

**REPORT ON AUDIT OF
BASIC FINANCIAL STATEMENTS
AND
SUPPLEMENTAL DATA**

HOUSING AUTHORITY OF THE CITY OF STILLWATER

September 30, 2011

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HOUSING AUTHORITY OF THE CITY OF STILLWATER
September 30, 2011**

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**Independent Auditor's Report on Financial Statements
and Supplemental Data**

Board of Commissioners
Housing Authority of the City of Stillwater
Stillwater, Oklahoma

I have audited the accompanying basic financial statements of the Housing Authority of the City of Stillwater, as of and for the year ended September 30, 2011, as listed in the table of contents. These financial statements are the responsibility of the PHA's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my 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 I 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. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Housing Authority of the City of Stillwater, as of September 30, 2011, and the changes in its financial position and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

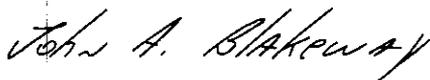
The management's discussion and analysis on page five is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, I did not audit the information and express no opinion on it.

**Independent Auditor's Report on Financial Statements
and Supplement Data – Continued**

In accordance with *Government Auditing Standards*, I have also issued my report dated June 25, 2012 on my consideration of the PHA's internal control over financial reporting and on my 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 my 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 read in conjunction with this report in considering the results of my audit.

The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

My audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the PHA's basic financial statements. The accompanying Financial Data Schedules and Other Supplemental Financial Data as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



John A. Blakeway CPA

Fort Worth, Texas
June 25, 2012

Stillwater Housing Authority Management's Discussion and Analysis For the Year Ended September 30, 2011

Introduction

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

The primary focus of the Authority's financial statement presentation encompasses all programs administered by the Stillwater Housing Authority into a single enterprise fund. This information contained herein this MD&A should be considered in conjunction with the Authority's basic financial statements and related notes to the financial statements.

The Authority has four individual programs. They include the Low Rent Housing Program, the Capital Fund Program, the Housing Choice Voucher Program, and a Component Unit.

The Low Rent Housing Program consists of 135 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 afford, 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 663 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.

Component Unit – The Authority has created a non-profit corporation that is used for the purpose of applying for and administration of miscellaneous grants.

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 are 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 September 30, 2011 to determine the change in net assets 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 September 30, 2011.

Management's Discussion and Analysis-Cont.

Financial Highlights

- The Stillwater Housing Authority's total assets increased from \$6,990,281 to \$7,097,172, an increase of \$106,891 or 2%. The net asset balance also increased from \$6,762,233 to \$6,837,209, an increase of \$74,976 or 1%.
- The unrestricted net asset balance decreased to \$2,739,510 at September 30, 2011. This represents a change of \$99,177 or 3% from the previous year. Restricted net assets increased by \$171,468 at September 30, 2011.
- Total revenues decreased from \$5,204,027 to \$4,647,340, a decrease of \$556,687 or 11%. Revenues are comprised of rental income, HUD operating grants and capital grants, interest income, and other revenue.
- Total expenses decreased by \$74,700 from \$4,647,064 to \$4,572,364 for the current year. This represents a decrease of 2%.

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 asset and liability comparisons for the year ended September 30, 2011 and September 30, 2010.

Stillwater Housing Authority (Primary Government) Summary Statement of Net Assets as of September 30

Category	FYE 2010	FYE 2010	Change \$	Change %
Current Assets	\$ 3,238,678	\$ 3,147,485	\$ 91,193	3%
Noncurrent Assets	\$ 128,686	\$ 115,673	\$ 13,013	11%
Fixed Assets (Net of Depreciation)	\$ 3,729,808	\$ 3,727,123	\$ 2,685	0%
Total Assets	\$ 7,097,172	\$ 6,990,281	\$ 106,891	2%
Current Liabilities	\$ 120,049	\$ 102,502	\$ 17,547	17%
Long Term Liabilities	\$ 139,914	\$ 125,546	\$ 14,368	11%
Total Liabilities	\$ 259,963	\$ 228,048	\$ 31,915	14%
Investment in Net Fixed Assets	\$ 3,729,808	\$ 3,727,123	\$ 2,685	0%
Restricted Net Assets	\$ 367,891	\$ 196,423	\$ 171,468	87%
Unrestricted Net Assets	\$ 2,739,510	\$ 2,838,687	\$ (99,177)	-3%
Total Net Assets	\$ 6,837,209	\$ 6,762,233	\$ 74,976	1%

Management's Discussion and Analysis-Cont.

Current Assets

Current assets increased by \$91,193 from the previous year due to a positive cash flow from operations.

Fixed Assets

Fixed assets increased primarily due to the building projects related to capital improvements and the purchase of equipment. For further details, see the following section related to capital assets.

Current Liabilities

The Authority's current liabilities increased by \$17,547. This resulted primarily due to the reduction in the proration factor used to calculate administrative fees earned associated with the Housing Choice Voucher program resulting in an increase in deferred revenue. In addition, accrued utilities increased in the current year.

Long Term Liabilities

The Authority's long term liabilities increased by \$14,368. This resulted primarily from an increase in FSS escrow liabilities in the Housing Choice Voucher Program.

Restricted Net Assets

Restricted net assets increased by \$171,468. This resulted due to HAP funding exceeding HAP expenditures.

Unrestricted Net Assets

The Authority's unrestricted net assets decreased by \$99,177 from the previous year. This is due to operating expenditures exceeding operating revenues. This balance is subject to program specific guidelines. Individual program balances are as follows:

Low Rent Housing Program	\$ 2,316,063
Housing Choice Voucher Program:	
- Administrative Funding	362,169
Component Unit	<u>61,278</u>
Total Unrestricted Net Assets	\$ <u>2,739,510</u>

Management's Discussion and Analysis-Cont.

Stillwater Housing Authority (Primary Government) Summary Statement of Revenues & Expenses and Changes in Net Assets Years Ended September 30, 2011 and 2010

Category	FYE 2011	FYE 2010	Change \$	Change %
Tenant Revenue	\$ 260,422	\$ 255,239	\$ 5,183	2%
HUD Operating Grants	\$ 3,982,687	\$ 4,007,374	\$ (24,687)	-1%
Capital Grants	\$ 235,430	\$ 367,156	\$ (131,726)	-36%
Interest Income	\$ 1,843	\$ 2,105	\$ (262)	-12%
Fraud Recovery	\$ 20,406	\$ 7,651	\$ 12,755	167%
Other Revenue	\$ 134,201	\$ 558,502	\$ (424,301)	-76%
Gain/Loss on Sale of Fixed Assets	\$ 12,351	\$ 6,000	\$ 6,351	106%
Total Revenue	\$ 4,647,340	\$ 5,204,027	\$ (556,687)	-11%
Administration	\$ 578,200	\$ 554,075	\$ 24,125	4%
Tenant Services	\$ 42,347	\$ 43,882	\$ (1,535)	-3%
Utilities	\$ 90,242	\$ 78,070	\$ 12,172	16%
Ordinary Maintenance	\$ 173,307	\$ 185,706	\$ (12,399)	-7%
General Expense	\$ 112,097	\$ 107,221	\$ 4,876	5%
Extraordinary Maintenance	\$ 41,000	\$ 9,017	\$ 31,983	355%
HAP	\$ 3,222,566	\$ 3,298,166	\$ (75,600)	-2%
HAP Portability-In	\$ 57,646	\$ 144,049	\$ (86,403)	-60%
Depreciation	\$ 254,959	\$ 226,878	\$ 28,081	12%
Total Expenses	\$ 4,572,364	\$ 4,647,064	\$ (74,700)	-2%
Excess of Revenue over Expenses	\$ 74,976	\$ 556,963	\$ (481,987)	-87%
Net Assets, Beginning of Year	\$ 6,762,233	\$ 6,205,270	\$ 556,963	9%
Net Assets, End of Year	\$ 6,837,209	\$ 6,762,233	\$ 74,976	1%

Results of Operations

Revenues decreased by \$556,687 from the previous year. Notable changes as compared from the previous year include:

- HUD operating grants decreased by \$24,687. This was primarily due to the Housing Choice Voucher program receiving a reduction in administrative fees earned.
- Capital grants decreased by \$131,726 due to completion of a roofing project in the previous year funded by the ARRA grant.

Management's Discussion and Analysis-Cont.

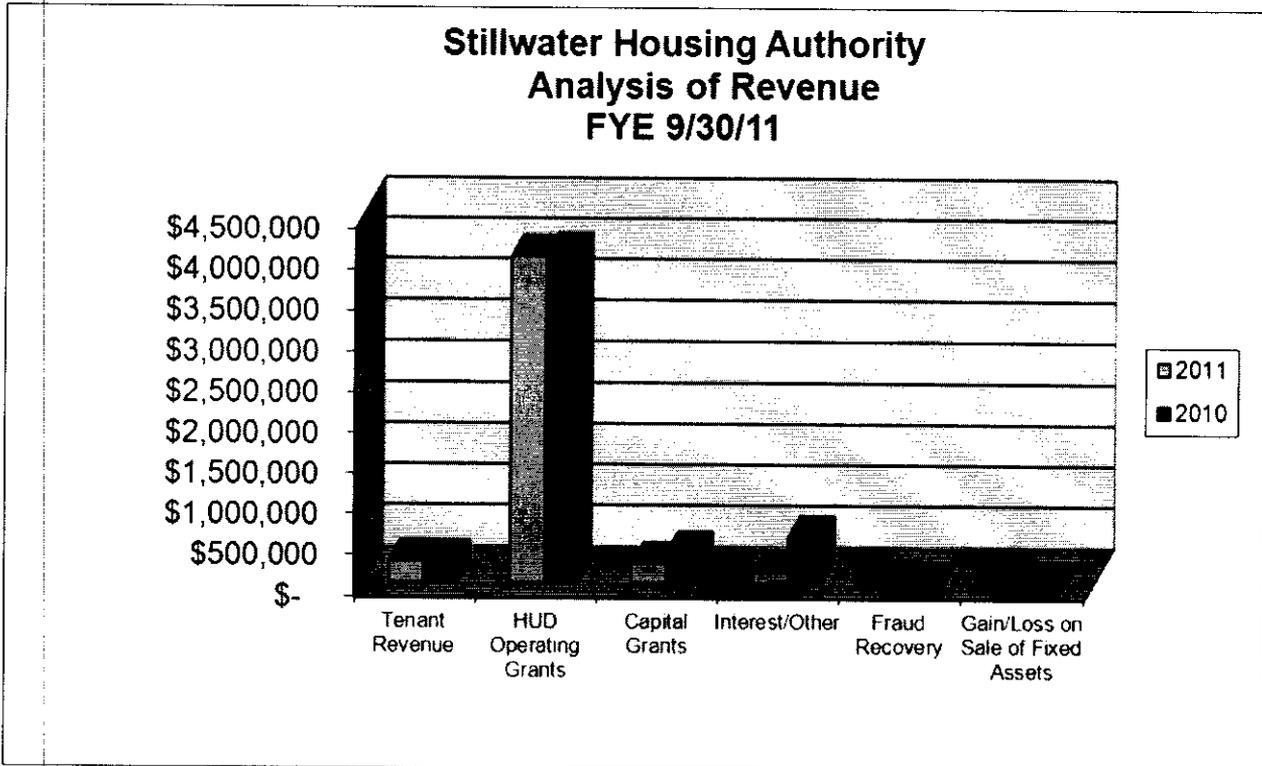
- Fraud Recovery increased by \$12,755 due to the discovery of tenants defrauding the Authority.
- Other revenue decreased by \$424,301. This was due to insurance proceeds received in the prior year.
- Gain/Loss increased by \$6,351 due to the sale and trade in of several vehicles.

Expenses decreased by \$74,700 from the previous year. Significant changes from the previous year include:

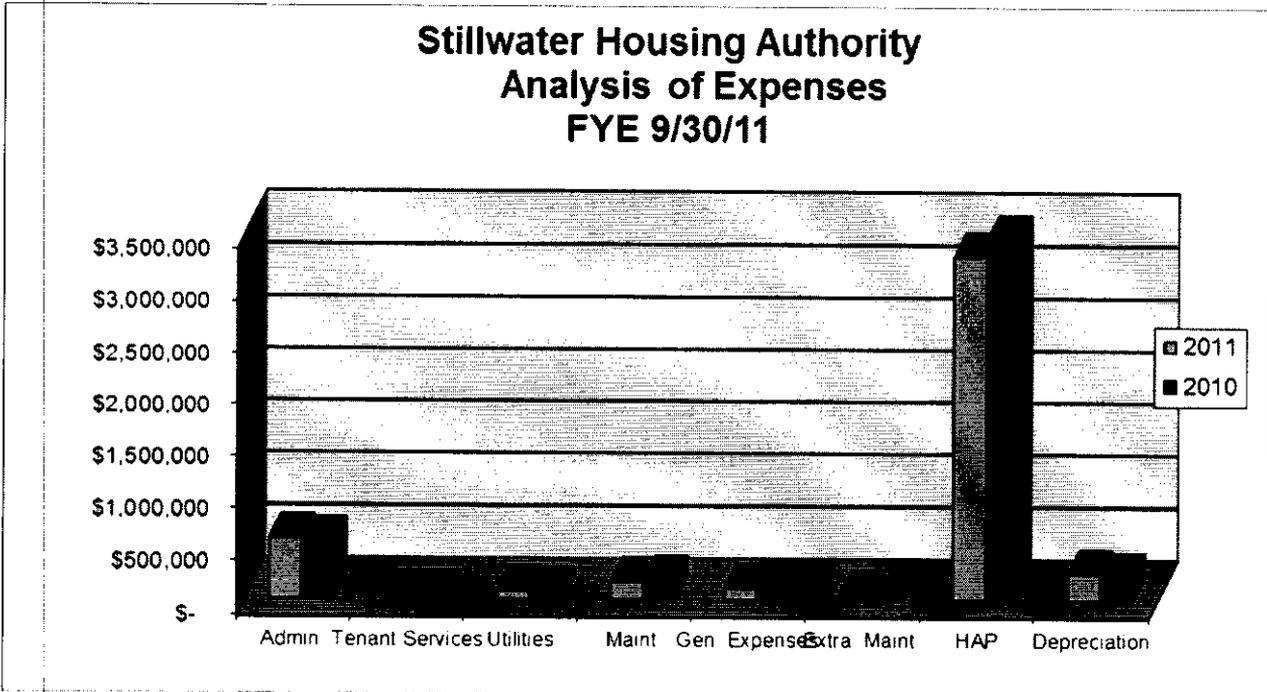
- Administration increased by \$24,125. This was due to an increase in administrative salaries by \$6,837 and administrative benefits by \$12,558.
- Utilities increased by \$12,172. Water/sewer expenses increased by \$5,163 and electric expenses increased by \$12,727 due to increases in consumption.
- General expenses increased by \$4,876 due to rate increases for property, general liability and auto insurance.
- Extraordinary maintenance increased by \$31,983 due to repair of ruptured water lines.
- HAP payments decreased by \$75,600 due to a reduction in units leased. Units leased decreased from 7,797 in the prior year to 7,418 in the current year
- HAP portability-in costs decreased by \$86,403. This was due to a reduction in port in units, from an average of 38 units leased per month to an average of 16 per month.
- Depreciation expense increased by \$28,081 due to several additions to fixed assets in the current year.

Management's Discussion and Analysis-Cont.

We have provided the following presentation to demonstrate the revenue and expenses by summarized account category:



Management's Discussion and Analysis-Cont.



Capital Assets

As of September 30, 2011, the Stillwater Housing Authority's investment in capital assets was \$3,729,808. This investment includes land, building, construction in progress, and equipment.

Category	FYE 2011	FYE 2010	Change \$	Change %
Land	\$ 447,147	\$ 447,147	\$ -	0%
Buildings	\$ 6,320,741	\$ 6,315,866	\$ 4,875	0%
Equipment	\$ 399,804	\$ 430,194	\$ (30,390)	-7%
Construction in Progress	\$ 245,708	\$ 15,153	\$ 230,555	1522%
Accumulated Depreciation	\$ (3,683,592)	\$ (3,481,237)	\$ (202,355)	6%
Total Net Fixed Assets	\$ 3,729,808	\$ 3,727,123	\$ 2,685	0%

Additions noted in the building account include a HVAC and hand dryers for the office funded by the 2009 and 2010 CFP.

Deletions noted in the equipment account are a result of the sale and trade in of three vehicles. In addition, the Authority purchased a new vehicle.

Construction in progress increased due to a cabinet replacement project funded by the 2009 and 2010 CFP.

Management's Discussion and Analysis-Cont.

Debt Administration

The Authority classifies a portion of the employee's leave as long term debt. This is because the Authority does not anticipate paying out the total amount accrued in the upcoming fiscal year. The amount estimated as long term was \$11,228.

Subsequent Event

Due to potential HUD budget cuts in the 2012 federal fiscal year, agencies with more than 6 months of expenses in reserve (working capital) may be subject to a recapture. As a result, revenue from operating subsidy has the potential to be significantly less in the upcoming fiscal year. In addition, the HAP funding for the Housing Choice Voucher Program will be reduced by \$119,207 due to a NRA offset for the 2012 calendar year.

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:

Stillwater Housing Authority
Glen Redding, Executive Director
807 S. Lowry
Stillwater, OK 74074

STATEMENT OF NET ASSETS
HOUSING AUTHORITY OF THE CITY OF STILLWATER
September 30, 2011

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 2,641,542
Cash and cash equivalents - restricted for HAP	367,891
Cash and cash equivalents - restricted for FSS	32,172
Receivables - net of allowance	4,781
Investments	154,616
Deferred charges and other assets	37,676
TOTAL CURRENT ASSETS	<u>3,238,678</u>

NONCURRENT ASSETS

Cash and cash equivalents - restricted for FSS	128,686
Fixed assets - net of accumulated depreciation	3,729,808
TOTAL NONCURRENT ASSETS	<u>3,858,494</u>
TOTAL ASSETS	<u>\$ 7,097,172</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 4,521
Accrued wages and taxes	25,975
Security deposits	29,920
Deferred credits and other liabilities	59,633
TOTAL CURRENT LIABILITIES	<u>120,049</u>

NONCURRENT LIABILITIES

Other long-term liabilities	139,914
TOTAL NONCURRENT LIABILITIES	<u>139,914</u>
TOTAL LIABILITIES	<u>259,963</u>

NET ASSETS

Invested in fixed assets	3,729,808
Restricted	367,891
Unrestricted	2,739,510
TOTAL NET ASSETS	<u>6,837,209</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 7,097,172</u>

See Notes to Financial Statements

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET ASSETS
HOUSING AUTHORITY OF THE CITY OF STILLWATER
Year Ended September 30, 2011**

OPERATING REVENUES

Tenant revenue	\$ 260,422
Other income	154,607
TOTAL OPERATING REVENUE	<u>415,029</u>

OPERATING EXPENSES

Administrative	578,200
Tenant services	42,347
Utilitites	90,242
Maintenance & operation	173,307
General	112,097
Housing assistance payments	3,222,566
Depreciation	254,959
Other expenses	98,646
TOTAL OPERATING EXPENSES	<u>4,572,364</u>

OPERATING INCOME (LOSS) (4,157,335)

NONOPERATING REVENUES (EXPENSES)

HUD PHA grants - Nonoperating	3,982,687
Interest income	1,843
Gain (loss) on sale of assets	12,351
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>3,996,881</u>

**INCOME (LOSS) BEFORE CONTRIBUTIONS AND
AND TRANSFERS** (160,454)

CAPITAL CONTRIBUTIONS

HUD PHA grants - Capital	235,430
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OPERATING TRANSFERS IN (OUT) 0

CHANGE IN NET ASSETS 74,976

TOTAL NET ASSETS - BEGINNING 6,762,233

Prior year adjustments	0
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TOTAL NET ASSETS - ENDING \$ 6,837,209

See Notes to Financial Statements.

**STATEMENT OF CASH FLOWS
HOUSING AUTHORITY OF THE CITY OF STILLWATER
Year Ended September 30, 2011**

Cash Flow From Operating Activities:

Receipts from tenants	\$ 268,565
Other receipts	166,155
Payments to suppliers	(420,468)
Payments to landlords	(3,280,212)
Payments to employees	(603,998)
	<u>(3,869,958)</u>

**Cash Flow From Capital and Related
Financing Activities:**

- Fixed asset additions	(257,644)
- Capital grants	235,430
- Sales of fixed assets	12,351
	<u>(9,863)</u>

Cash Flow From Noncapital

Financing Activities:

- Operating grants	3,981,463
	<u>3,981,463</u>

Cash Flow From Investing Activities:

- Interest	1,754
- Investments - net	(324)
	<u>1,430</u>

Net Increase in Cash and

Cash Equivalents

103,072

Cash and Cash Equivalents

At Beginning of Year

3,067,219

At End of Year

\$ 3,170,291

See Notes to Financial Statements.

STATEMENT OF CASH FLOWS - CONTINUED
HOUSING AUTHORITY OF THE CITY OF STILLWATER
Year Ended September 30, 2011

Reconciliation of Operating Income (Loss)	
to Net Cash Provided (Used) by Operating	
Activities:	
Operating income (loss)	\$ (4,157,335)
Adjustments to Reconcile Operating Income (Loss)	
to Net Cash Flows From Operating	
Activities:	
Depreciation	254,959
Changes in Assets and Liabilities:	
(Increase) decrease in assets:	
Receivables - net	(2,449)
Inventories	438
Deferred charges	1,290
Increase (decrease) in liabilities:	
Accounts payable	(1,784)
Accrued wages & taxes	1,695
Compensated absences	2,600
Security deposits	(565)
Deferred revenue	9,692
Other liabilities	<u>21,501</u>
Net Cash Provided (Used) by	
Operating Activities	<u><u>\$ (3,869,958)</u></u>

See Notes to Financial Statements.

NOTES TO FINANCIAL STATEMENTS
HOUSING AUTHORITY OF THE CITY OF STILLWATER
September 30, 2011

NOTE A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization – The Housing Authority (PHA) is a non-profit governmental organization which was organized under the laws of the State to provide housing for qualified individuals in accordance with the rules and regulations prescribed by HUD. The Mayor of the City of Stillwater appoints the PHA's Board of Commissioners. The PHA is not financially accountable to the City and the City does not provide financial assistance to the PHA.

Reporting Entity - The PHA's financial statements include all of the housing authority's operations. The criteria for including organizations as component units within the PHA's reporting entity, as set forth in *Section 2100* of the Governmental Accounting Standards Board's (GASB) *Codification of Government Accounting and Financial Reporting Standards*, include whether:

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

Based on these criteria, the Stillwater Housing Development Corporation is a component unit of the PHA. The operations of this entity are reported in these financial statements using the blended presentation. The component unit is reported as if it were part of the primary government because its sole purpose is to work in conjunction with the PHA to provide housing for low and moderate income individuals. The component unit is shown in the financial data schedules in the component unit column.

Basis of Presentation - Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The PHA's activities are business-type in nature and does not engage in any governmental type activities. As a result, Government-wide financial statements which distinguish between governmental and business-type activities are not required.

For financial reporting purposes, all activities of the PHA are accounted for in one housing enterprise (proprietary) fund. Fund financial statements are considered to be separate accounting entities. A fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses.

Measurement Focus and Basis of Accounting - Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

NOTES TO FINANCIAL STATEMENTS - CONTINUED
HOUSING AUTHORITY OF THE CITY OF STILLWATER
September 30, 2011

Proprietary (business-type) funds utilize an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets, financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net assets.

Operating income reported in the enterprise (proprietary) fund financial statements includes revenues and expenses related to the primary, continuing operation of the fund. Principal operating revenues are charges to tenants for providing housing services. Principal operating expenses consists of the costs of providing housing services to tenants including depreciation on capital assets. Other revenues and expenses are classified as non-operating in the financial statements. Grants that subsidize operations are classified as non-operating.

Basis of Accounting - All proprietary funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

The PHA applies all applicable GASB pronouncements. The PHA has elected not to apply FASB Statements or Interpretations issued after November 30, 1989.

Cash and Investments - The proprietary fund types consider all highly liquid investments with maturities of three months or less at the time of acquisition to be cash equivalents. Liquid investments with maturities of more than three months are carried as investments. The PHA invests in instruments whose values are not subject to market fluctuations and are carried at cost plus accrued interest.

Inventories – Inventories are recorded at the lower of cost or market on a first-in, first-out basis.

Compensated Absences - Employees are granted vacation and sick leave benefits depending on tenure with the PHA. Generally, after one year of service, employees are entitled to their accrued vacation leave upon termination. These amounts are charged to expense and a corresponding liability is established when earned.

NOTES TO FINANCIAL STATEMENTS - CONTINUED
HOUSING AUTHORITY OF THE CITY OF STILLWATER
September 30, 2011

Fixed Assets and Depreciation - Land, structures and equipment are stated at historical cost. Individual assets that exceed a Board approved threshold limit are capitalized and depreciated while smaller assets are expensed as consumable supplies. Depreciation is computed using the straight-line method. Estimated useful lives, in years, for depreciable assets are as follows:

Site improvements	20 years
Buildings	40 years
Building improvements	15 years
Nondwelling structures	40 years
Equipment	5 to 10 years

NOTE B - DEPOSITS AND INVESTMENTS

The PHA's funds are required to be deposited and invested under the terms of a depository agreement which requires deposits over FDIC limits to be secured with securities held by the financial institution. Investments are carried at cost and consist of certificates of deposit that do not fluctuate in value.

Custodial risk is the risk that in the event of a bank failure, the PHA's deposits may not be returned to it. The PHA's depository agreement requires the PHA's depository to pledge collateral against deposits in excess of FDIC insurance coverage limits.

Interest rate risk is exposure to market value losses arising from increasing interest rates. The PHA invests in certificates of deposit that do not have an interest rate risk.

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The PHA mitigates credit risk by investing in fully insured or collateralized certificates of deposits or demand deposits.

Concentration of credit risk is the risk of loss attributed to the magnitude of investment in a single issuer. The PHA does not have a concentration of credit risk as investments are limited to certificates of deposit that are covered by FDIC insurance or collateralized by pledged securities.

NOTES TO FINANCIAL STATEMENTS - CONTINUED
HOUSING AUTHORITY OF THE CITY OF STILLWATER
September 30, 2011

The PHA's deposits are categorized at year end to give an indication of the level of risk assumed by the PHA at year end. These categories are described as follows:

Category 1 – Insured or collateralized.

Category 2 – Uncollateralized.

Total Deposits and Investments (Book Value)	Category	
	1	2
\$ 3,324,907	\$ 3,324,907	\$ 0

At year end, all bank balances were either insured and/or collateralized.

Included in cash equivalents are \$ 2,657,720 in investments in U.S. Government securities funds that are carried at market. The investments are either insured, registered, or securities held by the PHA or its agent in the PHA's name.

NOTE C -- BUDGET PROCESS

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

NOTES TO FINANCIAL STATEMENTS - CONTINUED
HOUSING AUTHORITY OF THE CITY OF STILLWATER
September 30, 2011

NOTE D -- LAND, STRUCTURES AND EQUIPMENT

Land, structures and equipment reported in the PHA's proprietary funds are as follows:

Classification	Beginning Balance 10/01/10	Additions & Transfers	Dispositions	Ending Balance 09/30/11
<u>Capital Assets, Not Being</u>				
<u>Depreciated</u>				
Land	\$ 447,147	\$ 0	\$ 0	\$ 447,147
Construction in Progress	15,153	230,555	0	245,708
	<u>462,300</u>	<u>230,555</u>	<u>0</u>	<u>692,855</u>
<u>Capital Assets, Being</u>				
<u>Depreciated</u>				
Infrastructure	0	0	0	0
Buildings and Improvements	6,315,866	4,875	0	6,320,741
Furniture and Equipment	430,194	22,214	(52,604)	399,804
	<u>6,746,060</u>	<u>27,089</u>	<u>(52,604)</u>	<u>6,720,545</u>
Total	<u>\$ 7,208,360</u>	<u>\$ 257,644</u>	<u>\$ (52,604)</u>	<u>\$ 7,413,400</u>
Less Accumulated Depreciation	<u>\$ (3,481,237)</u>	<u>\$ (254,959)</u>	<u>\$ 52,604</u>	<u>\$ (3,683,592)</u>
Net Book Value	<u>\$ 3,727,123</u>			<u>\$ 3,729,808</u>

All land, buildings and improvements are secured by a lien in favor of HUD.

NOTES TO FINANCIAL STATEMENTS - CONTINUED
HOUSING AUTHORITY OF THE CITY OF STILLWATER
September 30, 2011

NOTE E-- FEDERAL GRANTS

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

NOTE F -- ESTIMATES

Generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE G -- RETIREMENT PLAN

The PHA participates in a defined contribution plan (a 414(h) plan) administered by Housing Renewal & Local Agency Retirement Plan. The plan complies with IRS regulations and can be amended by the Board pursuant to applicable IRS guidelines. Benefits at retirement are based on the amount contributed.

The PHA and the participants are required to contribute 10% and 8% of annual covered payroll, respectively. For the fiscal year, actual contributions by the PHA and the participants were \$ 35,042 and \$ 27,357, respectively.

Employees vest as follows:

After one year of service	20%
After two years of service	40%
After three years of service	60%
After four years of service	80%
After five years of service	100%

The PHA also has a deferred compensation (457b) plan. Massachusetts Mutual serves as the trustee for the plan. New employees must elect to participate in the plan within sixty days after entering into service. Participants must agree to defer a minimum of \$600 per annum. The PHA does not match employee contributions. Benefits are payable over fifteen years at retirement. The Board of Commissioners, in its sole discretion, can approve a lump sum payment at retirement. Currently, the Executive Director is the only participant in the plan.

NOTES TO FINANCIAL STATEMENTS - CONTINUED
HOUSING AUTHORITY OF THE CITY OF STILLWATER
September 30, 2011

NOTE H – RISK MANAGEMENT

The PHA is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; employee’s health and life; and natural disasters. The PHA manages these various risks of loss through the purchase of insurance. Management believes such coverage is sufficient to preclude any material losses to the PHA.

NOTE I – ACCOUNTS RECEIVABLE

At year end, accounts receivable consisted of the following:

Accounts receivable - Tenants	\$	2,011
Allowance for doubtful accounts - Tenants		(369)
Accounts receivable - Fraud recovery		29,707
Allowance for doubtful accounts - Fraud recove		(26,736)
Accrued interest receivable		168
	\$	<u>4,781</u>

NOTE J – NONCURRENT LIABILITIES

At year end, noncurrent liabilities consisted of the following:

Accrued compensated absences - Noncurrent	\$	11,228
FSS escrow balances		128,686
	\$	<u>139,914</u>

Changes in noncurrent liabilities are as follows:

	Beginning Balance 10/01/10	Additions	Deductions	Ending Balance 09/30/11	Amount Due Within One Year
Accrued compensated absences - Noncurrent	\$ 9,873	\$ 1,355	\$ 0	\$ 11,228	\$ 14,881
FSS escrow balances	115,673	13,013	0	128,686	32,172
	<u>\$ 125,546</u>	<u>\$ 14,368</u>	<u>\$ 0</u>	<u>\$ 139,914</u>	<u>\$ 47,053</u>

NOTES TO FINANCIAL STATEMENTS - CONTINUED
HOUSING AUTHORITY OF THE CITY OF STILLWATER
September 30, 2011

NOTE K – CURRENT VULNERABILITY DUE TO CERTAIN CONCENTRATIONS

The Housing Authority's operations are concentrated in low income rental programs funded primarily through HUD. These programs operate in a heavily regulated environment. Funding levels, administrative directives, rules and regulations are subject to change by an act of congress or by an administrative change mandated by HUD. Such changes may occur with little notice and could result in inadequate funding to cover operating costs.

NOTE L – RESTRICTED CASH/INVESTMENTS

Restricted cash represents cash restricted for housing assistance payments and for payment of family self-sufficiency (FSS) escrow balances in the voucher program.

NOTE M – CONSTRUCTION CONTRACTS

Periodically, the PHA enters into construction contracts for repairs and improvements to its units. These costs are funded through Capital Fund Program grants. These construction contracts do not require the expenditure of current assets or the issuance of debt as grant funds are requisitioned to cover expenditures being made.

NOTE N – OTHER POST EMPLOYMENT BENEFITS

The PHA does not pay any post employment benefits and no unfunded actuarial accrued liabilities are required under GASB #45.

SUPPLEMENTAL DATA

Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133

Board of Commissioners
Housing Authority of the City of Stillwater
Stillwater, Oklahoma

Compliance

I have audited the Housing Authority of the City of Stillwater's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Housing Authority of the City of Stillwater's major federal programs for the year ended September 30, 2011. The Housing Authority of the City of Stillwater'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 Stillwater's management. My responsibility is to express an opinion on the Housing Authority of the City of Stillwater's compliance based on my audit.

I conducted my 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 I 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 Stillwater's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination of the Housing Authority of the City of Stillwater's compliance with those requirements.

In my opinion, the Housing Authority of the City of Stillwater 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 September 30, 2011.

Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133

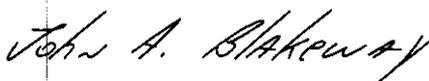
Internal Control Over Compliance

Management of the Housing Authority of the City of Stillwater 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 my audit, I considered the Housing Authority of the City of Stillwater's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in to determine my auditing procedures for the purpose of expressing my opinion on compliance and to test and report on internal control over compliance in accordance with OMB A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express any opinion on the effectiveness of the entity'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.

My 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. I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses, as defined above.

This report is intended solely for the information and use management, Board of Commissioners, others within the entity, 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.



John A. Blakeway, CPA

Fort Worth, Texas
June 25, 2012

**Report on Compliance and Internal Control Over Financial Reporting
And Other Matters Based on an Audit of Financial Statements Performed in Accordance
With Governmental Audit Standards**

Board of Commissioners
Housing Authority of the City of Stillwater
Stillwater, Oklahoma

I have audited the financial statements of the Housing Authority of the City Stillwater as of and for the year ended September 30, 2011, and have issued my report thereon dated June 25, 2012. I conducted my 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 my audit, I considered the Housing Authority of the City of Stillwater's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, I do not express an opinion of the effectiveness of the entity'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.

Report on Compliance and Internal Control Over Financial Reporting
And Other Matters Based on an Audit of Financial Statements Performed in Accordance
With Governmental Audit Standards

My 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. I 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 Stillwater's financial statements are free of material misstatement, I 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 my audits, and accordingly, I do not express such an opinion. The results of my 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, others within the entity, and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.



John A. Blakeway, CPA

Fort Worth, Texas
June 25, 2012

**SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS
HOUSING AUTHORITY OF THE CITY OF STILLWATER
September 30, 2011**

Federal Grantor - Program Title	Federal CFDA#	Amount Expended
<u>U.S. Department of HUD</u>		
Direct Programs:		
Low-income housing assistance program	14.850a	\$ 230,152
Capital fund program	14.872	296,870
Housing choice voucher program	14.871	3,673,059
Housing counseling assistance program	14.169	<u>18,036</u>
Total Federal Financial Assistance		\$ <u>4,218,117</u>

Note: The Schedule of Expenditures of Federal Awards includes the federal grant activity of the PHA and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the presentation of, the basic financial statements.

See Notes to Financial Statements.

STATEMENT OF MODERNIZATION COSTS – INCOMPLETE – CFP 501-09
HOUSING AUTHORITY OF THE CITY OF STILLWATER
September 30, 2011

	<u>501-09</u>
Funds Approved	\$ 196,890.00
Funds Expended	<u>196,188.85</u>
Excess of Funds Approved	<u><u>\$ 701.15</u></u>

STATEMENT OF MODERNIZATION COSTS – INCOMPLETE – CFP 501-10
HOUSING AUTHORITY OF THE CITY OF STILLWATER
September 30, 2011

	<u>501-10</u>
Funds Approved	\$ 192,757.00
Funds Expended	<u>158,121.30</u>
Excess of Funds Approved	<u><u>\$ 34,635.70</u></u>

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
HOUSING AUTHORITY OF THE CITY OF STILLWATER
September 30, 2011**

A. SUMMARY OF AUDIT RESULTS

Financial Statements

1. Type of Auditor's Report Issued on Financial Statements – Unqualified.
2. Internal Control Over Financial Reporting:
 - a. Material weaknesses identified? _____ yes no
 - b. Significant deficiencies identified that are not considered to be material weaknesses? _____ yes none reported
3. Noncompliance material to financial statements noted? _____ yes no

Federal Awards

1. Internal Control Over Major Programs:
 - a. Material weaknesses identified? _____ yes no
 - b. Significant deficiencies 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:

<u>U.S. Department of HUD</u>	<u>CFDA #</u>
a. Housing choice voucher program	14.871
5. Dollar threshold used to distinguish between Type A and Type B Programs: \$ 300,000
6. Auditee qualified as low-risk auditee? _____ yes no

SCHEDULE OF FINDINGS AND QUESTIONED COSTS – CONTINUED
HOUSING AUTHORITY OF THE CITY OF STILLWATER
September 30, 2011

B. FINDINGS – FINANCIAL STATEMENT AUDIT

NONE

C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS

NONE

D. PRIOR AUDIT FINDINGS

1. The prior audit report did not contain any findings.

Housing Authority of the City of Stillwater (OK146)
STILLWATER, OK

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 09/30/2011

	Project Total	14.871 Housing Choice Vouchers	14.169 Housing Counseling Assistance Program	6 Component Units	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$2,311,270	\$286,678		\$13,674	\$2,611,622	\$0	\$2,611,622
112 Cash - Restricted - Modernization and Development	\$0	\$0			\$0	\$0	\$0
113 Cash - Other Restricted	\$0	\$528,749			\$528,749	\$0	\$528,749
114 Cash - Tenant Security Deposits	\$29,920	\$0			\$29,920	\$0	\$29,920
115 Cash - Restricted for Payment of Current Liabilities	\$0	\$0			\$0	\$0	\$0
100 Total Cash	\$2,341,190	\$815,427	\$0	\$13,674	\$3,170,291	\$0	\$3,170,291
121 Accounts Receivable - PHA Projects	\$0	\$0			\$0	\$0	\$0
122 Accounts Receivable - HUD Other Projects	\$0	\$0			\$0	\$0	\$0
124 Accounts Receivable - Other Government	\$0	\$0			\$0	\$0	\$0
125 Accounts Receivable - Miscellaneous	\$0	\$0			\$0	\$0	\$0
126 Accounts Receivable - Tenants	\$2,011	\$0			\$2,011	\$0	\$2,011
126.1 Allowance for Doubtful Accounts - Tenants	-\$369	\$0			-\$369	\$0	-\$369
126.2 Allowance for Doubtful Accounts - Other	\$0	\$0			\$0	\$0	\$0
127 Notes, Loans, & Mortgages Receivable - Current	\$0	\$0			\$0	\$0	\$0
128 Fraud Recovery	\$0	\$28,707			\$28,707	\$0	\$28,707
128.1 Allowance for Doubtful Accounts - Fraud	\$0	-\$26,736			-\$26,736	\$0	-\$26,736
129 Accrued Interest Receivable	\$7	\$27		\$134	\$168	\$0	\$168
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$1,649	\$2,998	\$0	\$134	\$4,781	\$0	\$4,781
131 Investments - Unrestricted	\$7,146	\$100,000		\$47,470	\$154,616	\$0	\$154,616
132 Investments - Restricted	\$0	\$0			\$0	\$0	\$0
135 Investments - Restricted for Payment of Current Liability	\$0	\$0			\$0	\$0	\$0
142 Prepaid Expenses and Other Assets	\$32,750	\$4,926			\$37,676	\$0	\$37,676
143 Inventories	\$0	\$0			\$0	\$0	\$0
143.1 Allowance for Obsolete Inventories	\$0	\$0			\$0	\$0	\$0
144 Inter Program Due From	\$0	\$0			\$0	\$0	\$0
145 Assets Held for Sale	\$0	\$0			\$0	\$0	\$0
150 Total Current Assets	\$2,362,735	\$923,351	\$0	\$61,278	\$3,367,364	\$0	\$3,367,364

161 Land	\$447,147	\$0			\$447,147	\$0	\$447,147
162 Buildings	\$6,320,741	\$0			\$6,320,741	\$0	\$6,320,741
163 Furniture, Equipment & Machinery - Dwellings	\$0	\$0			\$0	\$0	\$0
164 Furniture, Equipment & Machinery - Administration	\$349,784	\$50,020			\$399,804	\$0	\$399,804
165 Leasehold Improvements	\$0	\$0			\$0	\$0	\$0
166 Accumulated Depreciation	-\$3,643,416	-\$40,176			-\$3,683,592	\$0	-\$3,683,592
167 Construction in Progress	\$245,708	\$0			\$245,708	\$0	\$245,708
168 Infrastructure	\$0	\$0			\$0	\$0	\$0
160 Total Capital Assets, Net of Accumulated Depreciation	\$3,719,964	\$9,844	\$0		\$3,729,808	\$0	\$3,729,808
171 Notes, Loans and Mortgages Receivable - Non-Current	\$0	\$0			\$0	\$0	\$0
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due	\$0	\$0			\$0	\$0	\$0
173 Grants Receivable - Non Current	\$0	\$0			\$0	\$0	\$0
174 Other Assets	\$0	\$0			\$0	\$0	\$0
176 Investments in Joint Ventures	\$0	\$0			\$0	\$0	\$0
180 Total Non-Current Assets	\$3,719,964	\$9,844	\$0		\$3,729,808	\$0	\$3,729,808
190 Total Assets	\$6,102,699	\$933,195	\$0	\$61,278	\$7,097,172	\$0	\$7,097,172
311 Bank Overdraft	\$0	\$0			\$0	\$0	\$0
312 Accounts Payable <= 90 Days	\$2,898	\$1,623			\$4,521	\$0	\$4,521
313 Accounts Payable >90 Days Past Due	\$0	\$0			\$0	\$0	\$0
321 Accrued Wage/Payroll Taxes Payable	\$4,485	\$6,609			\$11,094	\$0	\$11,094
322 Accrued Compensated Absences - Current Portion	\$6,127	\$8,754			\$14,881	\$0	\$14,881
324 Accrued Contingency Liability	\$0	\$0			\$0	\$0	\$0
325 Accrued Interest Payable	\$0	\$0			\$0	\$0	\$0
331 Accounts Payable - HUD PHA Programs	\$0	\$0			\$0	\$0	\$0
332 Account Payable - PHA Projects	\$0	\$0			\$0	\$0	\$0
333 Accounts Payable - Other Government	\$7,960	\$0			\$7,960	\$0	\$7,960
341 Tenant Security Deposits	\$29,920	\$0			\$29,920	\$0	\$29,920
342 Deferred Revenues	\$3,726	\$8,842			\$12,568	\$0	\$12,568
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	\$0	\$0			\$0	\$0	\$0
Bonds	\$0	\$0			\$0	\$0	\$0
344 Current Portion of Long-term Debt - Operating Borrowings	\$0	\$32,172			\$32,172	\$0	\$32,172
345 Other Current Liabilities	\$6,933	\$0			\$6,933	\$0	\$6,933
346 Accrued Liabilities - Other	\$0	\$0			\$0	\$0	\$0
347 Inter Program - Due To	\$0	\$0			\$0	\$0	\$0
348 Loan Liability - Current	\$0	\$0			\$0	\$0	\$0
310 Total Current Liabilities	\$62,049	\$58,000	\$0	\$0	\$120,049	\$0	\$120,049

351	Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
352	Long-term Debt, Net of Current - Operating Borrowings	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
353	Non-current Liabilities - Other	\$0	\$128,686	\$128,686	\$128,686	\$0	\$0	\$128,686	\$128,686
354	Accrued Compensated Absences - Non Current	\$4,623	\$6,605	\$6,605	\$11,228	\$0	\$0	\$11,228	\$11,228
355	Loan Liability - Non Current	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
356	FASB 5 Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
357	Accrued Pension and OPEB Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
350	Total Non-Current Liabilities	\$4,623	\$135,291	\$139,914	\$139,914	\$0	\$0	\$139,914	\$139,914
300	Total Liabilities	\$66,672	\$193,291	\$259,963	\$259,963	\$0	\$0	\$259,963	\$259,963
508.1	Invested in Capital Assets, Net of Related Debt	\$3,719,964	\$9,844	\$3,729,808	\$3,729,808	\$0	\$0	\$3,729,808	\$3,729,808
509.2	Fund Balance Reserved								
511.2	Unreserved, Designated Fund Balance								
511.1	Restricted Net Assets	\$0	\$367,891	\$367,891	\$367,891	\$0	\$0	\$367,891	\$367,891
512.1	Unrestricted Net Assets	\$2,316,063	\$362,169	\$2,739,510	\$2,739,510	\$0	\$61,278	\$2,739,510	\$2,739,510
512.2	Unreserved, Undesignated Fund Balance								
513	Total Equity/Net Assets	\$6,036,027	\$739,904	\$6,837,209	\$6,837,209	\$0	\$61,278	\$6,837,209	\$6,837,209
600	Total Liabilities and Equity/Net Assets	\$6,102,699	\$933,195	\$7,097,172	\$7,097,172	\$0	\$61,278	\$7,097,172	\$7,097,172

Housing Authority of the City of Stillwater (OK146)
 STILLWATER, OK

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 09/30/2011

	Project Total	14,871 Housing Choice Vouchers	14,169 Housing Counseling Assistance Program	6 Component Units	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	\$249,439	\$0			\$249,439	\$0	\$249,439
70400 Tenant Revenue - Other	\$10,983	\$0			\$10,983	\$0	\$10,983
70500 Total Tenant Revenue	\$260,422	\$0	\$0	\$0	\$260,422	\$0	\$260,422
70600 HUD PHA Operating Grants	\$291,592	\$3,673,059	\$18,036		\$3,982,687	\$0	\$3,982,687
70610 Capital Grants	\$235,430	\$0			\$235,430	\$0	\$235,430
70710 Management Fee					\$0	\$0	\$0
70720 Asset Management Fee					\$0	\$0	\$0
70730 Book Keeping Fee					\$0	\$0	\$0
70740 Front Line Service Fee					\$0	\$0	\$0
70750 Other Fees					\$0	\$0	\$0
70700 Total Fee Revenue					\$0	\$0	\$0
70800 Other Government Grants	\$0	\$0			\$0	\$0	\$0
71100 Investment Income - Unrestricted	\$267	\$736		\$460	\$1,463	\$0	\$1,463
71200 Mortgage Interest Income	\$0	\$0			\$0	\$0	\$0
71300 Proceeds from Disposition of Assets Held for Sale	\$0	\$0			\$0	\$0	\$0
71310 Cost of Sale of Assets	\$0	\$0			\$0	\$0	\$0
71400 Fraud Recovery	\$0	\$20,406			\$20,406	\$0	\$20,406
71500 Other Revenue	\$57,499	\$76,702			\$134,201	\$0	\$134,201
71600 Gain or Loss on Sale of Capital Assets	\$12,351	\$0			\$12,351	\$0	\$12,351
72000 Investment Income - Restricted	\$0	\$380			\$380	\$0	\$380
70000 Total Revenue	\$857,561	\$3,771,283	\$18,036	\$460	\$4,647,340	\$0	\$4,647,340
91100 Administrative Salaries	\$84,475	\$189,539	\$18,036		\$292,050	\$0	\$292,050
91200 Auditing Fees	\$4,373	\$3,538			\$7,911	\$0	\$7,911
91300 Management Fee	\$0	\$0			\$0	\$0	\$0
91310 Book-keeping Fee	\$0	\$0			\$0	\$0	\$0
91400 Advertising and Marketing	\$953	\$61			\$1,014	\$0	\$1,014
91500 Employee Benefit contributions - Administrative	\$56,967	\$109,214			\$166,181	\$0	\$166,181
91600 Office Expenses	\$6,856	\$6,120			\$12,976	\$0	\$12,976
91700 Legal Expense	\$0	\$0			\$0	\$0	\$0
91800 Travel	\$8,109	\$7,336			\$15,445	\$0	\$15,445

91810	Allocated Overhead	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
91900	Other	\$25,123	\$57,500	\$82,623	\$0	\$0	\$0	\$0	\$0	\$82,623
91000	Total Operating - Administrative	\$186,856	\$373,308	\$578,200	\$18,036	\$0	\$0	\$0	\$0	\$578,200
92000	Asset Management Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
92100	Tenant Services - Salaries	\$0	\$30,382	\$30,382	\$0	\$0	\$0	\$0	\$0	\$30,382
92200	Relocation Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
92300	Employee Benefit Contributions - Tenant Services	\$0	\$11,785	\$11,785	\$0	\$0	\$0	\$0	\$0	\$11,785
92400	Tenant Services - Other	\$180	\$0	\$180	\$0	\$0	\$0	\$0	\$0	\$180
92500	Total Tenant Services	\$180	\$42,167	\$42,347	\$0	\$0	\$0	\$0	\$0	\$42,347
93100	Water	\$11,903	\$0	\$11,903	\$0	\$0	\$0	\$0	\$0	\$11,903
93200	Electricity	\$64,072	\$0	\$64,072	\$0	\$0	\$0	\$0	\$0	\$64,072
93300	Gas	\$6,831	\$0	\$6,831	\$0	\$0	\$0	\$0	\$0	\$6,831
93400	Fuel	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
93500	Labor	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
93600	Sewer	\$5,436	\$0	\$5,436	\$0	\$0	\$0	\$0	\$0	\$5,436
93700	Employee Benefit Contributions - Utilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
93800	Other Utilities Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
93000	Total Utilities	\$90,242	\$0	\$90,242	\$0	\$0	\$0	\$0	\$0	\$90,242
94100	Ordinary Maintenance and Operations - Labor	\$50,173	\$0	\$50,173	\$0	\$0	\$0	\$0	\$0	\$50,173
94200	Ordinary Maintenance and Operations - Materials and Other	\$39,230	\$0	\$39,230	\$0	\$0	\$0	\$0	\$0	\$39,230
94300	Ordinary Maintenance and Operations Contracts	\$61,462	\$0	\$61,462	\$0	\$0	\$0	\$0	\$0	\$61,462
94500	Employee Benefit Contributions - Ordinary Maintenance	\$22,442	\$0	\$22,442	\$0	\$0	\$0	\$0	\$0	\$22,442
94000	Total Maintenance	\$173,307	\$0	\$173,307	\$0	\$0	\$0	\$0	\$0	\$173,307
95100	Protective Services - Labor	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
95200	Protective Services - Other Contract Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
95300	Protective Services - Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
95500	Employee Benefit Contributions - Protective Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
95000	Total Protective Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
96110	Property Insurance	\$25,150	\$0	\$25,150	\$0	\$0	\$0	\$0	\$0	\$25,150
96120	Liability Insurance	\$9,320	\$1,102	\$10,422	\$0	\$0	\$0	\$0	\$0	\$10,422
96130	Workmen's Compensation	\$5,013	\$4,049	\$9,062	\$0	\$0	\$0	\$0	\$0	\$9,062
96140	All Other Insurance	\$9,576	\$0	\$9,576	\$0	\$0	\$0	\$0	\$0	\$9,576
96100	Total Insurance Premiums	\$49,059	\$5,151	\$54,210	\$0	\$0	\$0	\$0	\$0	\$54,210
96200	Other General Expenses	\$120	\$0	\$120	\$0	\$0	\$0	\$0	\$0	\$120
96210	Compensated Absences	\$11,987	\$23,293	\$35,280	\$0	\$0	\$0	\$0	\$0	\$35,280
96300	Payments in Lieu of Taxes	\$7,960	\$0	\$7,960	\$0	\$0	\$0	\$0	\$0	\$7,960

96400	Bad debt - Tenant Rents	\$1,348	\$0	\$0	\$1,348	\$0	\$0	\$1,348
96500	Bad debt - Mortgages	\$0	\$0	\$0	\$0	\$0	\$0	\$0
96600	Bad debt - Other	\$0	\$13,179	\$0	\$13,179	\$0	\$0	\$13,179
96800	Severance Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0
96000	Total Other General Expenses	\$21,415	\$36,472	\$0	\$57,887	\$0	\$0	\$57,887
96710	Interest of Mortgage (or Bonds) Payable	\$0	\$0	\$0	\$0	\$0	\$0	\$0
96720	Interest on Notes Payable (Short and Long Term)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
96730	Amortization of Bond Issue Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0
96700	Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$0
96900	Total Operating Expenses	\$521,059	\$457,098	\$18,036	\$996,193	\$0	\$0	\$996,193
97000	Excess of Operating Revenue over Operating Expenses	\$336,502	\$3,314,185	\$0	\$460	\$3,651,147	\$0	\$3,651,147
97100	Extraordinary Maintenance	\$41,000	\$0	\$0	\$41,000	\$0	\$0	\$41,000
97200	Casualty Losses - Non-capitalized	\$0	\$0	\$0	\$0	\$0	\$0	\$0
97300	Housing Assistance Payments	\$0	\$3,222,566	\$0	\$3,222,566	\$0	\$0	\$3,222,566
97350	HAP Portability-In	\$0	\$57,646	\$0	\$57,646	\$0	\$0	\$57,646
97400	Depreciation Expense	\$248,870	\$6,089	\$0	\$254,959	\$0	\$0	\$254,959
97500	Fraud Losses	\$0	\$0	\$0	\$0	\$0	\$0	\$0
97600	Capital Outlays - Governmental Funds	\$0	\$0	\$0	\$0	\$0	\$0	\$0
97700	Debt Principal Payment - Governmental Funds	\$0	\$0	\$0	\$0	\$0	\$0	\$0
97800	Dwelling Units Rent Expense	\$810,929	\$3,743,399	\$18,036	\$4,572,364	\$0	\$0	\$4,572,364
90000	Total Expenses	\$41,751	\$0	\$0	\$41,751	-\$41,751	\$0	\$0
10010	Operating Transfer In	-\$41,751	\$0	\$0	-\$41,751	\$41,751	\$0	\$0
10020	Operating transfer Out	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10030	Operating Transfers from/to Primary Government	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10040	Operating Transfers from/to Component Unit	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10050	Proceeds from Notes, Loans and Bonds	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10060	Proceeds from Property Sales	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10070	Extraordinary Items, Net Gain/Loss	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10080	Special Items (Net Gain/Loss)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10091	Inter Project Excess Cash Transfer In	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10092	Inter Project Excess Cash Transfer Out	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10093	Transfers between Program and Project - In	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10094	Transfers between Program and Project - Out	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10100	Total Other financing Sources (Uses)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10000	Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$46,632	\$27,884	\$0	\$460	\$74,976	\$0	\$74,976

11020	Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11030	Beginning Equity	\$5,989,395	\$712,020	\$0	\$60,818	\$6,762,233	\$0	\$6,762,233	\$0
11040	Prior Period Adjustments, Equity Transfers and Correction of Errors	\$0	\$0			\$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		\$372,013			\$372,013		\$372,013	
11180	Housing Assistance Payments Equity		\$367,891			\$367,891		\$367,891	
11190	Unit Months Available	1600	7872			9472	0	9472	
11210	Number of Unit Months Leased	1599	7418			9017	0	9017	
11270	Excess Cash	\$2,246,156				\$2,246,156		\$2,246,156	
11610	Land Purchases	\$0				\$0		\$0	
11620	Building Purchases	\$235,430				\$235,430		\$235,430	
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	CFEP Debt Service Payments	\$0				\$0		\$0	
13901	Replacement Housing Factor Funds	\$0				\$0		\$0	

**SCHEDULE OF ADJUSTING ENTRIES – PHA OWNED HOUSING
HOUSING AUTHORITY OF THE CITY OF STILLWATER
September 30, 2011**

Description	Account Number
NONE	