

**HOUSING AUTHORITY OF MCALESTER, OKLAHOMA**

**AUDITED FINANCIAL STATEMENTS  
AND SUPPLEMENTAL DATA**

**TWELVE MONTHS ENDED JUNE 30, 2011**

**Mike Estes, P.C.**  
A Professional Accounting Corporation

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**MIKE ESTES, P.C.**  
A PROFESSIONAL ACCOUNTING CORPORATION  
4200 AIRPORT FREEWAY – SUITE 100  
FORT WORTH, OKLAHOMA 76117

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MIKE ESTES, CPA

(817) 831-3553  
(817) 831-3560  
e-mail: [office@mikeestepc.com](mailto:office@mikeestepc.com)  
website: [mikeestepc.com](http://mikeestepc.com)

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AUDIT QUALITY CENTER

Independent Auditor's Report

Board of Commissioners  
Housing Authority of McAlester  
McAlester, Oklahoma

We have audited the accompanying basic financial statements of each major fund of the Housing Authority of the City of McAlester, Oklahoma as of and for the year ended June 30, 2011, which collectively comprise the Authority's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Housing Authority of the City of McAlester, Oklahoma's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund of the Housing Authority of the City of McAlester, Oklahoma, as of June 30, 2011, and the respective changes in financial position and cash flows, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 8, 2012, on our consideration of the Housing Authority of the City of McAlester, Oklahoma's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis listed in the table of contents is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards, presented for purposes of additional analysis as required by OMB Budget Circular A-133, the Financial Data Schedules required by HUD, and other accompanying information are presented for purposes of additional analysis and are not required parts of the financial statements. 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 financial statements. The information has been 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 to 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.

Mike Estes, P.C.  
Fort Worth, Texas  
February 8, 2012

***McAlester Housing Authority  
Management's Discussion and Analysis  
For the Year Ended June 30, 2011***

**Introduction**

This Management's Discussion and Analysis (MD&A) of the McAlester Housing Authority provides an introduction and overview to the financial statements of the McAlester Housing Authority for the fiscal year ended June 30, 2011. The McAlester Housing Authority presents this discussion and analysis of its financial performance during the fiscal year ended June 30, 2011, to assist the reader in focusing on significant financial issues.

All of the funds of the Authority are reported as proprietary funds. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Authority, like other enterprises operated by state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements and that these funds are used for their intended purposes. This information contained herein in this MD&A should be considered in conjunction with the Authority's basic financial statements and related notes to the financial statements.

The Authority's annual report consists of financial statements that report combined information about the Authority's most significant two funds, the Low Rent Public Housing Program and the Public Housing Capital Fund Program combined in the General Fund, and the Section 8 Housing Choice Voucher Program, shown in the Housing Choice Voucher Fund.

The Low Rent Program consists of 274 dwelling units. Funding is provided based on dwelling rents paid by the tenants and operating fund payments received by the Department of Housing & Urban Development based on a formula.

The Capital Fund Program is also a formula based program from HUD. The purpose of this program is to provide funding for the modernization and improvement of the Low Rent Public Housing Program. These resources allow the Housing Authority to provide capital improvements for the current dwelling structures and assist in their operations.

The Housing Choice Voucher Program provides rental assistance to aid low income families to afford decent, safe, and sanitary rental housing. The Housing Authority provides rental assistance in the form of a Housing Assistance payment to a landlord on behalf of the tenant. The Housing Authority currently has 73 units available. Funds are provided by HUD to provide rental assistance payments. The Housing Authority is provided an administrative fee for the purpose of covering the administrative costs of the program. The fee is preset by HUD on an annual basis.

## ***Management's Discussion and Analysis-Cont.***

### **Overview of the Financial Statements**

This overview of the financial statement is intended to inform and introduce the reader to the Authority's basic financial statements. The basic financial statements are comprised of three individual statements. These statements include:

- The Statement of Net Assets
- The Statement of Revenues, Expense, and Changes in Net Assets
- The Statement of Cash Flows

**The Statement of Net Assets** presents information on the assets and liabilities, with the differences between the two being reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial situation of the Authority is improving or deteriorating. Net Assets is comprised of three individual components:

- *Investment in Capital Assets, Net of Related Debt* consists of capital asset balances net of accumulated depreciation less any outstanding balances of related debt associated with these assets
- *Restricted Net Assets* consists of assets that are restricted by limitations placed on these assets by an external source or party.
- *Unrestricted Net Assets* consists of net assets that do not meet the definition of the above categories. Unrestricted net assets are basically the amount of funds available for future year appropriations.

**The Statement of Revenues, Expenses, and Changes in Net Assets** reports the operating revenues, operating expenses, non-operating revenues, and non-operating expenses of the Authority for the fiscal year ended June 30, 2011 to determine the change in net assets for the fiscal year.

**The Statement of Cash Flows** report cash activities for the fiscal year resulting from operating activities, investing activities, non-capital financing activities, and capital and related financing activities. The net result of these activities represents the increase or decrease of the cash equivalent account balance for the year ended June 30, 2011.

## ***Management's Discussion and Analysis-Cont.***

### **Financial Highlights**

- The McAlester Housing Authority's total net assets decreased from \$3,806,724 to \$3,708,345, a decrease of \$98,379 or 3%. The total assets decreased by \$100,966 or 3%.
- The unrestricted net asset balance reported at June 30, 2011 is \$324,185. This represents a decrease of \$181,202, or 36% from the previous year.
- Total revenues decreased from \$2,389,600 to \$1,779,232 , a decreased of \$610,368 or 26% for the years ended June 30, 2011 as compared to the fiscal year ended June 30, 2010
- Total expenses decreased by \$28,778 or 2%, from \$1,906,389 to \$1,877,611 for the current year.

### **Housing Authority Activities & Highlights**

The Housing Authority's overall financial position and operations for the past two years are summarized below based on the information in the current and prior financial statements. The table below lists the asset and liability comparisons for the year ended June 30, 2011 and June 30, 2010.

**Summary Statement of Net Assets**  
*As of June 30, 2011 and 2010*

<u>Category</u>		<u>FYE 2011</u>		<u>FYE 2010</u>		<u>Change \$</u>	<u>Change%</u>
Current Assets	\$	501,352	\$	652,080	\$	(150,728)	-23%
Restricted Assets	\$	98,085	\$	101,476	\$	(3,391)	-3%
Fixed Assets (Net of Depreciation)	\$	3,287,947	\$	3,234,794	\$	53,153	2%
Total Assets	\$	3,887,384	\$	3,988,350	\$	(100,966)	-3%
Current Liabilities	\$	166,842	\$	125,409	\$	41,433	33%
Long Term Liabilities	\$	12,197	\$	56,217	\$	(44,020)	-78%
Total Liabilities	\$	179,039	\$	181,626	\$	(2,587)	-1%
Investment in Net Fixed Assets	\$	3,287,947	\$	3,234,794	\$	53,153	2%
Restricted Net Assets	\$	96,213	\$	66,543	\$	29,670	45%
Unrestricted Net Assets	\$	324,185	\$	505,387	\$	(181,202)	-36%
Total Net Assets	\$	3,708,345	\$	3,806,724	\$	(98,379)	-3%

# *Management's Discussion and Analysis-Cont.*

## *Current Assets*

Current assets decreased from \$652,080 to \$501,352, a decrease of \$150,728 from June 30, 2010 to June 30, 2011. Unrestricted cash and investments decreased from \$555,994 to \$442,945, a decrease of \$113,049 from June 30, 2010 to June 30, 2011. This was primarily the result of the net operating loss incurred for the Low Rent program.

## *Restricted Cash and Investments*

Restricted cash and investments decreased by \$3,391. This was primarily due to the HCV program not utilizing all funds received for HAP expenses.

## *Current Liabilities*

Current liabilities increased by \$41,433 due to a larger portion of accrued employees leave reported as current liabilities as compared to the previous year.

## *Long Term Liabilities*

Long term liabilities decreased by \$44,020 due to a larger portion of accrued employees leave reported as current liabilities as compared to the previous year.

## *Net Assets*

The Authority's total net asset balance decreased by \$98,379 from the previous year.

The Authority's unrestricted net assets decreased from \$505,387 to \$324,185, a decrease of \$181,202, or 36% for the current year. The decrease was a result of additional expenses incurred in the current year due to maintenance costs. The unrestricted net asset account balance is the amount available for future appropriations. This balance is subject to program specific guidelines. The Authority's individual programs maintain the unrestricted net asset balances as follows:

Low Rent Housing Program	\$ 297,827
Housing Choice Voucher Program:	
Reserved for Program Administration	<u>\$ 26,358</u>
Total	<u>\$ 324,185</u>

## *Management's Discussion and Analysis-Cont.*

Restricted Net Assets increased by \$29,670. This is due to the HCV program not utilizing all funds received for HAP expenses.

The increase noted in Investment in Capital Assets, is due to the completion of a window and countertop project funded by the 2009 CFP.

## *Overview of the Financial Statements-Cont.*

### Summary Statement of Revenues & Expenses and Changes in Net Assets Years Ended June 30, 2011 and 2010

<b>Category</b>	<b>FYE 2011</b>	<b>FYE 2010</b>	<b>Change \$</b>	<b>Change %</b>
Tenant Revenue	\$ 440,077	\$ 467,337	\$ (27,260)	-6%
HUD Operating Grants	\$ 949,046	\$ 1,095,279	\$ (146,233)	-13%
Capital Grants	\$ 323,053	\$ 808,285	\$ (485,232)	-60%
Interest Income	\$ 1,734	\$ 2,497	\$ (763)	-31%
Other Revenue	\$ 65,322	\$ 16,202	\$ 49,120	303%
<b>Total Revenue</b>	<b>\$ 1,779,232</b>	<b>\$ 2,389,600</b>	<b>\$ (610,368)</b>	<b>-26%</b>
Administration	\$ 379,905	\$ 406,245	\$ (26,340)	-6%
Utilities	\$ 96,081	\$ 116,680	\$ (20,599)	-18%
Ordinary Maintenance	\$ 565,613	\$ 587,836	\$ (22,223)	-4%
Protective Services	\$ 90,850	\$ 98,235	\$ (7,385)	-8%
General Expense	\$ 207,235	\$ 175,300	\$ 31,935	18%
Extraordinary Maintenance	\$ 39,700	\$ 87,327	\$ (47,627)	-55%
Housing Assistance Payments	\$ 228,327	\$ 194,686	\$ 33,641	17%
Depreciation	\$ 269,900	\$ 240,080	\$ 29,820	12%
<b>Total Expenses</b>	<b>\$ 1,877,611</b>	<b>\$ 1,906,389</b>	<b>\$ (28,778)</b>	<b>-2%</b>
<b>Excess of Revenue over Expenses</b>	<b>\$ (98,379)</b>	<b>\$ 483,211</b>	<b>\$ (581,590)</b>	<b>-120%</b>
<b>Net Assets, Beginning of Year</b>	<b>\$ 3,806,724</b>	<b>\$ 3,323,513</b>	<b>\$ 483,211</b>	<b>15%</b>
<b>Net Assets, End of Year</b>	<b>\$ 3,708,345</b>	<b>\$ 3,806,724</b>	<b>\$ (98,379)</b>	<b>-3%</b>

## **Results of Operations**

Revenues of the Authority are generated principally from dwelling rents and HUD grants (including Operating and Capital Funds). The Authority's revenue decreased by \$601,368 during the current fiscal year. Notable differences noted from comparing current year balances to previous year balances are listed as follows:

## *Management's Discussion and Analysis-Cont.*

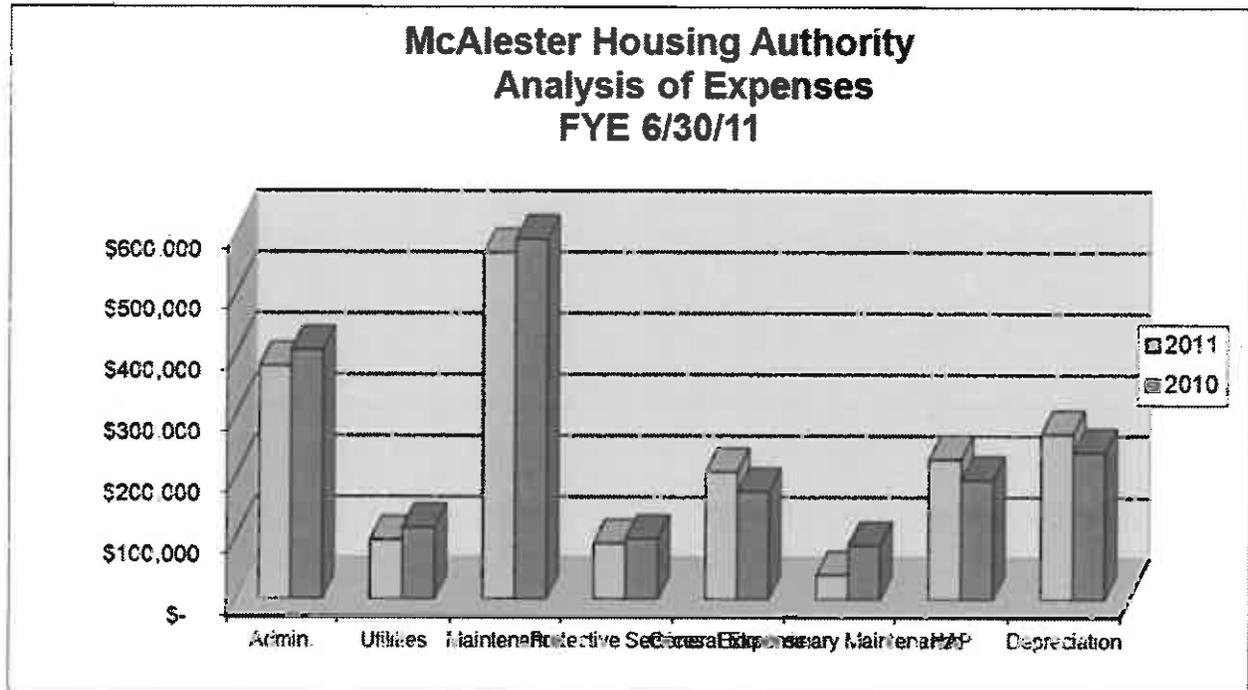
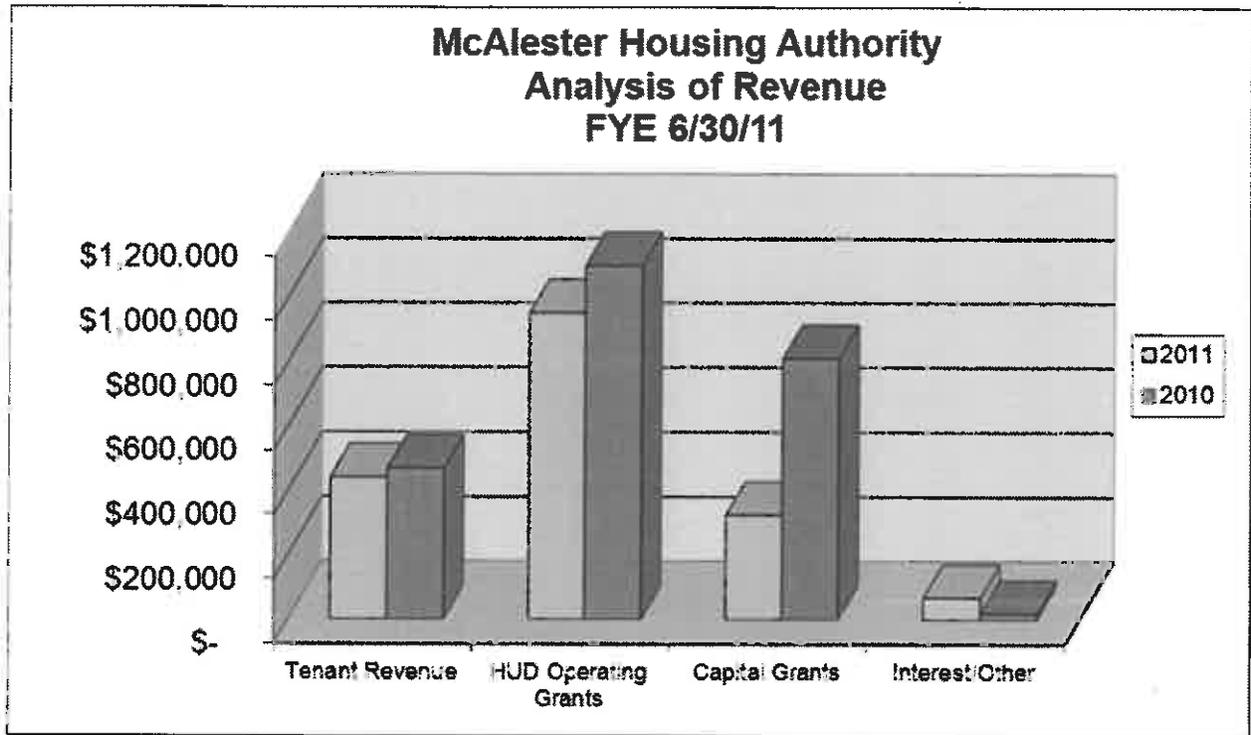
- Tenant revenue decreased by \$27,260. This was due primarily to a decrease in the average rent per unit. The average rent charged per unit in 2010 was \$144 as compared to \$135 charged per unit in the current year.
- Operating grants decreased by \$146,233. Funding for the Low Rent program decreased by \$176,149 and operating grant funding for the CFP program increased by \$9,725. In addition, funding for the Housing Choice Voucher program increased by \$20,191.
- Capital grants decreased by \$485,232 due to a reduction in activity in the ARRA grant which was funded and completed in the previous years.
- Other revenue increased by \$49,120 due to receipt of insurance proceeds and dividends.

Total expenses decreased by \$28,778 from the previous year. Notable changes in expense categories between the current and immediate past fiscal year consist of the following items:

- Administration decreased by \$26,340 due to a reduction in administrative salaries and benefits.
- Utilities decreased by \$20,599. This is due to lower water and sewer costs. Water consumptions decreased from 1,473,388 gallons in the previous year to 1,128,282 gallons of water consumed in the current year.
- Ordinary maintenance decreased by \$22,223. This is due to a reduction in maintenance labor costs and material expenses.
- Extraordinary maintenance decreased by \$47,627 due to the expense of mold removal associated with water leaks in the prior year.
- HAP payments increased by \$33,641. This was a result of an increase in units leased. The Authority leased 773 in the current year as compared to 673 units leased in the prior year.

We have provided the following presentations to demonstrate the revenues and expenses by summarized account category:

*Management's Discussion and Analysis-Cont.*



## ***Management's Discussion and Analysis-Cont.***

### **Capital Assets**

As of June 30, 2011, the McAlester Housing Authority's investment in capital assets was \$3,287,794. This investment includes land, building, equipment, and construction in progress.

<b>Category</b>	<b>FYE 2011</b>	<b>FYE 2010</b>	<b>Change \$</b>	<b>Change %</b>
Land	\$ 267,459	\$ 267,459	\$ -	0%
Buildings	\$ 14,077,885	\$ 13,768,583	\$ 309,302	2%
Equipment	\$ 177,125	\$ 217,164	\$ (40,039)	-18%
Construction in Progress	\$ 13,751	\$ -	\$ 13,751	NA
Accumulated Depreciation	\$ (11,248,273)	\$ (11,018,412)	\$ (229,861)	2%
<b>Total Net Fixed Assets</b>	<b>\$ 3,287,947</b>	<b>\$ 3,234,794</b>	<b>\$ 53,153</b>	<b>2%</b>

The increase in buildings is due to the completion of a window and countertop project funded by the 2009 CFP.

The decrease in equipment is due to the sale of two vehicles.

The amount reported in construction in progress is a flooring project funded by the 2009 CFP.

### **Subsequent Event**

The 2009 CFP – All funds have been expended.

The MHA is in the process of preparing the contract for the 2010 CFP.

The Lawsuit concerning the roof has been settled. The Lawsuit filed against the City of McAlester and the MHA has been closed.

The MHA did have Lead Based Paint Testing conducted in October 2011 and they did find some Lead Based Paint Hazards in Project OK062-000001. Lead Based Paint was only found on the porch posts on a few of the units. No Lead Based Paint was found on the interior of any unit. There was also some Lead Based Paint found in the Community Building on some of the double doors and the windows next to the ceiling. The MHA has plans to remove the porch posts and fix the issues with the Lead Based Paint in the Community room. This will be done with 2010 CFP funds.

The MHA will receive almost \$100,000 less CFP funds in the 2011CFP than the 2010CFP due to HUD's funding constraints.

## ***Management's Discussion and Analysis-Cont.***

### **Request for Information**

This financial report is designed to provide a general overview of the Authority's accountability for all those interested.

If you should have additional questions regarding the financial information, you can contact our office in writing at the following address:

McAlester Housing Authority  
Joy Holloway, Executive Director  
P.O. Box 819  
McAlester, OK 74502

HOUSING AUTHORITY OF MCALESTER, OKLAHOMA  
STATEMENT OF NET ASSETS

JUNE 30, 2011

	General	Housing Choice Voucher	Total
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	\$ 112,805	\$ 30,140	\$ 142,945
Investments	300,000	35,036	335,036
Accounts receivable net	8,439	1,326	9,765
Interest receivable	316	9	325
Prepaid items and other assets	7,856	186	8,042
Inventory	5,239	0	5,239
Restricted assets - cash and cash equivalents	36,908	61,177	98,085
<b>Total Current Assets</b>	<b>471,563</b>	<b>127,874</b>	<b>599,437</b>
<b>Capital Assets, net</b>			
Land and other non-depreciated assets	281,210	0	281,210
Other capital assets - net of depreciation	3,006,737	0	3,006,737
<b>Total Capital Assets, net</b>	<b>3,287,947</b>	<b>0</b>	<b>3,287,947</b>
<b>Total Assets</b>	<b>\$ 3,759,510</b>	<b>\$ 127,874</b>	<b>\$ 3,887,384</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts payable	\$ 29,970	\$ 1,021	\$ 30,991
Deferred revenue	1,947	0	1,947
Compensated absences payable	60,436	3,597	64,033
Accrued PILOT	32,963	0	32,963
Deposits due others	36,908	0	36,908
<b>Total Current Liabilities</b>	<b>162,224</b>	<b>4,618</b>	<b>166,842</b>
<b>Noncurrent Liabilities</b>			
Compensated absences payable	11,512	685	12,197
<b>Total Liabilities</b>	<b>173,736</b>	<b>5,303</b>	<b>179,039</b>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	3,287,947	0	3,287,947
Restricted	0	96,213	96,213
Unrestricted	297,827	26,358	324,185
<b>Net Assets</b>	<b>3,585,774</b>	<b>122,571</b>	<b>3,708,345</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 3,759,510</b>	<b>\$ 127,874</b>	<b>\$ 3,887,384</b>

The Notes to the Financial Statements are an integral part of these statements.

HOUSING AUTHORITY OF MCALESTER, OKLAHOMA  
STATEMENT OF REVENUES,  
EXPENSES AND CHANGES IN FUND NET ASSETS

YEAR ENDED JUNE 30, 2011

	General	Housing Choice Voucher	Total
<b>OPERATING REVENUES</b>			
Dwelling rental	\$ 425,692	\$ 0	\$ 425,692
Governmental operating grants	662,457	286,589	949,046
Other	76,005	852	76,857
<b>Total Operating Revenues</b>	<b>1,164,154</b>	<b>287,441</b>	<b>1,451,595</b>
<b>OPERATING EXPENSES</b>			
Administration	341,244	38,661	379,905
Utilities	96,081	0	96,081
Ordinary maintenance & operations	565,110	503	565,613
Protective services	90,850	0	90,850
General expenses	203,781	3,454	207,235
Depreciation and amortization	269,900	0	269,900
Extraordinary maintenance	39,700	0	39,700
Housing assistance payments	0	228,327	228,327
<b>Total Operating Expenses</b>	<b>1,606,666</b>	<b>270,945</b>	<b>1,877,611</b>
<b>Income (Loss) from Operations</b>	<b>(442,512)</b>	<b>16,496</b>	<b>(426,016)</b>
<b>Non Operating Revenues (Expenses)</b>			
Interest earnings	1,525	209	1,734
Gain on disposal of assets	2,850	0	2,850
<b>Total Non-Operating Revenues (Expenses)</b>	<b>4,375</b>	<b>209</b>	<b>4,584</b>
<b>Income (Loss) before contribution</b>	<b>(438,137)</b>	<b>16,705</b>	<b>(421,432)</b>
<b>Capital Contribution</b>	<b>323,053</b>	<b>0</b>	<b>323,053</b>
<b>Change in net assets</b>	<b>(115,084)</b>	<b>16,705</b>	<b>(98,379)</b>
<b>Total net assets - beginning</b>	<b>3,700,858</b>	<b>105,866</b>	<b>3,806,724</b>
<b>Total net assets - ending</b>	<b>\$ 3,585,774</b>	<b>\$ 122,571</b>	<b>\$ 3,708,345</b>

The Notes to the Financial Statements are an integral part of these statements.

HOUSING AUTHORITY OF MCALESTER, OKLAHOMA  
STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2011

	General	Housing Choice Voucher	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Rental receipts	\$ 415,484	\$ 0	\$ 415,484
Other receipts	77,183	852	78,035
Federal grants	662,457	282,862	945,319
Payments to vendors	(594,906)	(10,236)	(605,142)
Payments to employees – net	(659,492)	(32,008)	(691,500)
Payments to private landlords	0	(228,327)	(228,327)
Net cash provided (used) by operating activities	(99,274)	13,143	(86,131)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Proceeds from sale of capital assets	2,850	0	2,850
Purchase of capital equipment	(323,053)	0	(323,053)
Federal Capital Grants	323,053	0	323,053
Net cash provided (used) by capital and related financing activities	2,850	0	2,850
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from investment maturities	50,000	0	50,000
Interest income	1,653	225	1,878
Net cash provided (used) by investing activities	51,653	225	51,878
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(44,771)	13,368	(31,403)
<b>CASH AND CASH EQUIVALENTS</b>			
Beginning of Fiscal Year	194,484	77,949	272,433
<b>CASH AND CASH EQUIVALENTS</b>			
End of Fiscal Year	\$ 149,713	91,317	241,030

Continued

HOUSING AUTHORITY OF MCALESTER, OKLAHOMA  
STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2011

	General	Housing Choice Voucher	Total
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>			
Operating income (loss)	\$ (442,512)	\$ 16,496	\$ (426,016)
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation Expense	269,900	0	269,900
Provision of uncollectible accounts	6,621	0	6,621
Change in assets and liabilities:			
Receivables	(1,851)	(1,326)	(3,177)
Inventories	2,932	0	2,932
Prepaid items	66,241	(45)	66,196
Account payables	(2,442)	(1,982)	(4,424)
Accrued PILOT	(797)	0	(797)
Deferred revenue	659	0	659
Deposits due others	1,975	0	1,975
Net cash provided (used) by operations	<u>\$ (99,274)</u>	<u>\$ 13,143</u>	<u>\$ (86,131)</u>

Concluded

HOUSING AUTHORITY OF MCALESTER, OKLAHOMA  
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2011

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HOUSING AUTHORITY OF MCALESTER, OKLAHOMA  
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2011

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** The accompanying financial statements of the Housing Authority of the City of McAlester have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

**A. REPORTING ENTITY** Housing Authorities are chartered as public corporations under the state laws for the purpose of providing safe and sanitary dwellings accommodations. This creation was contingent upon the local governing body of the city declaring a need for the Housing Authority to function in such city. The Housing Authority is governed by a five member Board of Commissioners. The members, appointed by the Honorable Mayor of the City of McAlester, serve staggered multi-year terms.

The Housing Authority has the following units:

PHA Owned Housing	FW 3066	274
Section 8		
Housing Choice Vouchers	OK-062-V0	73

GASB Statement 14 establishes criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the Housing Authority is considered a primary government, since it is a special purpose government that has a separate governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement 14, fiscally independent means that the Housing Authority may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt with HUD approval.

The Housing Authority is a related organization of the City of McAlester since the City of McAlester appoints a voting majority of the Housing Authority's governing board. The City of McAlester is not financially accountable for the Housing Authority as it cannot impose its will on the Housing Authority and there is no potential for the Housing Authority to provide financial benefit to, or impose financial burdens on, the City of McAlester. Accordingly, the Housing Authority is not a component unit of the financial reporting entity of the City of McAlester.

Governmental Accounting Standards Board (GASB) Codification Section 2100 establishes criteria for determining which, if any, component units should be considered part of the Housing Authority for financial reporting purposes. The basic criteria for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability, which includes:

HOUSING AUTHORITY OF MCALESTER, OKLAHOMA  
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2011

- 1) Appointing a voting majority of an organization's governing body, and:
  - a) The ability of the government to impose its will on that organization and/or
  - b) The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the government.
- 2) Organizations for which the government does not appoint a voting majority but are fiscally dependent on the government.
- 3) Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based on the previous criteria, the Housing Authority has determined that there are no component units that should be considered as part of the Housing Authority reporting entity.

**B. FUNDS** The accounts of the Housing Authority are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements.

The transactions of the Housing Authority are reported in a proprietary enterprise fund. The general fund accounts for the transactions of the Public Housing Low Rent program and the Capital Fund program. The housing choice voucher fund accounts for the Section 8 Housing Choice Voucher program.

### **C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

**PROPRIETARY FUNDS** Proprietary funds are accounted for on the flow of economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. The Housing Authority has elected, pursuant to GASB Statement No. 20, to apply all GASB pronouncements and only FASB pronouncements issued before November 30, 1989.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary funds' principal ongoing operations. According to the Authority's policy, governmental operating grants are considered operating revenues. The other principal operating revenues of the Housing Authority are rent and maintenance charges to residents and operating fees earned. Operating expenses for proprietary funds include the administrative costs of providing the service and the housing assistance payments to landlords. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

HOUSING AUTHORITY OF MCALESTER, OKLAHOMA  
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2011

**D. CASH AND CASH EQUIVALENTS** Cash includes amounts in demand deposits and interest-bearing demand deposits. Cash equivalents include amounts in time deposits, of less than ninety days, and cash with fiscal agent. Under state law, the Housing Authority may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under state law and national banks having their principal offices in the state.

On the Statement of Cash Flows, cash and cash equivalents, end of year, is \$241,030. This is comprised of cash and cash equivalents of \$142,945 and restricted assets – cash of \$98,085, on the statement of net assets.

**E. INVESTMENTS** Investments are limited to L.S.-R.S. 33:2955 and the Housing Authority investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

The investments are reflected at quoted market prices except for the following which are required/permitted as per GASB Statement No. 31:

Investments in *nonparticipating* interest-earning contracts, such as nonnegotiable certificates of deposit with redemption terms that do not consider market rates, are reported using a cost-based measure.

The Housing Authority reported at amortized cost money market investments *participating* interest-earning investment contracts that have a remaining maturity at time of purchase of one year or less.

Definitions:

Interest-earning investment contract include time deposits with financial institutions (such as certificates of deposit), repurchase agreements, and guaranteed investment contracts.

Money market investments are short-term, highly liquid debt instruments that include U.S. Treasury obligations.

**F. REVENUE RECOGNITION** Revenues and other governmental fund financial resource increments are recognized in the accounting period in which they become susceptible to accrual – that is, when they become *measurable* and *available* to the finance expenditures of the fiscal period. “Available” is determined as collectible within the 12 months of the fiscal year or soon enough thereafter to be used in pay liabilities of the current period.

**G. INVENTORY** All purchased inventory items are valued at cost using the first-in, first-out method. Inventory is recorded using the purchase method. At year end, the amount of inventory is recorded for external financial reporting.

HOUSING AUTHORITY OF MCALESTER, OKLAHOMA  
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2011

**H. PREPAID ITEMS** Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

**I. CAPITAL ASSETS** Capital assets are recorded at historical cost and depreciated over their estimated useful lives (excluding salvage value). The capitalization threshold is \$1,000. Donated capital assets are recorded at their estimated fair value at the date of donation. Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Straight line depreciation is used based on the following estimated useful lives:

Site improvements	15 years
Buildings	10-25 years
Building improvements	15 years
Furniture and equipment	5-7 years
Computers	3 years

**J. DEFERRED REVENUES** The Housing Authority reports deferred revenues on its balance sheet. Deferred revenues arise when resources are received by the Housing Authority before it has a legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, when the Housing Authority has a legal claim to the resources, the liability for deferred revenue is removed from the statement of net assets sheet and the revenue is recognized.

**K. COMPENSATED ABSENCES** Under adopted policy, employees earn ten days of annual vacation leave for each year of service, for the first five years, 15 days for 5 to 10 years, and 21 days per annum after ten years of service. Accrued hours in excess of 360 are paid each January. Sick time accrues at one day per month of service. 720 hours maximum can be accrued. Hours in excess of 720 are paid for one day for three days' accrual every January. At resignation or termination, accrued sick days are paid, one day for three days' accrual.

**L. POST EMPLOYMENT BENEFITS** The Authority does not recognize or pay any post employment benefits. Accordingly, Governmental Accounting Standards Board (GASB) Statement Number 45 does not apply.

**M. RESTRICTED NET ASSETS** Net assets are reported as restricted when constraints placed on net asset use are either:

Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Restricted resources are used first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

HOUSING AUTHORITY OF MCALESTER, OKLAHOMA  
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2011

**N. USE OF 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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses and other financing sources and uses during the reporting period. Actual results could differ from those estimates.

**NOTE 2 – DEPOSITS AND INVESTMENTS** The Housing Authority has reported their investments with a maturity at time of purchase of one year or less at amortized cost. Investments with maturity at time of purchase of greater than one year are presented at fair value at June 30, 2011. deposits are stated at cost, which approximates fair value.

**Interest Rate Risk:** The Housing Authority's policy does not address interest rate risk.

**Credit Rate Risk:** GASB 40 disclosure of credit rate risk does not apply, since the Authority's only investments are certificates of deposit.

**Custodial Credit Risk:** The Authority's policy requires the financial institution to cover the first \$250,000 of deposits with FDIC coverage. Any excess deposits must be collateralized with securities held by the pledging financial institution, with a fair market value that equals or exceeds the amount of excess deposits.

**Restricted Cash:** \$36,908 is restricted in the General Fund for security deposits. \$61,177 is restricted in the Housing Choice Voucher fund for HAP Equity.

At June 30, 2011, the Housing Authority's carrying amount of deposits was \$575,866 and the bank balance was \$609,171, which includes \$335,036 in certificates of deposits classified as investments. Petty cash consists of \$200. \$409,653 of the bank balance was covered by FDIC Insurance. The remaining bank balance of \$199,518 was covered by pledged securities. However, this \$199,518 was exposed to custodial credit risk, as defined by GASBS No. 40, para. 8, because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent but not in the Housing Authority's name.

HOUSING AUTHORITY OF MCALESTER, OKLAHOMA  
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2011

**NOTE 3 – ACCOUNTS RECEIVABLE** The receivables at June 30, 2011, are as follows:

	General	Housing Choice Voucher	Total
<u>Class of Receivables</u>			
Local sources:			
Tenants	\$ 8,439	\$ 0	\$ 8,439
Federal sources:			
Grants	0	1,326	1,326
Total	\$ 8,439	\$ 1,326	\$ 9,765

The tenants account receivable is net of an allowance for doubtful accounts of \$8,438.

**NOTE 4 – CAPITAL ASSETS** The changes in capital assets are as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Non-depreciable assets				
Land and buildings	\$ 267,459	\$ 0	\$ 0	\$ 267,459
Construction in progress	0	13,751	0	13,751
Depreciable assets:				
Buildings	13,768,583	309,302	0	14,077,885
Furniture and equipment	217,164	0	40,039	177,125
Total capital assets	14,253,206	323,053	40,039	14,536,220
Less: accumulated depreciation				
Buildings	10,861,481	253,399	0	11,114,880
Furniture and equipment	156,931	16,501	40,039	133,393
Total accumulated deprecation	11,018,412	269,900	40,039	11,248,273
Total capital assets, net	\$ 3,234,794	\$ 53,153	\$ 0	\$ 3,287,947

HOUSING AUTHORITY OF MCALESTER, OKLAHOMA  
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2011

**NOTE 5 – ACCOUNTS PAYABLE** The payables at June 30, 2011 are as follows:

	General	Housing Choice Voucher Fund	Total
Vendors	\$ 7,711	\$ 173	\$ 7,884
Payroll taxes & Retirement withheld	18,389	848	19,237
Utilities	3,870		3,870
Total	\$ 29,970	\$ 1,021	\$ 30,991

**NOTE 6 – COMPENSATED ABSENCES** At June 30, 2011, employees of the Housing Authority have accumulated and vested \$76,230 of employee leave computed in accordance with GASB, Codification Section C60.

**NOTE 7 – LONG – TERM OBLIGATIONS** The following is a summary of the long – term obligation transactions for the year ended June 30, 2011.

	Compensated Absences
Balance, beginning	\$ 78,080
Additions	51,453
Deductions	-53,303
Balance, ending	76,230
Amounts due in one year	\$ 64,033

**NOTE 8 – RETIREMENT SYSTEM** The Housing Authority participates in the Housing Renewal and Local Agency Retirement Trust (HART), which is a defined contribution plan. The plan consists of employees of various local and regional housing authorities, urban renewal agencies, and other similar organizations. Through this plan, the Housing Authority provides pension benefits for all of its full-time employees. All full-time employees are eligible to participate in the plan after completing one month of continuous and uninterrupted employment.

Under a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Each participant in the plan is required to make a monthly contribution equal to 6% of his effective compensation, and may make additional contributions. The employer is required to make monthly contributions equal to 8.5% of each participant's effective compensation.

HOUSING AUTHORITY OF MCALESTER, OKLAHOMA  
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2011

The Housing Authority's contribution for each employee and income allocated to the employee's account is fully vested after five years of continuous service. The Housing Authority's contributions and interest forfeited by employees who leave employment before five years of service are used to offset future contributions of the Housing Authority.

The Housing Authority has the right to establish or amend retirement plan provisions. The Housing Authority's Joinder Agreement with the Housing Renewal and Local Agency Retirement Plan may be amended or modified by Board Resolution. Amendment of the Joinder Agreement is limited to provisions affecting plan specifications.

The Housing Authority made the required contributions of \$61,802 for the year ended June 30, 2011, of which \$34,197 was paid by the Housing Authority and \$27,605 was paid by employees. No payments were made out of the forfeiture account.

**NOTE 9 – COMMITMENTS AND CONTINGENCIES**

**Litigation** The Housing Authority is not presently involved in litigation.

**Grant Disallowances** The Housing Authority participates in a number of federally assisted grant programs. The programs are subject to compliance audits under the single audit approach. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under terms of the grants. Housing Authority management believes that the amount of disallowance, if any, which may arise from future audits will not be material.

**Construction Projects** There are certain renovation or construction projects in progress at June 30, 2011. These include modernizing rental units. These projects are being funded by HUD. Funds are requested periodically as the cost is incurred.

**Risk Management** The Housing Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Housing Authority carries commercial insurance.

The entity transfers risk of loss by contracting with the Housing Authority Insurance Group, a mutual insurance carrier, for all major categories of exposed risk.

This includes coverage of property, general liability, public official's liability, and worker's compensation. Their contract obligates the mutual carrier to meet settlements up to the maximum coverage, after the PHA's premiums and deductions are met.

The policies of the Housing Authority Insurance Group do not include a stipulation for assessment, which would expose the entity to additional liability. If the mutual carrier was unable to meet its obligations, the risk to the participating entity would be that only its own claim would be unpaid.

Coverage has not significantly changed from the previous year and settlements for each of the past three years have not exceeded insurance coverage.

HOUSING AUTHORITY OF MCALESTER, OKLAHOMA  
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2011

**NOTE 10- ECONOMIC DEPENDENCE** The Department of Housing and Urban Development provided \$1,272,099 Housing Authority, which represents approximately 72% of the Housing Authority's total revenue and capital contributions for the year.

**NOTE 11 - SUBSEQUENT EVENTS** Management has evaluated events and transactions subsequent to the statement of net assets sheet date through the date of the independent auditor's report (the date the financial statements were available to be issued) for potential recognition or disclosure in the financial statements. Management has not identified any items requiring recognition or disclosure.

**MIKE ESTES, P.C.**  
A PROFESSIONAL ACCOUNTING CORPORATION  
4200 AIRPORT FREEWAY – SUITE 100  
FORT WORTH, OKLAHOMA 76117

MIKE ESTES, CPA

(817) 831-3553  
(817) 831-3560  
e-mail: [office@mikeestespc.com](mailto:office@mikeestespc.com)  
website: [mikeestespc.com](http://mikeestespc.com)

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AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC  
ACCOUNTANTS  
and the  
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AUDIT QUALITY CENTER

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*

Housing Authority of McAlester  
McAlester, Oklahoma

We have audited the basic financial statements of the Housing Authority of the City of McAlester, Oklahoma, as of and for the year ended June 30, 2011, and have issued our report thereon dated February 8, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Housing Authority of the City of McAlester, Oklahoma's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Housing Authority of the City of McAlester, Oklahoma's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority of the City of McAlester, Oklahoma's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect 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.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Housing Authority of the City of McAlester, Oklahoma's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the Board of Commissioners, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Mike Estes, P.C.  
Fort Worth, Texas  
February 8, 2012

**MIKE ESTES, P.C.**  
A PROFESSIONAL ACCOUNTING CORPORATION  
4200 AIRPORT FREEWAY – SUITE 100  
FORT WORTH, OKLAHOMA 76117

MIKE ESTES, CPA

(817) 831-3553  
(817) 831-3560  
e-mail: [office@mikeestespc.com](mailto:office@mikeestespc.com)  
website: [mikeestespc.com](http://mikeestespc.com)

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Report on Compliance with Requirements That Could Have a Direct  
and Material Effect on Each Major Program and on Internal Control  
Over Compliance in Accordance With OMB Circular A-133

Independent Auditor's Report

Housing Authority of McAlester  
McAlester, Oklahoma

**Compliance**

We have audited the Housing Authority of the City of McAlester, Oklahoma compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Housing Authority of the City of McAlester, Oklahoma's major federal programs for the year ended June 30, 2011. The Housing Authority of the City of McAlester, Oklahoma's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Housing Authority of the City of McAlester, Oklahoma's management. Our responsibility is to express an opinion on the Housing Authority of the City of McAlester, Oklahoma's compliance based on our audit.

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

In our opinion, the Housing Authority of the City of McAlester, Oklahoma complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

### **Internal Control Over Compliance**

Management of the Housing Authority of the City of McAlester, Oklahoma is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Housing Authority of the City of McAlester, Oklahoma's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority of the City of McAlester, Oklahoma's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

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

This report is intended solely for the information and use of management, the Board of Commissioners, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Mike Estes, P.C.  
Fort Worth, Texas  
February 8, 2012

HOUSING AUTHORITY OF MCALESTER, OKLAHOMA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2011

FEDERAL GRANTOR PROGRAM TITLE	CDFA NO.	PROGRAM EXPENDITURES
U. S. Department of Housing and Urban Development Direct Programs:		
Low-Income Housing Operating Subsidy	14.850a	\$ 499,232
Capital Fund Cluster		
Capital Fund Program	14.872	486,278
Housing Choice Voucher	14.871	286,589
Total United States Department of Housing and Urban Development		\$ 1,272,099
Total Expenditures of Federal Awards		\$ 1,272,099

HOUSING AUTHORITY OF MCALESTER, OKLAHOMA  
 NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2011

**NOTE 1 – GENERAL** The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the Housing Authority of the City of McAlester, Oklahoma (the “Housing Authority”). The Housing Authority reporting entity is defined in NOTE 1(A) 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 presented using the accrual basis of accounting, which is described in NOTE 1(C) 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>
Enterprise funds:		
Governmental operating grants	\$	949,046
Capital contributions		<u>323,053</u>
Total	\$	<u><u>1,272,099</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 MCALESTER, OKLAHOMA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2011

**Section I – Summary of the Auditor’s Results**

**Financial Statement Audit**

1. Type of Auditor’s Report Issued on Financial Statements – Unqualified.
2. Internal Control Over Financial Reporting:
  - a. Material weakness(es) identified?  yes  no
  - b. Significant deficiency(ies) identified?  yes  none reported
3. Noncompliance material to financial statements noted?  yes  no

**Audit of Federal Awards**

1. Internal Control Over Major Programs:
  - a. Material weakness(es) identified?  yes  no
  - b. Significant deficiency(ies) identified that are not considered to be material weaknesses?  yes  none reported
2. Type of Auditor’s Report Issued on Compliance For Major Programs – Unqualified.
3. Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?  yes  no
4. The programs tested as major programs include:  

CFDA# 14.850	Public and Indian Housing – Low Rent Program
CFDA# 14.872	Capital Fund
5. Dollar threshold used to distinguish between Type A and Type B Programs: \$ 300,000
6. Auditee qualified as low-risk auditee?  yes  no

HOUSING AUTHORITY OF MCALESTER, OKLAHOMA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2011

**Section II – Findings related to the financial statements which are required to be reported in accordance with Governmental Auditing Standards generally accepted in the United States of America:**

There are no audit findings.

HOUSING AUTHORITY OF MCALESTER, OKLAHOMA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2011

**Section III – Findings and questioned costs for federal awards which are required to be reported under OMB Circular No. A-133 Section .510 (a):**

There are no audit findings.

HOUSING AUTHORITY OF MCALESTER, OKLAHOMA  
CORRECTIVE ACTION PLAN

YEAR ENDED JUNE 30, 2011

There are no audit findings.

HOUSING AUTHORITY OF MCALESTER, OKLAHOMA  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED JUNE 30, 2011

**The following prior audit findings were required to be reported under OMB Circular No. A-133, Section 510(a) (for the major program) for the prior year:**

American Recovery and Reinvestment Act (ARRA)

Audit Finding 10-01 – Buy American Requirement for 2009 A.R.R.A. Not Complied With

Statement of Condition

The Authority did not comply with the Buy American requirement for lighting fixtures for \$35,700. The Authority did properly comply for the remainder of the \$540,383 grant.

Recommendation

If subsequent Buy American provisions are included in Capital Fund grant, the Authority should comply, unless waivers are obtained.

Current Status

This finding is not repeated in the current audit.

**SUPPLEMENTARY INFORMATION**

HOUSING AUTHORITY OF MCALESTER, OKLAHOMA  
STATEMENT AND CERTIFICATION OF ACTUAL MODERNIZATION COST  
ANNUAL CONTRIBUTION CONTRACT

YEAR ENDED JUNE 30, 2011

	2008 Capital Fund	2009 Capital Fund Recovery Grant
Funds approved	\$ 459,616	\$ 581,783
Funds expended	459,616	581,783
Excess of funds approved	<u>\$ 0</u>	<u>\$ 0</u>
Funds advanced	\$ 459,616	\$ 581,783
Funds expended	459,616	581,783
Excess (Deficiency) of funds advanced	<u>\$ 0</u>	<u>\$ 0</u>

1. The Actual Modernization Costs are as follows:
2. The distribution of costs by project as shown on the Final Statements of Modernization Costs, both dated March 21, 2011, accompanying the Actual Modernization Costs Certificates submitted to HUD for approval are in agreement with the PHA's records.
3. All modernization costs have been paid and all related liabilities have been discharged through payment.

See accountant's report

HOUSING AUTHORITY OF MCALESTER, OKLAHOMA  
STATEMENT OF MODERNIZATION COSTS - UNCOMPLETED

YEAR ENDED JUNE 30, 2011

CASH BASIS

	2009 Capital Fund	2010 Capital Fund
	<u>                    </u>	<u>                    </u>
Funds approved	\$ 456,823	\$ 453,215
Funds expended	438,721	78,099
Excess of funds approved	<u>\$ 18,102</u>	<u>\$ 375,116</u>
Funds advanced	\$ 438,721	\$ 78,099
Funds expended	438,721	78,099
Excess (Deficiency) of funds advanced	<u>\$ 0</u>	<u>\$ 0</u>

See accountant's report

HOUSING AUTHORITY OF MCALESTER, OKLAHOMA  
FINANCIAL DATA SCHEDULE

YEAR ENDED JUNE 30, 2011

**Entity Wide Balance Sheet Summary**

	Project Total	14.871 Housing Choice Vouchers	Total
111 Cash - Unrestricted	\$112,805	\$30,140	\$142,945
112 Cash - Restricted - Modernization and Development		\$0	\$0
113 Cash - Other Restricted		\$61,177	\$61,177
114 Cash - Tenant Security Deposits	\$36,908	\$0	\$36,908
115 Cash - Restricted for Payment of Current Liabilities		\$0	\$0
100 Total Cash	\$149,713	\$91,317	\$241,030
121 Accounts Receivable - PHA Projects		\$0	\$0
122 Accounts Receivable - HUD Other Projects		\$1,326	\$1,326
124 Accounts Receivable - Other Government		\$0	\$0
125 Accounts Receivable - Miscellaneous		\$0	\$0
126 Accounts Receivable - Tenants	\$16,877	\$0	\$16,877
126.1 Allowance for Doubtful Accounts - Tenants	-\$8,438	\$0	-\$8,438
126.2 Allowance for Doubtful Accounts - Other		\$0	\$0
127 Notes, Loans, & Mortgages Receivable - Current		\$0	\$0
128 Fraud Recovery		\$0	\$0
128.1 Allowance for Doubtful Accounts - Fraud		\$0	\$0
129 Accrued Interest Receivable	\$316	\$9	\$325
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$8,755	\$1,335	\$10,090
131 Investments - Unrestricted	\$300,000	\$0	\$300,000
132 Investments - Restricted		\$35,036	\$35,036
135 Investments - Restricted for Payment of Current Liability		\$0	\$0
142 Prepaid Expenses and Other Assets	\$7,856	\$186	\$8,042
143 Inventories	\$5,822	\$0	\$5,822
143.1 Allowance for Obsolete Inventories	-\$583	\$0	-\$583
144 Inter Program Due From		\$0	\$0
145 Assets Held for Sale		\$0	\$0
150 Total Current Assets	\$471,563	\$127,874	\$599,437
161 Land	\$267,459	\$0	\$267,459
162 Buildings	\$14,077,885	\$0	\$14,077,885
163 Furniture, Equipment & Machinery - Dwellings		\$0	\$0
164 Furniture, Equipment & Machinery - Administration	\$170,519	\$6,606	\$177,125
165 Leasehold Improvements		\$0	\$0
166 Accumulated Depreciation	-\$11,241,667	-\$6,606	-\$11,248,273
167 Construction in Progress	\$13,751	\$0	\$13,751
168 Infrastructure		\$0	\$0
160 Total Capital Assets, Net of Accumulated Depreciation	\$3,287,947	\$0	\$3,287,947
171 Notes, Loans and Mortgages Receivable - Non-Current		\$0	\$0
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due		\$0	\$0
173 Grants Receivable - Non Current		\$0	\$0
174 Other Assets		\$0	\$0
176 Investments in Joint Ventures		\$0	\$0
180 Total Non-Current Assets	\$3,287,947	\$0	\$3,287,947
190 Total Assets	\$3,759,510	\$127,874	\$3,887,384

HOUSING AUTHORITY OF MCALESTER, OKLAHOMA  
FINANCIAL DATA SCHEDULE

YEAR ENDED JUNE 30, 2011

**Entity Wide Balance Sheet Summary**

	Project Total	14.871 Housing Choice Vouchers	Total
311 Bank Overdraft		\$0	\$0
312 Accounts Payable <= 90 Days	\$7,711	\$173	\$7,884
313 Accounts Payable >90 Days Past Due		\$0	\$0
321 Accrued Wage/Payroll Taxes Payable	\$18,389	\$848	\$19,237
322 Accrued Compensated Absences - Current Portion	\$60,436	\$3,597	\$64,033
324 Accrued Contingency Liability		\$0	\$0
325 Accrued Interest Payable		\$0	\$0
331 Accounts Payable - HUD PHA Programs		\$0	\$0
332 Account Payable - PHA Projects		\$0	\$0
333 Accounts Payable - Other Government	\$32,963	\$0	\$32,963
341 Tenant Security Deposits	\$36,908	\$0	\$36,908
342 Deferred Revenues	\$1,947	\$0	\$1,947
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue Bonds		\$0	\$0
344 Current Portion of Long-term Debt - Operating Borrowings		\$0	\$0
345 Other Current Liabilities		\$0	\$0
346 Accrued Liabilities - Other	\$3,870	\$0	\$3,870
347 Inter Program - Due To		\$0	\$0
348 Loan Liability - Current		\$0	\$0
310 Total Current Liabilities	\$162,224	\$4,618	\$166,842
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue		\$0	\$0
352 Long-term Debt, Net of Current - Operating Borrowings		\$0	\$0
353 Non-current Liabilities - Other		\$0	\$0
354 Accrued Compensated Absences - Non Current	\$11,512	\$685	\$12,197
355 Loan Liability - Non Current		\$0	\$0
356 FASB 5 Liabilities		\$0	\$0
357 Accrued Pension and OPEB Liabilities		\$0	\$0
350 Total Non-Current Liabilities	\$11,512	\$685	\$12,197
300 Total Liabilities	\$173,736	\$5,303	\$179,039
508.1 Invested in Capital Assets, Net of Related Debt	\$3,287,947	\$0	\$3,287,947
509.2 Fund Balance Reserved			
511.2 Unreserved, Designated Fund Balance			
511.1 Restricted Net Assets		\$96,213	\$96,213
512.1 Unrestricted Net Assets	\$297,827	\$26,358	\$324,185
512.2 Unreserved, Undesignated Fund Balance			
513 Total Equity/Net Assets	\$3,585,774	\$122,571	\$3,708,345
600 Total Liabilities and Equity/Net Assets	\$3,759,510	\$127,874	\$3,887,384

**HOUSING AUTHORITY OF MCALESTER, OKLAHOMA  
FINANCIAL DATA SCHEDULE**

**YEAR ENDED JUNE 30, 2011**

**Single Project Revenue and Expense**

	Low Rent	Capital Fund	Total Project
70300 Net Tenant Rental Revenue	\$425,692		\$425,692
70400 Tenant Revenue - Other	\$14,385		\$14,385
70500 Total Tenant Revenue	\$440,077	\$0	\$440,077
70600 HUD PHA Operating Grants	\$499,232	\$163,225	\$662,457
70610 Capital Grants		\$323,053	\$323,053
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	\$1,525		\$1,525
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	\$61,620		\$61,620
71600 Gain or Loss on Sale of Capital Assets	\$2,850		\$2,850
72000 Investment Income - Restricted			
70000 Total Revenue	\$1,005,304	\$486,278	\$1,491,582
91100 Administrative Salaries	\$200,282		\$200,282
91200 Auditing Fees	\$8,925		\$8,925
91300 Management Fee			
91310 Book-keeping Fee			
91400 Advertising and Marketing	\$120		\$120
91500 Employee Benefit contributions - Administrative	\$93,469		\$93,469
91600 Office Expenses	\$14,556		\$14,556
91700 Legal Expense	\$1,000		\$1,000
91800 Travel	\$1,241		\$1,241
91810 Allocated Overhead			
91900 Other	\$21,651		\$21,651
91000 Total Operating - Administrative	\$341,244	\$0	\$341,244
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
93100 Water	\$41,389		\$41,389
93200 Electricity	\$20,991		\$20,991
93300 Gas	\$11,356		\$11,356
93400 Fuel			
93500 Labor			

**HOUSING AUTHORITY OF MCALESTER, OKLAHOMA  
FINANCIAL DATA SCHEDULE**

YEAR ENDED JUNE 30, 2011

**Single Project Revenue and Expense**

	Low Rent	Capital Fund	Total Project
93600 Sewer	\$22,345		\$22,345
93700 Employee Benefit Contributions - Utilities			
93800 Other Utilities Expense			
93000 Total Utilities	\$96,081	\$0	\$96,081
94100 Ordinary Maintenance and Operations - Labor	\$147,805		\$147,805
94200 Ordinary Maintenance and Operations - Materials and Other	\$106,761		\$106,761
94300 Ordinary Maintenance and Operations Contracts	\$240,368		\$240,368
94500 Employee Benefit Contributions - Ordinary Maintenance	\$70,176		\$70,176
94000 Total Maintenance	\$565,110	\$0	\$565,110
95100 Protective Services - Labor	\$62,928		\$62,928
95200 Protective Services - Other Contract Costs	\$245		\$245
95300 Protective Services - Other			
95500 Employee Benefit Contributions - Protective Services	\$27,677		\$27,677
95000 Total Protective Services	\$90,850	\$0	\$90,850
96110 Property Insurance	\$63,803		\$63,803
96120 Liability Insurance	\$20,484		\$20,484
96130 Workmen's Compensation	\$10,936		\$10,936
96140 All Other Insurance	\$6,683		\$6,683
96100 Total insurance Premiums	\$101,906	\$0	\$101,906
96200 Other General Expenses	\$93		\$93
96210 Compensated Absences	\$52,892		\$52,892
96300 Payments in Lieu of Taxes	\$32,961		\$32,961
96400 Bad debt - Tenant Rents	\$15,929		\$15,929
96500 Bad debt - Mortgages			
96600 Bad debt - Other			
96800 Severance Expense			
96000 Total Other General Expenses	\$101,875	\$0	\$101,875
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	\$1,297,066	\$0	\$1,297,066
97000 Excess of Operating Revenue over Operating Expenses	-\$291,762	\$486,278	\$194,516
97100 Extraordinary Maintenance	\$39,700		\$39,700
97200 Casualty Losses - Non-capitalized			
97300 Housing Assistance Payments			

**HOUSING AUTHORITY OF MCALESTER, OKLAHOMA  
FINANCIAL DATA SCHEDULE**

**YEAR ENDED JUNE 30, 2011**

**Single Project Revenue and Expense**

	Low Rent	Capital Fund	Total Project
97350 HAP Portability-In			
97400 Depreciation Expense	\$269,900		\$269,900
97500 Fraud Losses			
97600 Capital Outlays - Governmental Funds			
97700 Debt Principal Payment - Governmental Funds			
97800 Dwelling Units Rent Expense			
90000 Total Expenses	\$1,606,666	\$0	\$1,606,666
10010 Operating Transfer In	\$163,225		\$163,225
10020 Operating transfer Out		-\$163,225	-\$163,225
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)	\$163,225	-\$163,225	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-\$438,137	\$323,053	-\$115,084
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0
11030 Beginning Equity	\$3,700,858	\$0	\$3,700,858
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	3169		3169
11210 Number of Unit Months Leased	3148		3148
11270 Excess Cash	\$188,156		\$188,156
11610 Land Purchases	\$0	\$0	\$0
11620 Building Purchases	\$0	\$323,053	\$323,053
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

HOUSING AUTHORITY OF MCALESTER, OKLAHOMA  
FINANCIAL DATA SCHEDULE

YEAR ENDED JUNE 30, 2011

**Entity Wide Revenue and Expense Summary**

	Project Total	14,871 Housing Choice Vouchers	Total
70300 Net Tenant Rental Revenue	\$425,692	\$0	\$425,692
70400 Tenant Revenue - Other	\$14,385	\$0	\$14,385
70500 Total Tenant Revenue	\$440,077	\$0	\$440,077
70600 HUD PHA Operating Grants	\$662,457	\$286,589	\$949,046
70610 Capital Grants	\$323,053	\$0	\$323,053
70710 Management Fee			\$0
70720 Asset Management Fee			\$0
70730 Book Keeping Fee			\$0
70740 Front Line Service Fee			\$0
70750 Other Fees			\$0
70700 Total Fee Revenue			\$0
70800 Other Government Grants		\$0	\$0
71100 Investment Income - Unrestricted	\$1,525	\$105	\$1,630
71200 Mortgage Interest Income		\$0	\$0
71300 Proceeds from Disposition of Assets Held for Sale		\$0	\$0
71310 Cost of Sale of Assets		\$0	\$0
71400 Fraud Recovery		\$0	\$0
71500 Other Revenue	\$61,620	\$852	\$62,472
71600 Gain or Loss on Sale of Capital Assets	\$2,850	\$0	\$2,850
72000 Investment Income - Restricted		\$104	\$104
70000 Total Revenue	\$1,491,582	\$287,650	\$1,779,232
91100 Administrative Salaries	\$200,282	\$18,133	\$218,415
91200 Auditing Fees	\$8,925	\$2,975	\$11,900
91300 Management Fee		\$0	\$0
91310 Book-keeping Fee		\$0	\$0
91400 Advertising and Marketing	\$120	\$0	\$120
91500 Employee Benefit contributions - Administrative	\$93,469	\$11,353	\$104,822
91600 Office Expenses	\$14,556	\$2,026	\$16,582
91700 Legal Expense	\$1,000	\$0	\$1,000
91800 Travel	\$1,241	\$29	\$1,270
91810 Allocated Overhead		\$0	\$0
91900 Other	\$21,651	\$4,145	\$25,796
91000 Total Operating - Administrative	\$341,244	\$38,661	\$379,905
92000 Asset Management Fee		\$0	\$0
92100 Tenant Services - Salaries		\$0	\$0
92200 Relocation Costs		\$0	\$0
92300 Employee Benefit Contributions - Tenant Services		\$0	\$0
92400 Tenant Services - Other		\$0	\$0
92500 Total Tenant Services	\$0	\$0	\$0
93100 Water	\$41,389	\$0	\$41,389
93200 Electricity	\$20,991	\$0	\$20,991
93300 Gas	\$11,356	\$0	\$11,356
93400 Fuel		\$0	\$0

HOUSING AUTHORITY OF MCALESTER, OKLAHOMA  
FINANCIAL DATA SCHEDULE

YEAR ENDED JUNE 30, 2011

**Entity Wide Revenue and Expense Summary**

	Project Total	14.871 Housing Choice Vouchers	Total
93500 Labor		\$0	\$0
93600 Sewer	\$22,345	\$0	\$22,345
93700 Employee Benefit Contributions - Utilities		\$0	\$0
93800 Other Utilities Expense		\$0	\$0
93000 Total Utilities	\$96,081	\$0	\$96,081
94100 Ordinary Maintenance and Operations - Labor	\$147,805	\$0	\$147,805
94200 Ordinary Maintenance and Operations - Materials and Other	\$106,761	\$440	\$107,201
94300 Ordinary Maintenance and Operations Contracts	\$240,368	\$63	\$240,431
94500 Employee Benefit Contributions - Ordinary Maintenance	\$70,176	\$0	\$70,176
94000 Total Maintenance	\$565,110	\$503	\$565,613
95100 Protective Services - Labor	\$62,928	\$0	\$62,928
95200 Protective Services - Other Contract Costs	\$245	\$0	\$245
95300 Protective Services - Other		\$0	\$0
95500 Employee Benefit Contributions - Protective Services	\$27,677	\$0	\$27,677
95000 Total Protective Services	\$90,850	\$0	\$90,850
96110 Property Insurance	\$63,803	\$0	\$63,803
96120 Liability Insurance	\$20,484	\$0	\$20,484
96130 Workmen's Compensation	\$10,936	\$513	\$11,449
96140 All Other Insurance	\$6,683	\$0	\$6,683
96100 Total insurance Premiums	\$101,906	\$513	\$102,419
96200 Other General Expenses	\$93	\$0	\$93
96210 Compensated Absences	\$52,892	\$2,941	\$55,833
96300 Payments in Lieu of Taxes	\$32,961	\$0	\$32,961
96400 Bad debt - Tenant Rents	\$15,929	\$0	\$15,929
96500 Bad debt - Mortgages		\$0	\$0
96600 Bad debt - Other		\$0	\$0
96800 Severance Expense		\$0	\$0
96000 Total Other General Expenses	\$101,875	\$2,941	\$104,816
96710 Interest of Mortgage (or Bonds) Payable		\$0	\$0
96720 Interest on Notes Payable (Short and Long Term)		\$0	\$0
96730 Amortization of Bond Issue Costs		\$0	\$0
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0
96900 Total Operating Expenses	\$1,297,066	\$42,618	\$1,339,684
97000 Excess of Operating Revenue over Operating Expenses	\$194,516	\$245,032	\$439,548
97100 Extraordinary Maintenance	\$39,700	\$0	\$39,700
97200 Casualty Losses - Non-capitalized		\$0	\$0
97300 Housing Assistance Payments		\$228,327	\$228,327

HOUSING AUTHORITY OF MCALESTER, OKLAHOMA  
FINANCIAL DATA SCHEDULE

YEAR ENDED JUNE 30, 2011

**Entity Wide Revenue and Expense Summary**

	Project Total	14.871 Housing Choice Vouchers	Total
97350 HAP Portability-In		\$0	\$0
97400 Depreciation Expense	\$269,900	\$0	\$269,900
97500 Fraud Losses		\$0	\$0
97600 Capital Outlays - Governmental Funds			
97700 Debt Principal Payment - Governmental Funds			
97800 Dwelling Units Rent Expense		\$0	\$0
90000 Total Expenses	\$1,606,666	\$270,945	\$1,877,611
10010 Operating Transfer In	\$163,225	\$0	\$0
10020 Operating transfer Out	-\$163,225	\$0	\$0
10030 Operating Transfers from/to Primary Government		\$0	\$0
10040 Operating Transfers from/to Component Unit		\$0	\$0
10050 Proceeds from Notes, Loans and Bonds			
10060 Proceeds from Property Sales			
10070 Extraordinary Items, Net Gain/Loss		\$0	\$0
10080 Special Items (Net Gain/Loss)		\$0	\$0
10091 Inter Project Excess Cash Transfer In			\$0
10092 Inter Project Excess Cash Transfer Out			\$0
10093 Transfers between Program and Project - In		\$0	\$0
10094 Transfers between Project and Program - Out		\$0	\$0
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-\$115,084	\$16,705	-\$98,379
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0
11030 Beginning Equity	\$3,700,858	\$105,866	\$3,806,724
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors		\$0	\$0
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		\$26,358	\$26,358
11180 Housing Assistance Payments Equity		\$96,213	\$96,213
11190 Unit Months Available	3169	876	4045
11210 Number of Unit Months Leased	3148	773	3921
11270 Excess Cash	\$188,156		\$188,156
11610 Land Purchases	\$0		\$0
11620 Building Purchases	\$323,053		\$323,053
11630 Furniture & Equipment - Dwelling Purchases	\$0		\$0
11640 Furniture & Equipment - Administrative Purchases	\$0		\$0
11650 Leasehold Improvements Purchases	\$0		\$0
11660 Infrastructure Purchases	\$0		\$0
13510 CFFP Debt Service Payments	\$0		\$0
13901 Replacement Housing Factor Funds	\$0		\$0