

HOUSING AUTHORITY OF MCALESTER, OKLAHOMA

**AUDITED FINANCIAL STATEMENTS
AND SUPPLEMENTAL DATA**

TWELVE MONTHS ENDED JUNE 30, 2015

Mike Estes, P.C.
A Professional Accounting Corporation

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AUDIT QUALITY CENTER

Independent Auditor's Report

Board of Commissioners
Housing Authority of McAlester
McAlester, Oklahoma

Report on the Financial Statements

We have audited the accompanying 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, 2015, and the related notes to the financial statements, which collectively comprise the City of McAlester, Oklahoma's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in financial statements. The procedures selected depend on the auditor's judgment, including 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 entity's preparation and fair presentation of the financial statements in order to design and audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly we express no such opinion. An audit also

includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund of the Housing Authority of the City of McAlester, Oklahoma, as of June 30, 2015, 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 Managements' Discussion and Analysis on pages 4 to 10 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 general accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Housing Authority of the City of McAlester, Oklahoma's basic financial statements. The statement and certification of actual modernization costs, statement of modernization costs-uncompleted, and the financial data schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The statement and certification of actual modernization costs, statement of modernization costs-uncompleted, and the financial data schedules is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, the statement and certification of actual modernization costs, statement of modernization costs-uncompleted, and the financial data schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 18, 2016 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Audit Standards* in considering the Housing Authority of the City of McAlester, Oklahoma's internal control over financial reporting and compliance.

Mike Estes, P.C.

Mike Estes, P.C.
Fort Worth, Texas
January 18, 2016

*McAlester Housing Authority
Management's Discussion and Analysis-Cont.
For the Year Ended June 30, 2015*

Introduction

This Management's Discussion and Analysis (MD&A) of the McAlester Housing Authority (Authority) provides an introduction and overview to the financial statements of the McAlester Housing Authority for the fiscal year ended June 30, 2015. The McAlester Housing Authority presents this discussion and analysis of its financial performance during the fiscal year ended June 30, 2015, to assist the reader in focusing on significant financial issues.

The primary focus of the Authority's financial statements is on the statements of its single enterprise fund encompassing all programs administered by the McAlester Housing Authority. The information contained herein this MD&A should be considered in conjunction with the Authority's financial statements and related notes to the financial statements.

The Authority has three individual programs. They include the Low Rent Public Housing Program, the Capital Fund Program (CFP), and the Housing Choice Voucher Program (HCV).

- 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 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 with affordable, decent, safe, and sanitary rental housing. The Authority provides rental assistance in the form of a housing assistance payment to a landlord on behalf of the tenant. The Authority currently has 73 units available. Funds are provided by HUD to provide rental assistance payments. The Authority is provided an administrative fee for the purpose of covering the administrative costs of the program. The administrative fee is computed by HUD on an annual basis.

Overview of the Financial Statements

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

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

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

*McAlester Housing Authority
Management's Discussion and Analysis-Cont.
For the Year Ended June 30, 2015*

- Net Investment in Capital Assets consists of capital asset balances net of accumulated depreciation less any outstanding balances of related debt associated with the acquisition of these assets.
- Restricted component of net position consists of resources that are restricted by limitations placed on these resources by an external source or imposed by law through enabling legislation.
- Unrestricted component of net position represents the remaining resources available that do not meet the definition of the above categories. The unrestricted component of Net Position is basically the amount of resources available for future year appropriations.

The Statement of Revenues, Expenses, and Changes in Net Position reports the operating revenues, operating expenses, non-operating revenues, and non-operating expenses of the Authority for the fiscal year ended June 30, 2015, to determine the net change in net position for the fiscal year.

The Statement of Cash Flows reports 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, 2015.

Financial Highlights

The McAlester Housing Authority's net position decreased from \$3,340,431 to \$3,164,404, a decrease of \$176,027 or 5%. Total assets also decreased by \$208,358 or 6%.

Total revenue decreased from \$1,799,981 to \$1,636,611, a decrease of \$163,370 or 9%.

Total expenses decreased by \$19,541, from \$1,832,179 to \$1,812,638 for the current year. This represents a decrease of 1%.

*McAlester Housing Authority
Management's Discussion and Analysis-Cont.
For the Year Ended June 30, 2015*

Housing Authority Activities & Highlights

The 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 summary of net position for the year ended June 30, 2015, and 2014.

Summary Statement of Net Position

June 30, 2015 and 2014

<u>Category</u>	<u>FYE 2015</u>	<u>FYE 2014</u>	<u>Change \$</u>	<u>Change %</u>
Current Assets	\$ 422,820	\$ 444,184	\$ (21,364)	-5%
Noncurrent Assets	\$ 2,903,136	\$ 3,090,130	\$ (186,994)	-6%
Total Assets	\$ 3,325,956	\$ 3,534,314	\$ (208,358)	-6%
Current Liabilities	\$ 118,861	\$ 156,506	\$ (37,645)	-24%
Noncurrent Liabilities	\$ 42,691	\$ 37,377	\$ 5,314	14%
Total Liabilities	\$ 161,552	\$ 193,883	\$ (32,331)	-17%
Unrestricted	\$ 260,637	\$ 238,592	\$ 22,045	9%
Restricted	\$ 631	\$ 11,709	\$ (11,078)	-95%
Net Investment in Capital Assets	\$ 2,903,136	\$ 3,090,130	\$ (186,994)	-6%
Total Net Position	\$ 3,164,404	\$ 3,340,431	\$ (176,027)	-5%

Current Assets

The Authority's current asset balances decreased by \$21,364. Restricted cash and investments decreased from \$106,292 as of June 30, 2014 to \$36,439 on June 30, 2015. This was primarily due to the reduction in cash restricted for modernization and development in the amount of \$59,900. The Authority used the remainder of these restricted funds for repair of burned out unit. In addition, cash restricted for HAP funds also decreased due to HAP expenditures exceeding HAP funding in the amount of \$11,078. In contrast, unrestricted cash and investments increased by \$59,253 from \$287,760 as of June 30, 2014 to \$347,013 on June 30, 2015, due primarily to excess operating revenues over operating expenditures. In addition, fraud recovery increased by \$7,164 due to the addition of current year fraud balances related to the HCV Program.

Noncurrent Assets

The Authority's noncurrent asset balance decreased primarily due to the recording of depreciation. Please note the capital asset portion presented in a later section.

Current Liabilities

Current liabilities decreased by \$37,645. The reduction was primarily due to the following:

- Accounts payable decreased by \$5,026 due to a reduction in accrual expenses associated with maintenance materials and HVAC repairs.
- Accrued wage/payroll taxes payable decreased in the amount of \$4,089 due to a reduction in staffing.
- Accrued compensated absences – current portion decreased by \$11,282 due to a reduction in the number of employees and the classification of a higher portion as long term.
- Unearned revenue decreased by \$2,916 due to a reduction of admin fees payable to HUD related to the HCV Program.
- Other current liabilities decreased by \$14,235 due to the accrual of architect fees in the previous year.

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Management's Discussion and Analysis-Cont.
For the Year Ended June 30, 2015*

Noncurrent Liabilities

Noncurrent liabilities increased by \$5,314 due to an increase in the amount of accrued leave classified as long term at the end of the current year.

Net Position

The net position of the Authority decreased by \$176,027 compared to the previous fiscal year. This was primarily due to the recording of depreciation.

The Authority's unrestricted component of net position changed from \$238,592 to \$260,637, an increase of \$22,045 or 9% for the current year. This was due to operating revenues exceeding operating expenditures. The unrestricted component of net position is the amount available for future appropriations. This balance is subject to program specific guidelines.

Low Rent Housing Program	\$ 245,003
Housing Choice Vouchers	<u>\$ 15,634</u>
Total Unrestricted	<u>\$ 260,637</u>

**Summary Statement of Revenues & Expenses and Changes in Net Position
For the Year Ended June 30, 2015 and 2014**

<u>Category</u>	<u>FYE 2015</u>	<u>FYE 2014</u>	<u>Change \$</u>	<u>Change %</u>
Tenant Revenue	\$ 460,694	\$ 440,081	\$ 20,613	5%
HUD Operating Grants	\$ 1,009,542	\$ 978,616	\$ 30,926	3%
Capital Grants	\$ 126,314	\$ 299,820	\$ (173,506)	-58%
Interest Income	\$ 154	\$ 314	\$ (160)	-51%
Other Revenue	\$ 39,907	\$ 81,150	\$ (41,243)	-51%
Total Revenue	\$ 1,636,611	\$ 1,799,981	\$ (163,370)	-9%
Administration	\$ 355,927	\$ 375,520	\$ (19,593)	-5%
Tenant Services	\$ 250	\$ 316	\$ (66)	-21%
Utilities	\$ 103,431	\$ 103,494	\$ (63)	0%
Ordinary Maintenance	\$ 446,917	\$ 521,231	\$ (74,314)	-14%
General Expense	\$ 267,395	\$ 299,129	\$ (31,734)	-11%
Extra. Maint./Casualty Loss	\$ 118,296	\$ 5,466	\$ 112,830	2064%
Housing Assistance Payments	\$ 207,114	\$ 221,693	\$ (14,579)	-7%
Depreciation	\$ 313,308	\$ 305,330	\$ 7,978	3%
Total Expenses	\$ 1,812,638	\$ 1,832,179	\$ (19,541)	-1%
Increase (Decrease) in Net Position	\$ (176,027)	\$ (32,198)	\$ (143,829)	447%
Net Position, Beginning of Year	\$ 3,340,431	\$ 3,372,629	\$ (32,198)	-1%
Net Position, End of Year	\$ 3,164,404	\$ 3,340,431	\$ (176,027)	-5%

*McAlester Housing Authority
Management's Discussion and Analysis-Cont.
For the Year Ended June 30, 2015*

Results of Operations

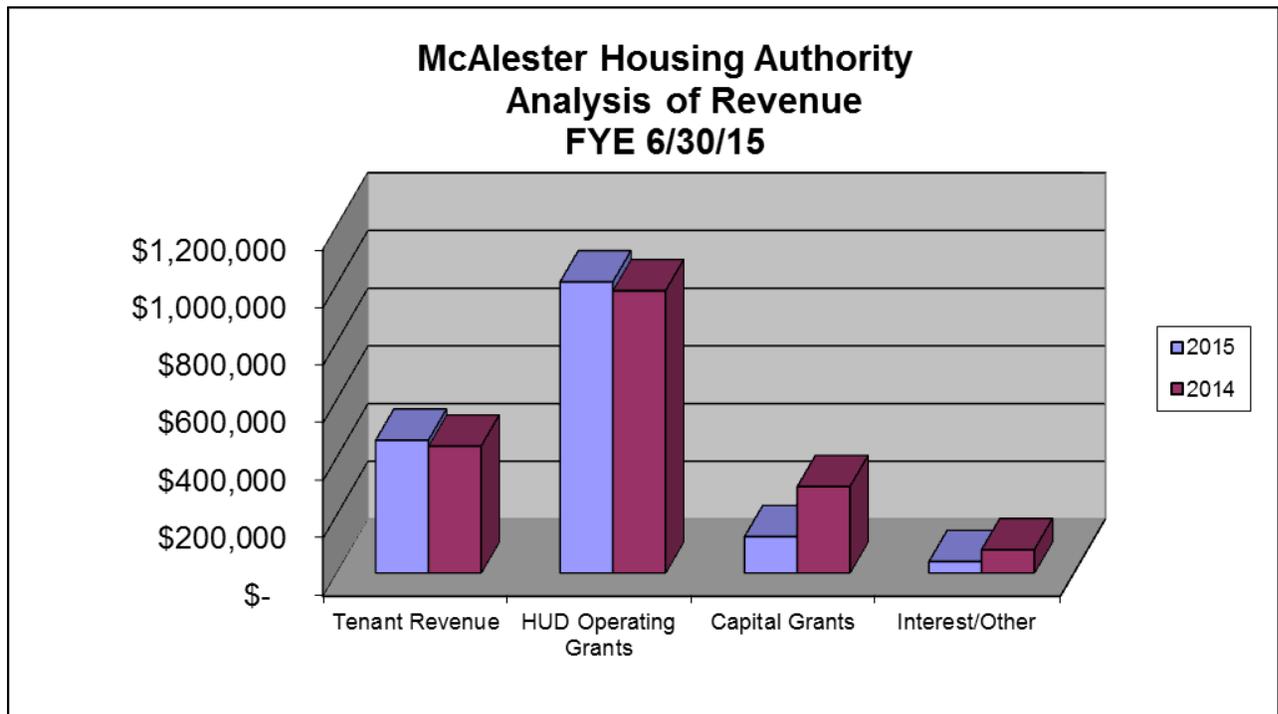
Revenues of the Authority are principally generated from tenant rents and Federal funding. The Authority's revenue decreased by \$163,370 compared to the previous fiscal year. Significant variances include the following:

- Capital grants decreased by \$173,506 due to a reduction in capital improvement projects funded by the CFP program.
- Other revenue decreased by \$41,243 due to insurance proceeds received for a burned out unit in the prior year.

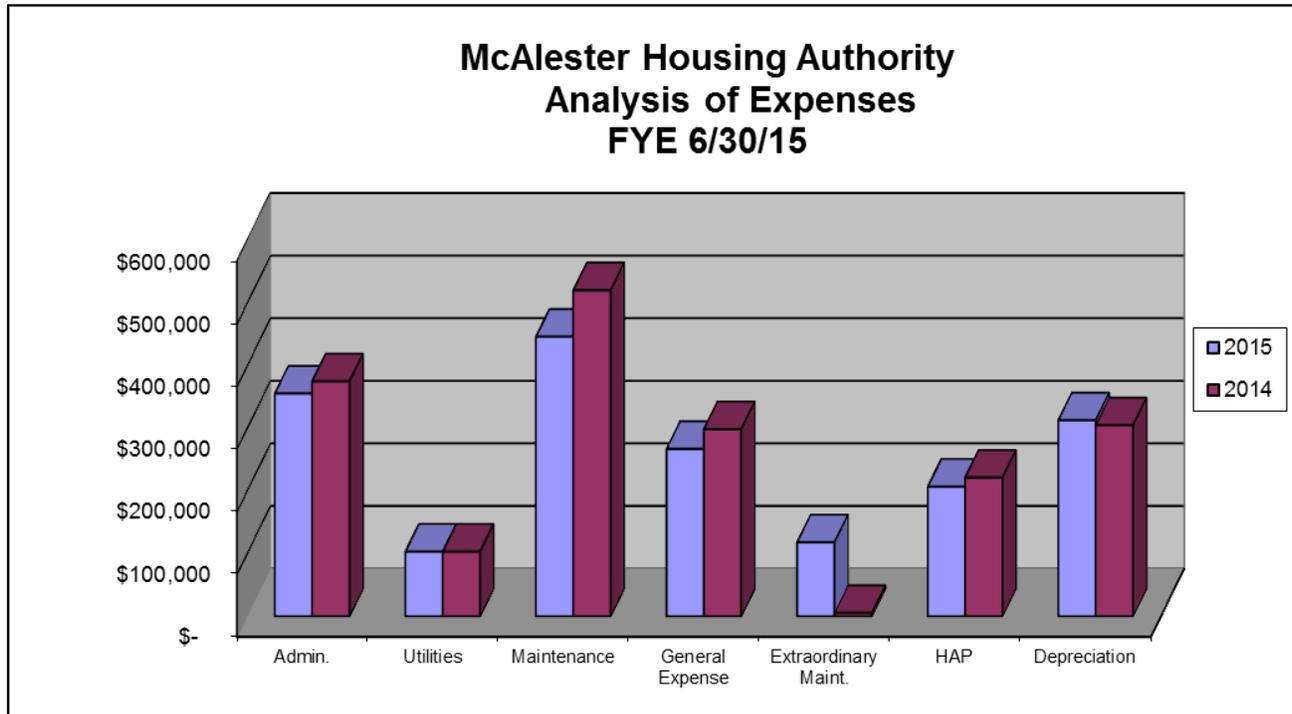
Total expenses decreased by \$19,541. Significant variances include the following:

- Ordinary maintenance decreased by \$74,314. This was due to a reduction in maintenance salaries in the amount of \$53,239 and benefits in the amount of \$18,095. Salaries and benefits decreased due to a reduction in maintenance staff.
- General expenses decreased by \$31,734 primarily due to a reduction in compensated absences. Compensated absences decreased due to a reduction in the number of employees.
- Extraordinary maintenance and casualty losses increased by \$112,830 due to the repairs to a burned out unit and repairs to the water main and leaks under foundations.

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



*McAlester Housing Authority
Management's Discussion and Analysis-Cont.
For the Year Ended June 30, 2015*



Capital Assets

As of June 30, 2015, the McAlester Housing Authority's net investment in capital assets was \$2,903,136. This investment includes land, buildings, construction in progress, and equipment, net of accumulated depreciation.

<u>Category</u>	<u>FYE 2015</u>	<u>FYE 2014</u>	<u>Change \$</u>	<u>Change %</u>
Land	\$ 267,459	\$ 267,459	\$ -	0%
Buildings	\$ 14,739,441	\$ 14,739,441	\$ -	0%
Equipment	\$ 168,845	\$ 177,125	\$ (8,280)	-5%
Construction in Progress	\$ 146,839	\$ 20,525	\$ 126,314	615%
Accumulated Depreciation	\$ (12,419,448)	\$ (12,114,420)	\$ (305,028)	3%
Total Net Fixed Assets	\$ 2,903,136	\$ 3,090,130	\$ (186,994)	-6%

Deletions from the equipment account consist of the disposal of computer equipment.

Construction in progress consist of projects to replace flooring, light fixtures, sewer lines, parking lot upgrades funded by the 2013 CFP.

Subsequent Event

Due to the 2015 Congressional Appropriations, the Authority's operating subsidy provided by HUD for the Low Rent Housing Program was prorated to 89% for the calendar year 2015.

The amount of funding for the 2015 calendar year for the Housing Choice Voucher Program will include the proration of administrative fees at an estimated 82% and HAP funding at 100%.

*McAlester Housing Authority
Management's Discussion and Analysis-Cont.
For the Year Ended June 30, 2015*

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
PO Box 819
McAlester, OK 74502

HOUSING AUTHORITY OF MCALESTER, OKLAHOMA
STATEMENT OF NET POSITION

JUNE 30, 2015

	General	Housing Choice Voucher	Total
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Current assets			
Cash and cash equivalents	\$ 130,095	\$ 11,918	\$ 142,013
Investments	205,000	0	205,000
Accounts receivable net	14,364	3,950	18,314
Interest receivable	77	0	77
Prepaid items and other assets	11,896	879	12,775
Inventory	8,202	0	8,202
Restricted assets - cash and cash equivalents	35,808	631	36,439
	<u>405,442</u>	<u>17,378</u>	<u>422,820</u>
Capital Assets, net			
Land and other non-depreciated assets	414,298	0	414,298
Other capital assets - net of depreciation	2,488,838	0	2,488,838
	<u>2,903,136</u>	<u>0</u>	<u>2,903,136</u>
Total Assets	<u>\$ 3,308,578</u>	<u>\$ 17,378</u>	<u>\$ 3,325,956</u>
LIABILITIES			
Current Liabilities			
Accounts payable	\$ 21,502	\$ 1,113	\$ 22,615
Unearned income	1,184	0	1,184
Compensated absences payable	25,171	0	25,171
Accrued PILOT	34,083	0	34,083
Deposits due others	35,808	0	35,808
	<u>117,748</u>	<u>1,113</u>	<u>118,861</u>
Noncurrent Liabilities			
Compensated absences payable	42,691	0	42,691
	<u>160,439</u>	<u>1,113</u>	<u>161,552</u>
NET POSITION			
Net investment in capital assets	2,903,136	0	2,903,136
Restricted for:			
HAP Equity	0	631	631
Unrestricted	245,003	15,634	260,637
	<u>3,148,139</u>	<u>16,265</u>	<u>3,164,404</u>
Net Position	<u>\$ 3,148,139</u>	<u>\$ 16,265</u>	<u>\$ 3,164,404</u>

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 POSITION

FOR THE YEAR ENDED JUNE 30, 2015

	General	Housing Choice Voucher	Total
OPERATING REVENUES			
Dwelling rental	\$ 444,259	\$ 0	\$ 444,259
Governmental operating grants	788,251	221,291	1,009,542
Other	42,854	13,488	56,342
Total Operating Revenues	1,275,364	234,779	1,510,143
OPERATING EXPENSES			
Administration	334,647	21,280	355,927
Tenant services	250	0	250
Utilities	103,431	0	103,431
Ordinary maintenance & operations	446,917	0	446,917
Protective services	70,575	0	70,575
General expenses	182,753	9,475	192,228
Depreciation	313,308	0	313,308
Extraordinary maintenance	31,796	0	31,796
Casualty losses	86,500	0	86,500
Housing assistance payments	0	211,706	211,706
Total Operating Expenses	1,570,177	242,461	1,812,638
Income (Loss) from Operations	(294,813)	(7,682)	(302,495)
Non Operating Revenues (Expenses)			
Interest earnings	141	13	154
Total Non-Operating Revenues (Expenses)	141	13	154
Income (Loss) before contribution	(294,672)	(7,669)	(302,341)
Capital Contribution	126,314	0	126,314
Change in net position	(168,358)	(7,669)	(176,027)
Total net position - beginning	3,316,497	23,934	3,340,431
Total net position - ending	\$ 3,148,139	\$ 16,265	\$ 3,164,404

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

HOUSING AUTHORITY OF MCALESTER, OKLAHOMA
STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2015

	General	Housing Choice Voucher	Total
	<u> </u>	<u> </u>	<u> </u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Rental receipts	\$ 420,864	\$ 0	\$ 420,864
Other receipts	28,352	9,665	38,017
Insurance proceeds	18,461	0	18,461
Federal grants	802,486	218,650	1,021,136
Payments to vendors	(739,228)	(17,356)	(756,584)
Payments to employees – net	(525,503)	(15,441)	(540,944)
Payments to private landlords	0	(211,706)	(211,706)
	<u> </u>	<u> </u>	<u> </u>
Net cash provided (used) by operating activities	5,432	(16,188)	(10,756)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of capital assets	(126,314)	0	(126,314)
Federal Capital Grants	126,314	0	126,314
	<u> </u>	<u> </u>	<u> </u>
Net cash provided (used) by capital and related financing activities	0	0	0
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest income	143	13	156
Purchase of investments	0	0	0
Maturities of investments	25,000	0	25,000
	<u> </u>	<u> </u>	<u> </u>
Net cash provided (used) by investing activities	25,143	13	25,156
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS			
	30,575	(16,175)	14,400
CASH AND CASH EQUIVALENTS			
Beginning of Fiscal Year	135,328	28,724	164,052
	<u> </u>	<u> </u>	<u> </u>
CASH AND CASH EQUIVALENTS			
End of Fiscal Year	\$ 165,903	\$ 12,549	\$ 178,452
	<u> </u>	<u> </u>	<u> </u>

Continued

HOUSING AUTHORITY OF MCALESTER, OKLAHOMA
STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2015

	General	Housing Choice Voucher	Total
	<u> </u>	<u> </u>	<u> </u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	\$ (294,813)	\$ (7,682)	\$ (302,495)
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation Expense	313,308	0	313,308
Provision of uncollectible accounts	1,841	3,822	5,663
Change in assets and liabilities:			
Receivables	8,130	0	8,130
Inventories	1,780	0	1,780
Prepaid items	2,487	(409)	2,078
Account payables	(31,020)	(9,405)	(40,425)
Unearned income	0	(2,514)	(2,514)
Deposits due others	1,125	0	1,125
Accrued PILOT	2,594	0	2,594
Net cash provided (used) by operations	<u>\$ 5,432</u>	<u>\$ (16,188)</u>	<u>\$ (10,756)</u>

Concluded

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

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

JUNE 30, 2015

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

JUNE 30, 2015

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-VO	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, 2015

- 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 statement of net position.

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, 2015

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 \$178,452. This is comprised of cash and cash equivalents of \$142,013 and restricted assets – cash of \$36,439, on the statement of net position.

E. INVESTMENTS Investments are limited by the Housing Authority’s investment policy to Certificates of Deposit. 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.

Definitions:

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

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.

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

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

JUNE 30, 2015

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	3 years
Computers	3 years

J. UNEARNED INCOME The Housing Authority reports prepaid revenues on its statement of net position. Prepaid 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 prepaid revenue is removed from the statement of net position and the revenue is recognized.

K. COMPENSATED ABSENCES Under adopted policy, employees can 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. NET POSITION AND FLOW ASSUMPTIONS Net position is reported as restricted when constraints placed on net position use as 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.

Sometime the Authority may fund outlays from both restricted and unrestricted resources. In the event that should occur, the Authority must make a flow assumption about the order in which the resources are considered to be applied. It is the Authority's policy to consider restricted-net position to have been depleted before unrestricted-net position is applied.

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

JUNE 30, 2015

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, 2015. 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: \$35,808 is restricted in the General Fund for security deposits. \$631 is restricted in the Housing Choice Voucher fund for HAP Equity.

At June 30, 2015, the Housing Authority's carrying amount of deposits was \$383,252 and the bank balance was \$427,259, which includes \$205,000 in certificates of deposits classified as investments. Petty cash consists of \$200. \$379,365 of the bank balance was covered by FDIC Insurance. The remaining bank balance of \$47,894 was covered by pledged securities. However, this \$47,894 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, 2015

NOTE 3 – ACCOUNTS RECEIVABLE The receivables at June 30, 2015, are as follows:

<u>Class of Receivables</u>	<u>General</u>	<u>Housing Choice Voucher</u>	<u>Total</u>
Local sources:			
Tenants	\$ 14,364	\$ 0	\$ 14,364
Fraud Recovery	0	3,823	3,823
Federal sources:			
Grants	0	127	127
Total	<u>\$ 14,364</u>	<u>\$ 3,950</u>	<u>\$ 18,314</u>

The tenants account receivable is net of an allowance for doubtful accounts of \$17,002.

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Non-depreciable assets				
Land and buildings	\$ 267,459	\$ 0	\$ 0	\$ 267,459
Construction in progress	20,525	126,314	0	146,839
Depreciable assets:				
Buildings	14,739,441	6,606	0	14,746,047
Furniture and equipment	177,125	0	14,886	162,239
Total capital assets	<u>15,204,550</u>	<u>132,920</u>	<u>14,886</u>	<u>15,322,584</u>
Less: accumulated depreciation				
Buildings	11,946,155	311,054	0	12,257,209
Furniture and equipment	168,265	2,254	8,280	162,239
Total accumulated depreciation	<u>12,114,420</u>	<u>313,308</u>	<u>8,280</u>	<u>12,419,448</u>
Total capital assets, net	<u>\$ 3,090,130</u>	<u>\$ (180,388)</u>	<u>\$ 6,606</u>	<u>\$ 2,903,136</u>

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

JUNE 30, 2015

NOTE 5 – ACCOUNTS PAYABLE The payables at June 30, 2015 are as follows:

	General	Housing Choice Voucher	Total
Vendors	\$ 2,500	\$ 173	\$ 2,673
Payroll taxes & Retirement withheld	14,993	940	15,933
Utilities	4,009	0	4,009
Total	\$ 21,502	\$ 1,113	\$ 22,615

NOTE 6 – COMPENSATED ABSENCES At June 30, 2015, employees of the Housing Authority have accumulated and vested \$67,862 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, 2015.

	Compensated Absences
Balance, beginning	\$ 73,830
Additions	37,099
Deletions	43,067
Balance, ending	67,862
Amounts due in one year	\$ 25,171

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

JUNE 30, 2015

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.

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 \$49,713 for the year ended June 30, 2015, of which \$26,139 was paid by the Housing Authority and \$23,574 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, 2015. These include modernizing rental units. These projects are being funded by HUD. Funds are requested periodically as the cost is incurred.

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

JUNE 30, 2015

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 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.

NOTE 10– ECONOMIC DEPENDENCE The Department of Housing and Urban Development provided \$1,135,856 to the Housing Authority, which represents approximately 69% 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 position date through, January 18, 2016, of the independent auditor's report for potential recognition or disclosure in the financial statements. Management has not identified any items requiring recognition or disclosure.

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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*

Independent Auditor's Report

Housing Authority of McAlester
McAlester, Oklahoma

We have audited, 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, the 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, 2015, and the related notes to the financial statements, which collectively comprise the Housing Authority of the City of McAlester, Oklahoma's basic financial statements, and have issued our report thereon dated January 18, 2016.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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*.

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.

Mike Estes, P.C.

Mike Estes, P.C.
Fort Worth, Texas
January 18, 2016

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Report on Compliance For Each Major Federal Program; Report on Internal
Control Over Compliance; and Report on the Schedule of Expenditures of
Federal Awards Required by OMB Circular A-133

Independent Auditor's Report

Housing Authority of McAlester
McAlester, Oklahoma

Report on Compliance for Each Major Federal Program

We have audited the Housing Authority of the City of McAlester, Oklahoma's 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, 2015. 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.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Housing Authority of the City of McAlester, Oklahoma's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the Housing Authority of the City of McAlester, Oklahoma's compliance.

Opinion on Each Major Federal Program

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, 2015.

Report on 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 types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Housing Authority of the City of McAlester, Oklahoma's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority 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. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of Housing Authority of the City of McAlester, Oklahoma as of and for the year ended June 30, 2015, and have issued our report thereon dated January 18, 2016, which contained an unmodified opinion on those financial statements. 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 is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part 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 schedule of expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Mike Estes, P.C.

Mike Estes, P.C.
Fort Worth, Texas
January 18, 2016

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

YEAR ENDED JUNE 30, 2015

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	\$ 652,983
Capital Fund Program	14.872	261,582
Housing Choice Voucher	14.871	221,291
Total United States Department of Housing and Urban Development		\$ 1,135,856
Total Expenditures of Federal Awards		\$ 1,135,856

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

YEAR ENDED JUNE 30, 2015

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:

		Federal Sources
Enterprise Funds		
Governmental operating grants	\$	1,009,542
Capital contributions		126,314
		1,135,856
Total	\$	1,135,856

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, 2015

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# 14.871	Section 8 Housing Choice Voucher
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, 2015

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, 2015

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, 2015

There are no audit findings.

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

YEAR ENDED JUNE 30, 2015

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:

There were no prior audit findings.

SUPPLEMENTARY INFORMATION

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

YEAR ENDED JUNE 30, 2015

		2012 Capital Fund
Funds approved	\$	321,859
Funds expended		321,859
Excess of funds approved	\$	0
Funds advanced	\$	321,859
Funds expended		321,859
Excess (Deficiency) of funds advanced	\$	0

1. The Actual Modernization Costs are as follows:
2. The distribution of costs by project as shown on the Final Statement of Modernization Costs dated May 5, 2015 accompanying the Actual Modernization Costs Certificate submitted to HUD for approval is 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, 2015

CASH BASIS

		2013 Capital Fund		2014 Capital Fund
Funds approved	\$	310,613	\$	304,657
Funds expended		291,106		61,735
Excess of funds approved	\$	19,507	\$	242,922
 Funds advanced	 \$	 291,106	 \$	 61,735
Funds expended		291,106		61,735
Excess (Deficiency) of funds	\$	0	\$	0

See accountant's report

HOUSING AUTHORITY OF MCALESTER, OKLAHOMA
FINANCIAL DATA SCHEDULES

YEAR ENDED JUNE 30, 2015

Entity Wide Balance Sheet Summary				
	Project Total	14.871 Housing Choice Vouchers	ELIM	Total
111 Cash - Unrestricted	\$130,095	\$11,918	\$0	\$142,013
112 Cash - Restricted - Modernization and Development	\$0	\$0	\$0	\$0
113 Cash - Other Restricted	\$0	\$631	\$0	\$631
114 Cash - Tenant Security Deposits	\$35,808	\$0	\$0	\$35,808
115 Cash - Restricted for Payment of Current Liabilities	\$0	\$0	\$0	\$0
100 Total Cash	\$165,903	\$12,549	\$0	\$178,452
121 Accounts Receivable - PHA Projects	\$0	\$0	\$0	\$0
122 Accounts Receivable - HUD Other Projects	\$0	\$127	\$0	\$127
124 Accounts Receivable - Other Government	\$0	\$0	\$0	\$0
125 Accounts Receivable - Miscellaneous	\$0	\$0	\$0	\$0
126 Accounts Receivable - Tenants	\$27,544	\$0	\$0	\$27,544
126.1 Allowance for Doubtful Accounts -Tenants	-\$13,180	\$0	\$0	-\$13,180
126.2 Allowance for Doubtful Accounts - Other	\$0	\$0	\$0	\$0
127 Notes, Loans, & Mortgages Receivable - Current	\$0	\$0	\$0	\$0
128 Fraud Recovery	\$0	\$7,645	\$0	\$7,645
128.1 Allowance for Doubtful Accounts - Fraud	\$0	-\$3,822	\$0	-\$3,822
129 Accrued Interest Receivable	\$77	\$0	\$0	\$77
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$14,441	\$3,950	\$0	\$18,391
131 Investments - Unrestricted	\$205,000	\$0	\$0	\$205,000
132 Investments - Restricted	\$0	\$0	\$0	\$0
135 Investments - Restricted for Payment of Current Liability	\$0	\$0	\$0	\$0
142 Prepaid Expenses and Other Assets	\$11,896	\$879	\$0	\$12,775
143 Inventories	\$9,113	\$0	\$0	\$9,113
143.1 Allowance for Obsolete Inventories	-\$911	\$0	\$0	-\$911
144 Inter Program Due From	\$0	\$0	\$0	\$0
145 Assets Held for Sale	\$0	\$0	\$0	\$0
150 Total Current Assets	\$405,442	\$17,378	\$0	\$422,820
161 Land	\$267,459	\$0	\$0	\$267,459
162 Buildings	\$14,739,441	\$6,606	\$0	\$14,746,047
163 Furniture, Equipment & Machinery - Dwellings	\$0	\$0	\$0	\$0
164 Furniture, Equipment & Machinery - Administration	\$162,239	\$0	\$0	\$162,239
165 Leasehold Improvements	\$0	\$0	\$0	\$0
166 Accumulated Depreciation	-\$12,412,842	-\$6,606	\$0	-\$12,419,448
167 Construction in Progress	\$146,839	\$0	\$0	\$146,839
168 Infrastructure	\$0	\$0	\$0	\$0
160 Total Capital Assets, Net of Accumulated Depreciation	\$2,903,136	\$0	\$0	\$2,903,136
171 Notes, Loans and Mortgages Receivable - Non-Current	\$0	\$0	\$0	\$0
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due	\$0	\$0	\$0	\$0
173 Grants Receivable - Non Current	\$0	\$0	\$0	\$0
174 Other Assets	\$0	\$0	\$0	\$0
176 Investments in Joint Ventures	\$0	\$0	\$0	\$0
180 Total Non-Current Assets	\$2,903,136	\$0	\$0	\$2,903,136
200 Deferred Outflow of Resources	\$0	\$0	\$0	\$0
290 Total Assets and Deferred Outflow of Resources	\$3,308,578	\$17,378	\$0	\$3,325,956

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

YEAR ENDED JUNE 30, 2015

Entity Wide Balance Sheet Summary				
	Project Total	14.871 Housing Choice Vouchers	ELIM	Total
311 Bank Overdraft	\$0	\$0	\$0	\$0
312 Accounts Payable <= 90 Days	\$2,500	\$173	\$0	\$2,673
313 Accounts Payable >90 Days Past Due	\$0	\$0	\$0	\$0
321 Accrued Wage/Payroll Taxes Payable	\$14,993	\$940	\$0	\$15,933
322 Accrued Compensated Absences - Current Portion	\$25,171	\$0	\$0	\$25,171
324 Accrued Contingency Liability	\$0	\$0	\$0	\$0
325 Accrued Interest Payable	\$0	\$0	\$0	\$0
331 Accounts Payable - HUD PHA Programs	\$0	\$0	\$0	\$0
332 Account Payable - PHA Projects	\$0	\$0	\$0	\$0
333 Accounts Payable - Other Government	\$34,083	\$0	\$0	\$34,083
341 Tenant Security Deposits	\$35,808	\$0	\$0	\$35,808
342 Unearned Revenue	\$1,184	\$0	\$0	\$1,184
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	\$0	\$0	\$0	\$0
344 Current Portion of Long-term Debt - Operating Borrowings	\$0	\$0	\$0	\$0
345 Other Current Liabilities	\$0	\$0	\$0	\$0
346 Accrued Liabilities - Other	\$4,009	\$0	\$0	\$4,009
347 Inter Program - Due To	\$0	\$0	\$0	\$0
348 Loan Liability - Current	\$0	\$0	\$0	\$0
310 Total Current Liabilities	\$117,748	\$1,113	\$0	\$118,861
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	\$0	\$0	\$0	\$0
352 Long-term Debt, Net of Current - Operating Borrowings	\$0	\$0	\$0	\$0
353 Non-current Liabilities - Other	\$0	\$0	\$0	\$0
354 Accrued Compensated Absences - Non Current	\$42,691	\$0	\$0	\$42,691
355 Loan Liability - Non Current	\$0	\$0	\$0	\$0
356 FASB 5 Liabilities	\$0	\$0	\$0	\$0
357 Accrued Pension and OPEB Liabilities	\$0	\$0	\$0	\$0
350 Total Non-Current Liabilities	\$42,691	\$0	\$0	\$42,691
300 Total Liabilities	\$160,439	\$1,113	\$0	\$161,552
400 Deferred Inflow of Resources				
508.4 Net Investment in Capital Assets	\$2,903,136			\$2,903,136
511.4 Restricted Net Position	\$0	\$631		\$631
512.4 Unrestricted Net Position	\$245,003	\$15,634		\$260,637
513 Total Equity - Net Assets / Position	\$3,148,139	\$16,265	\$0	\$3,164,404
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$3,308,578	\$17,378	\$0	\$3,325,956

HOUSING AUTHORITY OF MCALESTER, OKLAHOMA
FINANCIAL DATA SCHEDULES

YEAR ENDED JUNE 30, 2015

Single Project Revenue and Expense			
	Low Rent	Capital Fund	Total Project
70300 Net Tenant Rental Revenue	\$444,259	\$0	\$444,259
70400 Tenant Revenue - Other	\$16,435	\$0	\$16,435
70500 Total Tenant Revenue	\$460,694	\$0	\$460,694
70600 HUD PHA Operating Grants	\$652,983	\$135,268	\$788,251
70610 Capital Grants	\$0	\$126,314	\$126,314
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	\$0	\$0	\$0
71100 Investment Income - Unrestricted	\$141	\$0	\$141
71200 Mortgage Interest Income	\$0	\$0	\$0
71300 Proceeds from Disposition of Assets Held for Sale	\$0	\$0	\$0
71310 Cost of Sale of Assets	\$0	\$0	\$0
71400 Fraud Recovery	\$0	\$0	\$0
71500 Other Revenue	\$26,419	\$0	\$26,419
71600 Gain or Loss on Sale of Capital Assets	\$0	\$0	\$0
72000 Investment Income - Restricted	\$0	\$0	\$0
70000 Total Revenue	\$1,140,237	\$261,582	\$1,401,819
91100 Administrative Salaries	\$190,288	\$2,770	\$193,058
91200 Auditing Fees	\$10,790	\$0	\$10,790
91300 Management Fee	\$0	\$0	\$0
91310 Book-keeping Fee	\$0	\$0	\$0
91400 Advertising and Marketing	\$120	\$0	\$120
91500 Employee Benefit contributions - Administrative	\$78,443	\$97	\$78,540
91600 Office Expenses	\$28,330	\$0	\$28,330
91700 Legal Expense	\$400	\$0	\$400
91800 Travel	\$0	\$0	\$0
91810 Allocated Overhead	\$0	\$0	\$0
91900 Other	\$23,409	\$0	\$23,409
91000 Total Operating - Administrative	\$331,780	\$2,867	\$334,647
92000 Asset Management Fee	\$0	\$0	\$0
92100 Tenant Services - Salaries	\$0	\$0	\$0
92200 Relocation Costs	\$0	\$0	\$0
92300 Employee Benefit Contributions - Tenant Services	\$0	\$0	\$0
92400 Tenant Services - Other	\$250	\$0	\$250
92500 Total Tenant Services	\$250	\$0	\$250
93100 Water	\$44,270	\$0	\$44,270
93200 Electricity	\$21,557	\$0	\$21,557
93300 Gas	\$11,932	\$0	\$11,932
93400 Fuel	\$0	\$0	\$0
93500 Labor	\$0	\$0	\$0
93600 Sewer	\$25,672	\$0	\$25,672
93700 Employee Benefit Contributions - Utilities	\$0	\$0	\$0
93800 Other Utilities Expense	\$0	\$0	\$0
93000 Total Utilities	\$103,431	\$0	\$103,431

HOUSING AUTHORITY OF MCALESTER, OKLAHOMA
FINANCIAL DATA SCHEDULES

YEAR ENDED JUNE 30, 2015

Single Project Revenue and Expense			
	Low Rent	Capital Fund	Total Project
94100 Ordinary Maintenance and Operations - Labor	\$98,282	\$0	\$98,282
94200 Ordinary Maintenance and Operations - Materials and Other	\$87,045	\$0	\$87,045
94300 Ordinary Maintenance and Operations Contracts	\$218,746	\$0	\$218,746
94500 Employee Benefit Contributions - Ordinary Maintenance	\$42,844	\$0	\$42,844
94000 Total Maintenance	\$446,917	\$0	\$446,917
95100 Protective Services - Labor	\$49,183	\$0	\$49,183
95200 Protective Services - Other Contract Costs	\$2,367	\$0	\$2,367
95300 Protective Services - Other	\$0	\$0	\$0
95500 Employee Benefit Contributions - Protective Services	\$19,025	\$0	\$19,025
95000 Total Protective Services	\$70,575	\$0	\$70,575
96110 Property Insurance	\$60,189	\$0	\$60,189
96120 Liability Insurance	\$16,099	\$0	\$16,099
96130 Workmen's Compensation	\$9,617	\$0	\$9,617
96140 All Other Insurance	\$7,068	\$0	\$7,068
96100 Total insurance Premiums	\$92,973	\$0	\$92,973
96200 Other General Expenses	\$0	\$0	\$0
96210 Compensated Absences	\$36,147	\$0	\$36,147
96300 Payments in Lieu of Taxes	\$34,083	\$0	\$34,083
96400 Bad debt - Tenant Rents	\$19,550	\$0	\$19,550
96500 Bad debt - Mortgages	\$0	\$0	\$0
96600 Bad debt - Other	\$0	\$0	\$0
96800 Severance Expense	\$0	\$0	\$0
96000 Total Other General Expenses	\$89,780	\$0	\$89,780
96710 Interest of Mortgage (or Bonds) Payable	\$0	\$0	\$0
96720 Interest on Notes Payable (Short and Long Term)	\$0	\$0	\$0
96730 Amortization of Bond Issue Costs	\$0	\$0	\$0
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0
96900 Total Operating Expenses	\$1,135,706	\$2,867	\$1,138,573
97000 Excess of Operating Revenue over Operating Expenses	\$4,531	\$258,715	\$263,246
97100 Extraordinary Maintenance	\$31,796	\$0	\$31,796
97200 Casualty Losses - Non-capitalized	\$86,500	\$0	\$86,500
97300 Housing Assistance Payments	\$0	\$0	\$0
97350 HAP Portability-In	\$0	\$0	\$0
97400 Depreciation Expense	\$313,308	\$0	\$313,308
97500 Fraud Losses	\$0	\$0	\$0
97600 Capital Outlays - Governmental Funds			
97700 Debt Principal Payment - Governmental Funds			
97800 Dwelling Units Rent Expense	\$0	\$0	\$0
90000 Total Expenses	\$1,567,310	\$2,867	\$1,570,177

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

YEAR ENDED JUNE 30, 2015

Single Project Revenue and Expense			
	Low Rent	Capital Fund	Total Project
10010 Operating Transfer In	\$132,401	\$0	\$132,401
10020 Operating transfer Out	\$0	-\$132,401	-\$132,401
10030 Operating Transfers from/to Primary Government	\$0	\$0	\$0
10040 Operating Transfers from/to Component Unit	\$0	\$0	\$0
10050 Proceeds from Notes, Loans and Bonds			
10060 Proceeds from Property Sales			
10070 Extraordinary Items, Net Gain/Loss	\$0	\$0	\$0
10080 Special Items (Net Gain/Loss)	\$0	\$0	\$0
10091 Inter Project Excess Cash Transfer In	\$0	\$0	\$0
10092 Inter Project Excess Cash Transfer Out	\$0	\$0	\$0
10093 Transfers between Program and Project - In	\$0	\$0	\$0
10094 Transfers between Project and Program - Out	\$0	\$0	\$0
10100 Total Other financing Sources (Uses)	\$132,401	-\$132,401	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-\$294,672	\$126,314	-\$168,358
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0
11030 Beginning Equity	\$3,016,677	\$299,820	\$3,316,497
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$279,294	-\$279,294	\$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			
11180 Housing Assistance Payments Equity			
11190 Unit Months Available	3274		3274
11210 Number of Unit Months Leased	3173		3173
11270 Excess Cash	\$172,954		\$172,954
11610 Land Purchases	\$0	\$0	\$0
11620 Building Purchases	\$0	\$126,314	\$126,314
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 SCHEDULES

YEAR ENDED JUNE 30, 2015

Entity Wide Revenue and Expense Summary				
	Project Total	14.871 Housing Choice Vouchers	ELIM	Total
70300 Net Tenant Rental Revenue	\$444,259	\$0	\$0	\$444,259
70400 Tenant Revenue - Other	\$16,435	\$0	\$0	\$16,435
70500 Total Tenant Revenue	\$460,694	\$0	\$0	\$460,694
70600 HUD PHA Operating Grants	\$788,251	\$221,291	\$0	\$1,009,542
70610 Capital Grants	\$126,314	\$0	\$0	\$126,314
70710 Management Fee			\$0	\$0
70720 Asset Management Fee			\$0	\$0
70730 Book Keeping Fee			\$0	\$0
70740 Front Line Service Fee			\$0	\$0
70750 Other Fees			\$0	\$0
70700 Total Fee Revenue			\$0	\$0
70800 Other Government Grants	\$0	\$0	\$0	\$0
71100 Investment Income - Unrestricted	\$141	\$13	\$0	\$154
71200 Mortgage Interest Income	\$0	\$0	\$0	\$0
71300 Proceeds from Disposition of Assets Held for Sale	\$0	\$0	\$0	\$0
71310 Cost of Sale of Assets	\$0	\$0	\$0	\$0
71400 Fraud Recovery	\$0	\$7,665	\$0	\$7,665
71500 Other Revenue	\$26,419	\$5,823	\$0	\$32,242
71600 Gain or Loss on Sale of Capital Assets	\$0	\$0	\$0	\$0
72000 Investment Income - Restricted	\$0	\$0	\$0	\$0
70000 Total Revenue	\$1,401,819	\$234,792	\$0	\$1,636,611
91100 Administrative Salaries	\$193,058	\$8,521	\$0	\$201,579
91200 Auditing Fees	\$10,790	\$2,210	\$0	\$13,000
91300 Management Fee	\$0	\$0	\$0	\$0
91310 Book-keeping Fee	\$0	\$0	\$0	\$0
91400 Advertising and Marketing	\$120	\$0	\$0	\$120
91500 Employee Benefit contributions - Administrative	\$78,540	\$4,335	\$0	\$82,875
91600 Office Expenses	\$28,330	\$1,953	\$0	\$30,283
91700 Legal Expense	\$400	\$0	\$0	\$400
91800 Travel	\$0	\$0	\$0	\$0
91810 Allocated Overhead	\$0	\$0	\$0	\$0
91900 Other	\$23,409	\$4,261	\$0	\$27,670
91000 Total Operating - Administrative	\$334,647	\$21,280	\$0	\$355,927
92000 Asset Management Fee	\$0	\$0	\$0	\$0
92100 Tenant Services - Salaries	\$0	\$0	\$0	\$0
92200 Relocation Costs	\$0	\$0	\$0	\$0
92300 Employee Benefit Contributions - Tenant Services	\$0	\$0	\$0	\$0
92400 Tenant Services - Other	\$250	\$0	\$0	\$250
92500 Total Tenant Services	\$250	\$0	\$0	\$250
93100 Water	\$44,270	\$0	\$0	\$44,270
93200 Electricity	\$21,557	\$0	\$0	\$21,557
93300 Gas	\$11,932	\$0	\$0	\$11,932
93400 Fuel	\$0	\$0	\$0	\$0
93500 Labor	\$0	\$0	\$0	\$0
93600 Sewer	\$25,672	\$0	\$0	\$25,672
93700 Employee Benefit Contributions - Utilities	\$0	\$0	\$0	\$0
93800 Other Utilities Expense	\$0	\$0	\$0	\$0
93000 Total Utilities	\$103,431	\$0	\$0	\$103,431

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

YEAR ENDED JUNE 30, 2015

Entity Wide Revenue and Expense Summary				
	Project Total	14.871 Housing Choice Vouchers	ELIM	Total
94100 Ordinary Maintenance and Operations - Labor	\$98,282	\$0	\$0	\$98,282
94200 Ordinary Maintenance and Operations - Materials and Other	\$87,045	\$0	\$0	\$87,045
94300 Ordinary Maintenance and Operations Contracts	\$218,746	\$0	\$0	\$218,746
94500 Employee Benefit Contributions - Ordinary Maintenance	\$42,844	\$0	\$0	\$42,844
94000 Total Maintenance	\$446,917	\$0	\$0	\$446,917
95100 Protective Services - Labor	\$49,183	\$0	\$0	\$49,183
95200 Protective Services - Other Contract Costs	\$2,367	\$0	\$0	\$2,367
95300 Protective Services - Other	\$0	\$0	\$0	\$0
95500 Employee Benefit Contributions - Protective Services	\$19,025	\$0	\$0	\$19,025
95000 Total Protective Services	\$70,575	\$0	\$0	\$70,575
96110 Property Insurance	\$60,189	\$0	\$0	\$60,189
96120 Liability Insurance	\$16,099	\$3,297	\$0	\$19,396
96130 Workmen's Compensation	\$9,617	\$1,404	\$0	\$11,021
96140 All Other Insurance	\$7,068	\$0	\$0	\$7,068
96100 Total insurance Premiums	\$92,973	\$4,701	\$0	\$97,674
96200 Other General Expenses	\$0	\$0	\$0	\$0
96210 Compensated Absences	\$36,147	\$952	\$0	\$37,099
96300 Payments in Lieu of Taxes	\$34,083	\$0	\$0	\$34,083
96400 Bad debt - Tenant Rents	\$19,550	\$0	\$0	\$19,550
96500 Bad debt - Mortgages	\$0	\$0	\$0	\$0
96600 Bad debt - Other	\$0	\$3,822	\$0	\$3,822
96800 Severance Expense	\$0	\$0	\$0	\$0
96000 Total Other General Expenses	\$89,780	\$4,774	\$0	\$94,554
96710 Interest of Mortgage (or Bonds) Payable	\$0	\$0	\$0	\$0
96720 Interest on Notes Payable (Short and Long Term)	\$0	\$0	\$0	\$0
96730 Amortization of Bond Issue Costs	\$0	\$0	\$0	\$0
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$0
96900 Total Operating Expenses	\$1,138,573	\$30,755	\$0	\$1,169,328
97000 Excess of Operating Revenue over Operating Expenses	\$263,246	\$204,037	\$0	\$467,283
97100 Extraordinary Maintenance	\$31,796	\$0	\$0	\$31,796
97200 Casualty Losses - Non-capitalized	\$86,500	\$0	\$0	\$86,500
97300 Housing Assistance Payments	\$0	\$207,114	\$0	\$207,114
97350 HAP Portability-In	\$0	\$4,592	\$0	\$4,592
97400 Depreciation Expense	\$313,308	\$0	\$0	\$313,308
97500 Fraud Losses	\$0	\$0	\$0	\$0
97600 Capital Outlays - Governmental Funds				
97700 Debt Principal Payment - Governmental Funds				
97800 Dwelling Units Rent Expense	\$0	\$0	\$0	\$0
90000 Total Expenses	\$1,570,177	\$242,461	\$0	\$1,812,638

HOUSING AUTHORITY OF MCALESTER, OKLAHOMA
FINANCIAL DATA SCHEDULES

YEAR ENDED JUNE 30, 2015

Entity Wide Revenue and Expense Summary				
	Project Total	14.871 Housing Choice Vouchers	ELIM	Total
10010 Operating Transfer In	\$132,401	\$0	-\$132,401	\$0
10020 Operating transfer Out	-\$132,401	\$0	\$132,401	\$0
10030 Operating Transfers from/to Primary Government	\$0	\$0	\$0	\$0
10040 Operating Transfers from/to Component Unit	\$0	\$0	\$0	\$0
10050 Proceeds from Notes, Loans and Bonds				
10060 Proceeds from Property Sales				
10070 Extraordinary Items, Net Gain/Loss	\$0	\$0	\$0	\$0
10080 Special Items (Net Gain/Loss)	\$0	\$0	\$0	\$0
10091 Inter Project Excess Cash Transfer In	\$0		\$0	\$0
10092 Inter Project Excess Cash Transfer Out	\$0		\$0	\$0
10093 Transfers between Program and Project - In	\$0	\$0	\$0	\$0
10094 Transfers between Project and Program - Out	\$0	\$0	\$0	\$0
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-\$168,358	-\$7,669	\$0	-\$176,027
11020 Required Annual Debt Principal Payments	\$0	\$0		\$0
11030 Beginning Equity	\$3,316,497	\$23,934	\$0	\$3,340,431
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$0	\$0	\$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		\$15,634		\$15,634
11180 Housing Assistance Payments Equity		\$631		\$631
11190 Unit Months Available	3274	715	0	3989
11210 Number of Unit Months Leased	3173	611	0	3784
11270 Excess Cash	\$172,954			\$172,954
11610 Land Purchases	\$0			\$0
11620 Building Purchases	\$126,314			\$126,314
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