accounting Principles Board (APB)* opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict *GASB* pronouncements, in which case, *GASB* prevails.

Basis of Presentation - The financial statements of the Housing Authority have been prepared using the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned and expenses are recorded when the liability is incurred. The financial statements of this audit report were prepared using the following fund types:

Proprietary Fund Types:

Enterprise Funds - Enterprise funds are used to account for the acquisition, operation, and maintenance of the Housing Authority,

HOUSING AUTHORITY OF THE CITY OF COMMERCE
 COMMERCE, OKLAHOMA
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2016

which are financed primarily by tenant rents. The Housing Authority used an enterprise fund to account for all of its operations.

Cash and Cash Equivalents - The Housing Authority's deposits with financial institutions are fully insured or collateralized by securities held by the Housing Authority or its agent in the Housing Authority's name. For purposes of the statement of cash flows, all investment instruments purchased with a maturity of three months or less are considered to be cash equivalents.

Capital Assets - Capital assets, which include, property, plant and equipment are reported in the financial statements. The Housing Authority capitalizes assets with an initial cost of \$25 and a useful life of more than one year. The assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed and reported as construction in progress. Property, plant, and equipment of the Housing Authority is depreciated using the straight line method over the following useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	40
Building improvements	7-15
Equipment and vehicles	5

Risk Management - Significant losses are covered by commercial insurance for all significant Authority operations.

Estimates - 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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2 - DEPOSITS AND INVESTMENTS

The Housing Authority's cash balance and investments consist of demand deposits and time deposits maintained at financial institutions insured by the Federal Deposit Insurance Corporation (FDIC). The Housing Authority may invest funds in accordance with HUD guidelines as referenced by the Financial Management Handbook.

For purposes of the Statement of Cash Flows, the Housing Authority considers all highly liquid investments to be cash equivalents. All certificates of deposit, other time deposits and investments are considered cash equivalents.

HOUSING AUTHORITY OF THE CITY OF COMMERCE
COMMERCE, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

Custodial Credit Risk

At June 30, 2016, the Authority held deposits of approximately \$142,434 at financial institutions. The Authority's cash deposits, including interest-bearing certificates of deposit are covered by Federal Depository Insurance (FDIC) or collateralized with securities held by the Authority or by its agent in the Authority's name.

Investment Interest Rate Risk

The Authority does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Investment Credit Risk

The Authority has no policy that limits its investment choices other than the limitation of state law as follows:

- a. Direct obligations of the U.S. Government, its agencies and instrumentalities to which the full faith and credit of the U.S. Government is pledged, or obligations to the payment of which the full faith and credit of the State is pledged.
- b. Certificates of deposits or savings accounts that are either insured or secured with acceptable collateral with in-state financial institutions, and fully insured certificates of deposit or savings accounts in out-of-state financial institutions.
- c. With certain limitation, negotiable certificates of deposit, prime bankers' acceptances, prime commercial paper and repurchase agreements with certain limitations.
- d. County, municipal or school district tax supported debt obligations, bond or revenue anticipation notes, money judgments, or bond or revenue anticipation notes of public trusts whose beneficiary is a county, municipality or school district.
- e. Notes or bonds secured by mortgage or trust deed insured by the Federal Housing Administrator and debentures issued by the Federal Housing Administrator, and in obligations of the National Mortgage Association.
- f. Money market funds regulated by the SEC and in which investments consist of the investments mentioned in the previous paragraphs (a.-d.).

HOUSING AUTHORITY OF THE CITY OF COMMERCE
 COMMERCE, OKLAHOMA
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2016

NOTE 3 - CAPITAL ASSETS

A summary of the capital asset activity is as follows:

	Balance at June 30, 2015	Additions	Deductions	Reclass/ Transfers	Balance at June 30, 2016
Non-depreciable assets:					
Land	\$ 24,270	\$ -	\$ -	\$ -	\$ 24,270
Construction in Progress	-	-	-	-	-
Total non-depreciable assets	<u>\$ 24,270</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,270</u>
Depreciable assets:					
Dwelling Structures	1,372,760	-	-	-	1,372,760
Dwelling Equipment	19,709	-	-	-	19,709
Non-Dwelling Structures	69,070	-	-	-	69,070
Office Equipment	3,151	4,750	-	-	7,901
Maintenance Equipment	6,400	10,000	-	-	16,400
Total depreciable assets	<u>1,471,090</u>	<u>14,750</u>	<u>-</u>	<u>-</u>	<u>1,485,840</u>
Less: Accum. Depreciation	<u>(1,184,490)</u>	<u>(35,335)</u>	<u>-</u>	<u>-</u>	<u>(1,219,825)</u>
Total depreciable assets, net	286,600	(20,585)	-	-	266,015
Total Capital Assets, Net	<u><u>\$ 310,870</u></u>	<u><u>\$ (20,585)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 290,285</u></u>

NOTE 4 - BUDGET PROCESS

The PHA prepares budgets for all HUD programs. These budgets are approved by the Board of Commissioners and by HUD. Appropriations for operating funds lapse at the end of the fiscal year. Capital fund budgets carry over until the project is completed.

NOTE 5 - ECONOMIC DEPENDENCY

The Housing Authority receives a significant portion of its revenue from funds provided through federal grants. The grant amounts are appropriated each year at the federal level. If significant budget cuts are made at the federal level, the amount of the funds the Housing Authority receives could be reduced significantly, and have an adverse impact on its operations. Management is not aware of any actions that will adversely affect the amount of funds the Housing Authority will receive in the next fiscal year.

NOTE 6 - RETIREMENT PLAN

The Housing Authority does not participate in a retirement plan.

HOUSING AUTHORITY OF THE CITY OF COMMERCE
COMMERCE, OKLAHOMA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 7 - INTERPROGRAM ACCOUNTS

Inter-program receivables and payables arise from Inter-program transactions and are recorded by all programs affected in the period in which transactions are executed. These receivables and payables are eliminated for presentation of the financial statements.

NOTE 8 - FEDERAL GRANTS

In the normal course of operations, the PHA receives grant funds from various governmental agencies. These grant programs are subject to audit by agents of the granting agency. The purpose of which is to ensure compliance with the provisions of the granting agency. Any liability for reimbursement which may arise as the result of these audits is not believed to be material.

NOTE 9 - MANAGEMENT AGENT

Effective January 1, 2015, the Authority has signed a management agreement with the Housing Authority of the City of Miami, Oklahoma.

NOTE 10- SUBSEQUENT EVENTS

The PHA did not have any subsequent events through the date the financial statements were issued, for events requiring recording or disclosure in the financial statements for the year ending June 30, 2016.

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors
Housing Authority of the City of Commerce
Commerce, Oklahoma

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, and in accordance with Oklahoma Statutes, the financial statements of the Housing Authority of the City of Commerce, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Housing Authority of the City of Commerce's basic financial statements, and have issued our report thereon dated January 11, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Housing Authority of the City of Commerce'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Housing Authority of the City of Commerce's internal control. Accordingly, we do not express an opinion on the effectiveness of Housing Authority of the City of Commerce'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 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.

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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 Housing Authority of the City of Commerce's financial statements are free of material misstatement, we performed tests of 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 results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Kershaw CPA & Associates, P.C.

Kershaw, CPA & Associates, PC

January 11, 2017

**HOUSING AUTHORITY OF THE CITY OF COMMERCE
COMMERCE, OKLAHOMA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2016**

<u>Federal Grantor/ Program Title</u>	<u>Federal CFDA No.</u>	<u>Agency Number</u>	<u>Federal Expenditures</u>
U.S. Department of Housing and Urban Development:			
Direct Programs			
Low Rent Public Housing	14.850	OK063	\$ 67,793
Public Housing Capital Fund Program	14.872	OK063	-
Total			<u><u>\$ 67,793</u></u>

**HOUSING AUTHORITY OF THE CITY OF COMMERCE
COMMERCE, OKLAHOMA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2016**

NOTE 1 - GENERAL

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards of the Housing Authority of the City of Commerce, Oklahoma (the "Housing Authority"). The Housing Authority reporting entity is defined in Note 1 to the Housing Authority's basic financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, are included on the schedule.

NOTE 2 - BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards is present using the accrual basis of accounting, which is described in Note 1 to the Housing Authority's basic financial statements.

NOTE 3 - RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

Federal awards revenues are reported in the Housing Authority's basic financial statements as follows:

		<u>Federal Sources</u>
General		<u>\$ 67,793</u>
Total		<u><u>\$ 67,793</u></u>

NOTE 4 - RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports except for changes made to reflect amounts in accordance with generally accepted accounting principles.

Housing Authority of the City of Commerce (OK063)
 COMMERCE, OK
 Entity Wide Balance Sheet Summary

Submission Type: Audited/Non Single Audit

Fiscal Year End: 06/30/2016

	Project Total	Subtotal	Total
111 Cash - Unrestricted	\$89,427	\$89,427	\$89,427
112 Cash - Restricted - Modernization and Development			
113 Cash - Other Restricted			
114 Cash - Tenant Security Deposits	\$2,882	\$2,882	\$2,882
115 Cash - Restricted for Payment of Current Liabilities			
100 Total Cash	\$92,309	\$92,309	\$92,309
121 Accounts Receivable - PHA Projects			
122 Accounts Receivable - HUD Other Projects			
124 Accounts Receivable - Other Government			
125 Accounts Receivable - Miscellaneous			
126 Accounts Receivable - Tenants	\$3,093	\$3,093	\$3,093
126.1 Allowance for Doubtful Accounts -Tenants	-\$2,693	-\$2,693	-\$2,693
126.2 Allowance for Doubtful Accounts - Other			
127 Notes, Loans, & Mortgages Receivable - Current			
128 Fraud Recovery			
128.1 Allowance for Doubtful Accounts - Fraud			
129 Accrued Interest Receivable	\$58	\$58	\$58
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$458	\$458	\$458
131 Investments - Unrestricted	\$50,125	\$50,125	\$50,125
132 Investments - Restricted			
135 Investments - Restricted for Payment of Current Liability			
142 Prepaid Expenses and Other Assets	\$4,662	\$4,662	\$4,662
143 Inventories	\$1,638	\$1,638	\$1,638
143.1 Allowance for Obsolete Inventories	-\$82	-\$82	-\$82
144 Inter Program Due From			
145 Assets Held for Sale			
150 Total Current Assets	\$149,110	\$149,110	\$149,110
161 Land	\$24,270	\$24,270	\$24,270
162 Buildings	\$1,084,547	\$1,084,547	\$1,084,547
163 Furniture, Equipment & Machinery - Dwellings	\$19,709	\$19,709	\$19,709
164 Furniture, Equipment & Machinery - Administration	\$24,301	\$24,301	\$24,301
165 Leasehold Improvements	\$357,283	\$357,283	\$357,283
166 Accumulated Depreciation	-\$1,219,825	-\$1,219,825	-\$1,219,825
167 Construction in Progress			
168 Infrastructure			
160 Total Capital Assets, Net of Accumulated Depreciation	\$290,285	\$290,285	\$290,285
171 Notes, Loans and Mortgages Receivable - Non-Current			
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due			
173 Grants Receivable - Non Current			
174 Other Assets			
176 Investments in Joint Ventures			
180 Total Non-Current Assets	\$290,285	\$290,285	\$290,285
200 Deferred Outflow of Resources			

Financial Data Schedule

290 Total Assets and Deferred Outflow of Resources	\$439,395	\$439,395	\$439,395
311 Bank Overdraft			
312 Accounts Payable <= 90 Days	\$2,356	\$2,356	\$2,356
313 Accounts Payable >90 Days Past Due			
321 Accrued Wage/Payroll Taxes Payable	\$894	\$894	\$894
322 Accrued Compensated Absences - Current Portion			
324 Accrued Contingency Liability			
325 Accrued Interest Payable			
331 Accounts Payable - HUD PHA Programs			
332 Account Payable - PHA Projects			
333 Accounts Payable - Other Government	\$3,499	\$3,499	\$3,499
341 Tenant Security Deposits	\$2,882	\$2,882	\$2,882
342 Unearned Revenue	\$244	\$244	\$244
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue			
344 Current Portion of Long-term Debt - Operating Borrowings			
345 Other Current Liabilities			
346 Accrued Liabilities - Other			
347 Inter Program - Due To			
348 Loan Liability - Current			
310 Total Current Liabilities	\$9,875	\$9,875	\$9,875
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue			
352 Long-term Debt, Net of Current - Operating Borrowings			
353 Non-current Liabilities - Other			
354 Accrued Compensated Absences - Non Current			
355 Loan Liability - Non Current			
356 FASB 5 Liabilities			
357 Accrued Pension and OPEB Liabilities			
350 Total Non-Current Liabilities	\$0	\$0	\$0
300 Total Liabilities	\$9,875	\$9,875	\$9,875
400 Deferred Inflow of Resources			
508.4 Net Investment in Capital Assets	\$290,285	\$290,285	\$290,285
511.4 Restricted Net Position			
512.4 Unrestricted Net Position	\$139,235	\$139,235	\$139,235
513 Total Equity - Net Assets / Position	\$429,520	\$429,520	\$429,520
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$439,395	\$439,395	\$439,395

Housing Authority of the City of Commerce (OK063)
 COMMERCE, OK

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Non Single Audit

Fiscal Year End: 06/30/2016

	Project Total	Subtotal	Total
70300 Net Tenant Rental Revenue	\$64,750	\$64,750	\$64,750
70400 Tenant Revenue - Other	\$5,229	\$5,229	\$5,229
70500 Total Tenant Revenue	\$69,979	\$69,979	\$69,979
70600 HUD PHA Operating Grants	\$67,793	\$67,793	\$67,793
70610 Capital Grants			
70710 Management Fee			
70720 Asset Management Fee			
70730 Book Keeping Fee			
70740 Front Line Service Fee			
70750 Other Fees			
70700 Total Fee Revenue			
70800 Other Government Grants			
71100 Investment Income - Unrestricted	\$359	\$359	\$359
71200 Mortgage Interest Income			
71300 Proceeds from Disposition of Assets Held for Sale			
71310 Cost of Sale of Assets			
71400 Fraud Recovery			
71500 Other Revenue	\$439	\$439	\$439
71600 Gain or Loss on Sale of Capital Assets			
72000 Investment Income - Restricted			
70000 Total Revenue	\$138,570	\$138,570	\$138,570
91100 Administrative Salaries	\$14,655	\$14,655	\$14,655
91200 Auditing Fees	\$3,650	\$3,650	\$3,650
91300 Management Fee	\$15,000	\$15,000	\$15,000
91310 Book-keeping Fee			
91400 Advertising and Marketing	\$21	\$21	\$21
91500 Employee Benefit contributions - Administrative	\$1,378	\$1,378	\$1,378
91600 Office Expenses	\$3,264	\$3,264	\$3,264
91700 Legal Expense	\$150	\$150	\$150
91800 Travel			
91810 Allocated Overhead	\$985	\$985	\$985
91900 Other	\$13,586	\$13,586	\$13,586
91000 Total Operating - Administrative	\$52,689	\$52,689	\$52,689
92000 Asset Management Fee			
92100 Tenant Services - Salaries			
92200 Relocation Costs			
92300 Employee Benefit Contributions - Tenant Services			
92400 Tenant Services - Other			
92500 Total Tenant Services	\$0	\$0	\$0

Financial Data Schedule

93100 Water	\$5,151	\$5,151	\$5,151
93200 Electricity	\$2,679	\$2,679	\$2,679
93300 Gas	\$1,000	\$1,000	\$1,000
93400 Fuel			
93500 Labor			
93600 Sewer	\$4,150	\$4,150	\$4,150
93700 Employee Benefit Contributions - Utilities			
93800 Other Utilities Expense			
93000 Total Utilities	\$12,980	\$12,980	\$12,980
94100 Ordinary Maintenance and Operations - Labor	\$14,965	\$14,965	\$14,965
94200 Ordinary Maintenance and Operations - Materials and Other	\$11,211	\$11,211	\$11,211
94300 Ordinary Maintenance and Operations Contracts	\$20,411	\$20,411	\$20,411
94500 Employee Benefit Contributions - Ordinary Maintenance	\$1,417	\$1,417	\$1,417
94000 Total Maintenance	\$48,004	\$48,004	\$48,004
95100 Protective Services - Labor			
95200 Protective Services - Other Contract Costs			
95300 Protective Services - Other			
95500 Employee Benefit Contributions - Protective Services			
95000 Total Protective Services	\$0	\$0	\$0
96110 Property Insurance	\$13,584	\$13,584	\$13,584
96120 Liability Insurance	\$1,067	\$1,067	\$1,067
96130 Workmen's Compensation	\$1,378	\$1,378	\$1,378
96140 All Other Insurance	\$639	\$639	\$639
96100 Total insurance Premiums	\$16,668	\$16,668	\$16,668
96200 Other General Expenses	\$1,525	\$1,525	\$1,525
96210 Compensated Absences			
96300 Payments in Lieu of Taxes	\$3,499	\$3,499	\$3,499
96400 Bad debt - Tenant Rents	\$4,005	\$4,005	\$4,005
96500 Bad debt - Mortgages			
96600 Bad debt - Other			
96800 Severance Expense			
96000 Total Other General Expenses	\$9,029	\$9,029	\$9,029
96710 Interest of Mortgage (or Bonds) Payable			
96720 Interest on Notes Payable (Short and Long Term)			
96730 Amortization of Bond Issue Costs			
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0
96900 Total Operating Expenses	\$139,370	\$139,370	\$139,370
97000 Excess of Operating Revenue over Operating Expenses	-\$800	-\$800	-\$800
97100 Extraordinary Maintenance			
97200 Casualty Losses - Non-capitalized			
97300 Housing Assistance Payments			
97350 HAP Portability-In			
97400 Depreciation Expense	\$35,335	\$35,335	\$35,335
97500 Fraud Losses			
97600 Capital Outlays - Governmental Funds			
97700 Debt Principal Payment - Governmental Funds			
97800 Dwelling Units Rent Expense			
90000 Total Expenses	\$174,705	\$174,705	\$174,705

Financial Data Schedule

10010	Operating Transfer In			
10020	Operating transfer Out			
10030	Operating Transfers from/to Primary Government			
10040	Operating Transfers from/to Component Unit			
10050	Proceeds from Notes, Loans and Bonds			
10060	Proceeds from Property Sales			
10070	Extraordinary Items, Net Gain/Loss			
10080	Special Items (Net Gain/Loss)			
10091	Inter Project Excess Cash Transfer In			
10092	Inter Project Excess Cash Transfer Out			
10093	Transfers between Program and Project - In			
10094	Transfers between Project and Program - Out			
10100	Total Other financing Sources (Uses)	\$0	\$0	\$0
10000	Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-\$36,135	-\$36,135	-\$36,135
11020	Required Annual Debt Principal Payments	\$0	\$0	\$0
11030	Beginning Equity	\$465,655	\$465,655	\$465,655
11040	Prior Period Adjustments, Equity Transfers and Correction of Errors			
11050	Changes in Compensated Absence Balance			
11060	Changes in Contingent Liability Balance			
11070	Changes in Unrecognized Pension Transition Liability			
11080	Changes in Special Term/Severance Benefits Liability			
11090	Changes in Allowance for Doubtful Accounts - Dwelling Rents			
11100	Changes in Allowance for Doubtful Accounts - Other			
11170	Administrative Fee Equity			
11180	Housing Assistance Payments Equity			
11190	Unit Months Available	408	408	408
11210	Number of Unit Months Leased	398	398	398
11270	Excess Cash	\$121,403	\$121,403	\$121,403
11610	Land Purchases	\$0	\$0	\$0
11620	Building Purchases	\$0	\$0	\$0
11630	Furniture & Equipment - Dwelling Purchases	\$0	\$0	\$0
11640	Furniture & Equipment - Administrative Purchases	\$0	\$0	\$0
11650	Leasehold Improvements Purchases	\$0	\$0	\$0
11660	Infrastructure Purchases	\$0	\$0	\$0
13510	CFFP Debt Service Payments	\$0	\$0	\$0
13901	Replacement Housing Factor Funds	\$0	\$0	\$0