

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

HOUSING AUTHORITY OF THE CITY OF STILLWATER

September 30, 2012

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HOUSING AUTHORITY OF THE CITY OF STILLWATER
September 30, 2012**

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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, 2012, 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, 2012, 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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on page 5 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. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge I obtained during our audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

**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 23, 2013 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 basic financial statements as a whole. 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 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 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 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 my opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

John A. Blakeway

John A. Blakeway CPA

Kennedale, Texas
June 23, 2013

Stillwater Housing Authority Management's Discussion and Analysis For the Year Ended September 30, 2012

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, 2012. The Stillwater Housing Authority presents this discussion and analysis of its financial performance during the fiscal year ended September 30, 2012, 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, 2012 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, 2012.

Management's Discussion and Analysis-Cont.

Financial Highlights

- The Stillwater Housing Authority's total assets decreased from \$7,097,172 to \$6,680,840, a decrease of \$416,332 or 6%. The net asset balance also decreased from \$6,837,209 to \$6,439,299, a decrease of \$397,910 or 6%.
- The unrestricted net asset balance decreased to \$2,596,958 at September 30, 2012. This represents a change of \$142,552 or 5% from the previous year. Restricted net assets decreased by \$80,216 at September 30, 2012.
- Total revenues decreased from \$4,647,340 to \$4,289,653, a decrease of \$357,687 or 8%. Revenues are comprised of rental income, HUD operating grants and capital grants, interest income, and other revenue.
- Total expenses increased by \$115,199 from \$4,572,364 to \$4,687,563 for the current year. This represents an increase of 3%.

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, 2012 and September 30, 2011.

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

<u>Category</u>	<u>FYE 2012</u>	<u>FYE 2011</u>	<u>Change \$</u>	<u>Change %</u>
Current Assets	\$ 3,023,876	\$ 3,238,678	\$ (214,802)	-7%
Noncurrent Assets	\$ 102,298	\$ 128,686	\$ (26,388)	-21%
Fixed Assets (Net of Depreciation)	\$ 3,554,666	\$ 3,729,808	\$ (175,142)	-5%
Total Assets	\$ 6,680,840	\$ 7,097,172	\$ (416,332)	-6%
Current Liabilities	\$ 122,035	\$ 120,049	\$ 1,986	2%
Long Term Liabilities	\$ 119,506	\$ 139,914	\$ (20,408)	-15%
Total Liabilities	\$ 241,541	\$ 259,963	\$ (18,422)	-7%
Investment in Net Fixed Assets	\$ 3,554,666	\$ 3,729,808	\$ (175,142)	-5%
Restricted Net Assets	\$ 287,675	\$ 367,891	\$ (80,216)	-22%
Unrestricted Net Assets	\$ 2,596,958	\$ 2,739,510	\$ (142,552)	-5%
Total Net Assets	\$ 6,439,299	\$ 6,837,209	\$ (397,910)	-6%

Management's Discussion and Analysis-Cont.

Current Assets

Current assets decreased by \$214,802 from the previous year primarily from a negative cash flow from operations.

Noncurrent Assets

Noncurrent assets decrease \$26,388 from fewer FSS escrow deposits this year.

Fixed Assets

Fixed assets decreased primarily due to the charging of depreciation expense in the current fiscal year. For further details, see the following section related to capital assets.

Current Liabilities

The Authority's current liabilities increased by \$1,986. This was due primarily to the accrual of payables associated with the Capital Fund Program.

Long Term Liabilities

The Authority's long term liabilities decreased by \$20,408. This resulted primarily from a decrease in FSS escrow liabilities in the Housing Choice Voucher Program.

Restricted Net Assets

Restricted net assets decreased by \$80,216. This resulted due to a reduction in HAP funding in the amount of \$74,069 and an increase in HAP expenditures in the amount of \$100,125.

Management's Discussion and Analysis-Cont.

Unrestricted Net Assets

The Authority's unrestricted net assets decreased by \$142,552 from the previous year. This was primarily due to the reduction of in the amount of operating subsidy received by the Low Rent Program (see subsequent event section). This balance is subject to program specific guidelines. Individual program balances are as follows:

Low Rent Housing Program	\$ 2,221,697
Housing Choice Voucher Program:	
- Administrative Funding	315,656
Component Unit	<u>59,605</u>
Total Unrestricted Net Assets	<u>\$ 2,596,958</u>

Summary Statement of Revenues & Expenses and Changes in Net Assets *Years Ended September 30, 2012 and 2011*

<u>Category</u>	<u>FYE 2012</u>	<u>FYE 2011</u>	<u>Change \$</u>	<u>Change %</u>
Tenant Revenue	\$ 279,681	\$ 260,422	\$ 19,259	7%
HUD Operating Grants	\$ 3,787,783	\$ 3,982,687	\$ (194,904)	-5%
Capital Grants	\$ 85,441	\$ 235,430	\$ (149,989)	-64%
Interest Income	\$ 1,292	\$ 1,843	\$ (551)	-30%
Fraud Recovery	\$ 28,216	\$ 20,406	\$ 7,810	38%
Other Revenue	\$ 107,240	\$ 134,201	\$ (26,961)	-20%
Gain/Loss on Sale of Fixed Assets	\$ -	\$ 12,351	\$ (12,351)	-100%
Total Revenue	\$ 4,289,653	\$ 4,647,340	\$ (357,687)	-8%
Administration	\$ 545,668	\$ 578,200	\$ (32,532)	-6%
Tenant Services	\$ 42,880	\$ 42,347	\$ 533	1%
Utilities	\$ 82,575	\$ 90,242	\$ (7,667)	-8%
Ordinary Maintenance	\$ 230,856	\$ 173,307	\$ 57,549	33%
General Expense	\$ 128,519	\$ 112,097	\$ 16,422	15%
Extraordinary Maintenance	\$ 3,150	\$ 41,000	\$ (37,850)	-92%
HAP	\$ 3,322,691	\$ 3,222,566	\$ 100,125	3%
HAP Portability-In	\$ 63,694	\$ 57,646	\$ 6,048	10%
Depreciation	\$ 267,530	\$ 254,959	\$ 12,571	5%
Total Expenses	\$ 4,687,563	\$ 4,572,364	\$ 115,199	3%
Excess of Revenue over Expenses	\$ (397,910)	\$ 74,976	\$ (472,886)	-631%
Net Assets, Beginning of Year	\$ 6,837,209	\$ 6,762,233	\$ 74,976	1%
Net Assets, End of Year	\$ 6,439,299	\$ 6,837,209	\$ (397,910)	-6%

Management's Discussion and Analysis-Cont.

Results of Operations

Revenues decreased by \$357,687 from the previous year. Notable changes as compared from the previous year include:

- Tenant revenue increased by \$19,259 due to an increase in the average rent per unit leased. The average rent increased from \$156 per unit in the prior year to \$167 per unit in the current year.
- HUD operating grants decreased by \$194,904. This was primarily due to the reduction in funding for the Low Rent program in the amount of \$121,690. In addition, the Housing Choice Voucher program had a reduction in funding in the amount of \$75,845.
- Capital grants decreased by \$149,989 due to a reduction in capital improvement projects funded by the Capital Fund Program.
- Fraud Recovery increased by \$7,810 due to the discovery of tenants defrauding the Authority.
- Other revenue decreased by \$26,961. This was due to the elimination of the rent charged to the Housing Choice Voucher program from the Low Rent program.

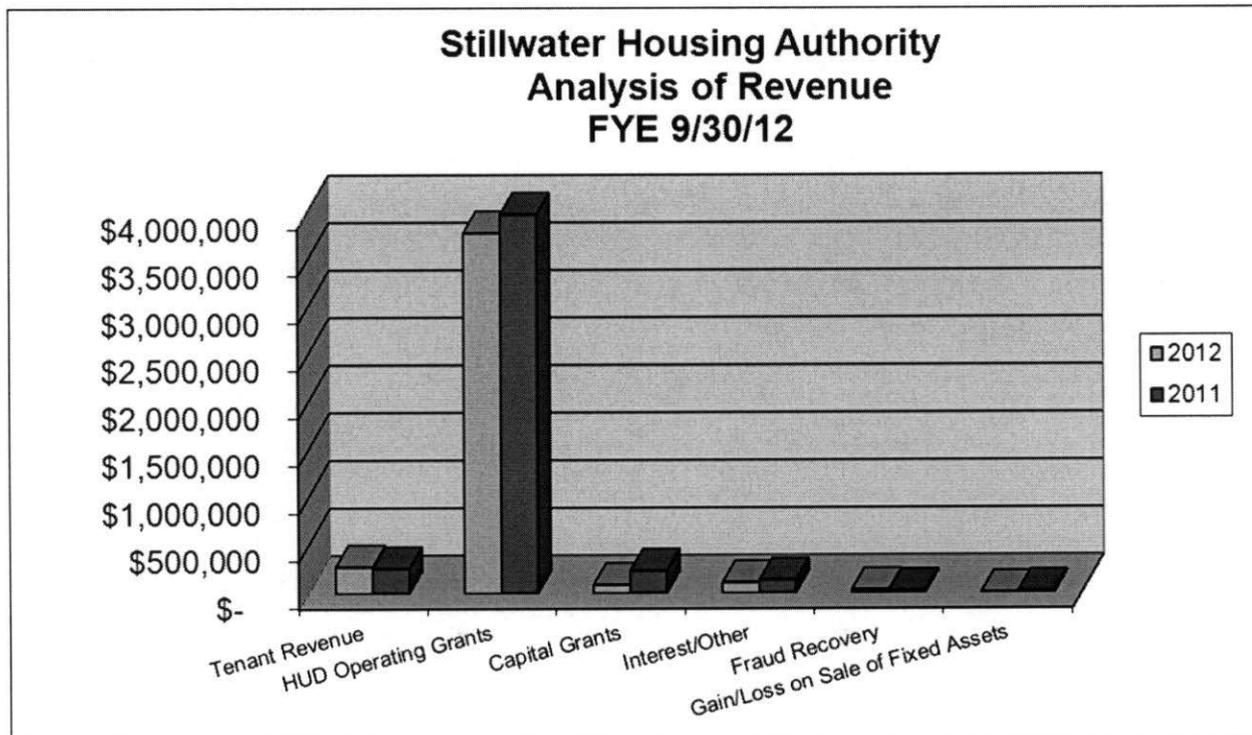
Expenses increased by \$115,199 from the previous year. Significant changes from the previous year include:

- Administration decreased by \$32,532. This was due to the elimination of rent paid to the Low Rent program from the Housing Choice Voucher program.
- Utilities decreased by \$7,667. Electric expenses were reduced by \$3,880 and gas expenses were reduced by \$2,831 due to decreases in consumption.
- Ordinary maintenance increased by \$57,549. This was due to an increase in pest control expenses due to bed bugs.

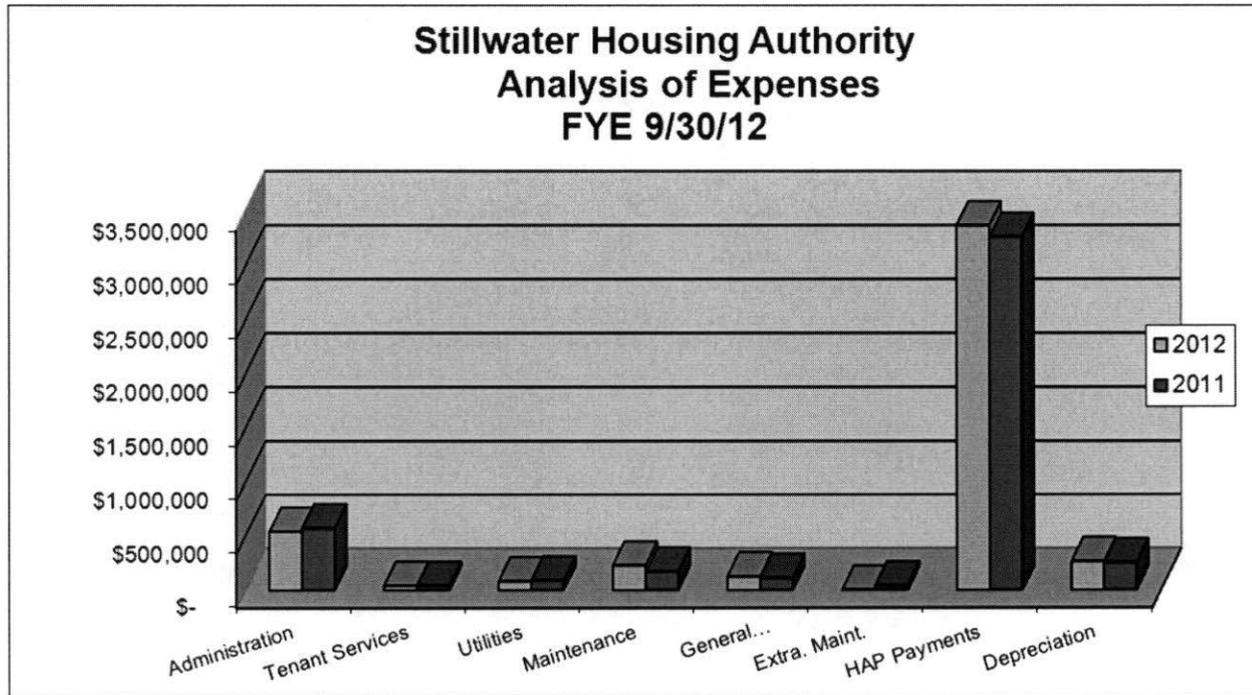
Management's Discussion and Analysis-Cont.

- General expenses increased by \$16,422. This was due to an increase in PILOT expenses due to higher dwelling rents. In addition, collection losses associated with the calculation of fraud receivables increased on the Housing Choice Voucher program.
- Extraordinary maintenance decreased by \$37,850 due to repair of ruptured water lines in the prior year.
- HAP payments increased by \$100,125 due to an increase in units leased. Units leased increased from 7,418 in the prior year to 7,597 in the current year
- HAP portability-in costs increased by \$6,048. This was due to an increase in port in units, from an average of 16 units leased per month to an average of 18 per month.

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, 2012, the Stillwater Housing Authority's investment in capital assets was \$3,554,666. This investment includes land, building, construction in progress, and equipment.

Category	FYE 2012	FYE 2011	Change \$	Change %
Land	\$ 447,147	\$ 447,147	\$ -	0%
Buildings	\$ 6,632,968	\$ 6,320,741	\$ 312,227	5%
Equipment	\$ 402,605	\$ 399,804	\$ 2,801	1%
Construction in Progress	\$ 23,070	\$ 245,708	\$ (222,638)	-91%
Accumulated Depreciation	\$ (3,951,124)	\$ (3,683,592)	\$ (267,532)	7%
Total Net Fixed Assets	\$ 3,554,666	\$ 3,729,808	\$ (175,142)	-5%

Additions noted in the building account include a cabinet, countertop and flooring project funded by the 2009 and 2010 CFP and an Instakey system funded by the 2011 CFP.

Additions noted in the building account include the purchase of a shop heater, washer and steam cleaner.

The decrease in construction in progress is due to the transfer of completed projects to the buildings account.

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 \$17,208.

Subsequent Event

Due to HUD budget cuts in the 2012 fiscal year, agencies with more than 6 months of expenses in reserve (working capital) are subject to a recapture. As a result, the Authority did not receive any operating income from HUD, and the SHA had to use reserves to stay operational. The fiscal cliff in 2013 will delete an additional 8% from operating income that may be down as much as 20% without the fiscal cliff problem.

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, 2012

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 2,506,601
Cash and cash equivalents - restricted for HAP	287,675
Cash and cash equivalents - restricted for FSS	25,575
Receivables - net of allowance	10,243
Investments	154,941
Inventories - net of allowance	1,006
Deferred charges and other assets	37,835
TOTAL CURRENT ASSETS	<u>3,023,876</u>

NONCURRENT ASSETS

Cash and cash equivalents - restricted for FSS	102,298
Fixed assets - net of accumulated depreciation	3,554,666
TOTAL NONCURRENT ASSETS	<u>3,656,964</u>
TOTAL ASSETS	<u>\$ 6,680,840</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 8,001
Accrued wages and taxes	32,228
Security deposits	29,840
Deferred credits and other liabilities	51,966
TOTAL CURRENT LIABILITIES	<u>122,035</u>

NONCURRENT LIABILITIES

Other long-term liabilities	119,506
TOTAL NONCURRENT LIABILITIES	<u>119,506</u>
TOTAL LIABILITIES	<u>241,541</u>

NET ASSETS

Invested in fixed assets	3,554,666
Restricted	287,675
Unrestricted	2,596,958
TOTAL NET ASSETS	<u>6,439,299</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 6,680,840</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, 2012**

OPERATING REVENUES

Tenant revenue	\$ 279,681
Other income	135,456
TOTAL OPERATING REVENUE	<u>415,137</u>

OPERATING EXPENSES

Administrative	545,668
Tenant services	42,880
Utilities	82,575
Maintenance & operation	230,856
General	128,519
Housing assistance payments	3,386,385
Depreciation	267,530
Other expenses	3,150
TOTAL OPERATING EXPENSES	<u>4,687,563</u>

OPERATING INCOME (LOSS) (4,272,426)

NONOPERATING REVENUES (EXPENSES)

HUD PHA grants - Nonoperating	3,787,783
Interest income	1,292
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>3,789,075</u>

**INCOME (LOSS) BEFORE CONTRIBUTIONS
AND TRANSFERS** (483,351)

CAPITAL CONTRIBUTIONS

HUD PHA grants - Capital	85,441
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OPERATING TRANSFERS IN (OUT) 0

CHANGES IN NET ASSETS (397,910)

TOTAL NET ASSETS - BEGINNING 6,837,209

Prior year adjustments 0

TOTAL NET ASSETS - ENDING \$ 6,439,299

See Notes to Financial Statements.

STATEMENT OF CASH FLOWS
HOUSING AUTHORITY OF THE CITY OF STILLWATER
Year Ended September 30, 2012

Cash Flow From Operating Activities:	
Receipts from tenants	\$ 272,441
Other receipts	107,095
Payments to suppliers	(422,880)
Payments to landlords	(3,386,385)
Payments to employees	(596,852)
	<u>(4,026,581)</u>
Cash Flow From Capital and Related	
Financing Activities:	
- Fixed asset additions	(92,388)
- Capital grants	83,542
	<u>(8,846)</u>
Cash Flow From Noncapital	
Financing Activities:	
- Operating grants	3,786,258
	<u>3,786,258</u>
Cash Flow From Investing Activities:	
- Interest	1,352
- Investments - net	(325)
	<u>1,027</u>
Net Increase in Cash and	
Cash Equivalents	(248,142)
Cash and Cash Equivalents	
At Beginning of Year	3,170,291
At End of Year	<u>\$ 2,922,149</u>

See Notes to Financial Statements.

STATEMENT OF CASH FLOWS - CONTINUED
HOUSING AUTHORITY OF THE CITY OF STILLWATER
Year Ended September 30, 2012

Reconciliation of Operating Income (Loss)
to Net Cash Provided (Used) by Operating
Activities:

Operating income (loss) \$ (4,272,426)

Adjustments to Reconcile Operating Income (Loss)
to Net Cash Flows From Operating
Activities:

Depreciation 267,530

Changes in Assets and Liabilities:

(Increase) decrease in assets:

Receivables - net (3,885)

Inventories (1,006)

Deferred charges (159)

Other assets 0

Increase (decrease) in liabilities:

Bank overdraft 0

Accounts payable 3,480

Accrued wages & taxes 7,614

Compensated absences 4,619

Security deposits (80)

Deferred revenue 0

Other liabilities (32,268)

Net Cash Provided (Used) by
Operating Activities

\$ (4,026,581)

See Notes to Financial Statements.

NOTES TO FINANCIAL STATEMENTS
HOUSING AUTHORITY OF THE CITY OF STILLWATER
September 30, 2012

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 Starr County 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, 2012

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, 2012

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, 2012

NOTE D -- LAND, STRUCTURES AND EQUIPMENT

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

Classification	Beginning Balance 10/01/11	Additions & Transfers	Dispositions	Ending Balance 09/30/12
<u>Capital Assets, Not Being Depreciated</u>				
Land	\$ 447,147	\$ 0	\$ 0	\$ 447,147
Construction in Progress	245,708	(222,638)	0	23,070
	<u>692,855</u>	<u>(222,638)</u>	<u>0</u>	<u>470,217</u>
<u>Capital Assets, Being Depreciated</u>				
Infrastructure	0	0	0	0
Buildings and Improvements	6,320,741	312,227	0	6,632,968
Furniture and Equipment	399,804	2,799	2	402,605
	<u>6,720,545</u>	<u>315,026</u>	<u>2</u>	<u>7,035,573</u>
Total	\$ <u>7,413,400</u>	\$ <u>92,388</u>	\$ <u>2</u>	\$ <u>7,505,790</u>
Less Accumulated Depreciation	\$ <u>(3,683,592)</u>	\$ (267,530)	\$ (2)	\$ <u>(3,951,124)</u>
Net Book Value	<u>\$ 3,729,808</u>			<u>\$ 3,554,666</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, 2012

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 (403(b) 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 \$ 36,664 and \$ 29,323, 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, 2012

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 - HUD	\$	1,637
Accounts receivable - Tenants		8,042
Allowance for doubtful accounts - Tenants		(4,488)
Accounts receivable - Fraud recovery		49,440
Allowance for doubtful accounts - Fraud recovery		(44,496)
Accrued interest receivable		108
	\$	<u>10,243</u>

NOTE J – NONCURRENT LIABILITIES

At year end, noncurrent liabilities consisted of the following:

Accrued compensated absences - Noncurrent	\$	17,208
FSS escrow balances		102,298
	\$	<u>119,506</u>

Changes in noncurrent are as follows:

	Beginning Balance 10/01/11	Additions	Deductions	Ending Balance 09/30/12	Amount Due Within One Year
Accrued compensated absences - Noncurrent	\$ 11,228	\$ 5,980	\$ 0	\$ 17,208	\$ 13,520
FSS escrow	128,686	0	(26,388)	102,298	
	<u>\$ 139,914</u>	<u>\$ 5,980</u>	<u>\$ (26,388)</u>	<u>\$ 119,506</u>	<u>\$ 13,520</u>

NOTES TO FINANCIAL STATEMENTS - CONTINUED
HOUSING AUTHORITY OF THE CITY OF STILLWATER
September 30, 2012

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 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 of Stillwater as of and for the year ended September 30, 2012, and have issued my report thereon dated June 23, 2013. 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

Kennedale, Texas
June 23, 2013

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 compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* applicable to the Housing Authority of the City of Stillwater's major federal programs for the year ended September 30, 2012. 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 referred to above 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 compliance requirements referred to above that could have a 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 are applicable to each of its major federal programs for the year ended September 30, 2012.

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 compliance requirements referred to above. In planning and performing my audit, I considered the Housing Authority of the City of Stillwater's internal control over compliance to determine my auditing procedures for the purpose of expressing my opinion on compliance 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 does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance 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 compliance requirement 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 that might be deficiencies, significant deficiencies or material weaknesses in internal control over compliance. 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 of 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

John A. Blakeway, CPA

Kennedale, Texas
June 23, 2013

**SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS
HOUSING AUTHORITY OF THE CITY OF STILLWATER
September 30, 2012**

<u>Federal Grantor - Program Title</u>	<u>Federal CFDA#</u>	<u>Amount Expended</u>
<u>U.S. Department of HUD</u>		
Direct Programs:		
Low-income housing assistance program	14.850a	\$ 108,462
Capital fund program	14.872	167,548
Housing choice voucher program	14.871	<u>3,597,214</u>
Total Federal Financial Assistance		\$ <u>3,873,224</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 ACTUAL MODERNIZATION COSTS – COMPLETE - CFP 501-09
HOUSING AUTHORITY OF THE CITY OF STILLWATER
September 30, 2012

	<u>501-09</u>
Funds Approved	\$ 196,890
Funds Advanced	<u>196,890</u>
Excess of Funds Approved	<u><u>\$ 0</u></u>
Funds Advanced	\$ 196,890
Funds Expended	<u>196,890</u>
Excess of Funds Advanced	<u><u>\$ 0</u></u>

**STATEMENT OF ACTUAL MODERNIZATION COSTS – COMPLETE - CFP 501-10
 HOUSING AUTHORITY OF THE CITY OF STILLWATER
 September 30, 2012**

	<u>501-10</u>
Funds Approved	\$ 192,757
Funds Advanced	<u>192,757</u>
Excess of Funds Approved	<u><u>\$ 0</u></u>
Funds Advanced	\$ 192,757
Funds Expended	<u>192,757</u>
Excess of Funds Advanced	<u><u>\$ 0</u></u>

STATEMENT OF MODERNIZATION COSTS – INCOMPLETE – CFP 501-11
HOUSING AUTHORITY OF THE CITY OF STILLWATER
September 30, 2012

	<u>501-11</u>
Funds Approved	\$ 165,956.00
Funds Expended	<u>132,211.31</u>
Excess of Funds Approved	<u>\$ 33,744.69</u>

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
HOUSING AUTHORITY OF THE CITY OF STILLWATER
September 30, 2012**

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, 2012

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

Fiscal Year End: 09/30/2012

Submission Type: Audited/A-133

	Project Total	14,871 Housing Choice Vouchers	6 Component Units	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$2,225,568	\$239,453	\$11,740	\$2,476,761	\$0	\$2,476,761
112 Cash - Restricted - Modernization and Development	\$0	\$0		\$0	\$0	\$0
113 Cash - Other Restricted	\$0	\$415,548		\$415,548	\$0	\$415,548
114 Cash - Tenant Security Deposits	\$29,840	\$0		\$29,840	\$0	\$29,840
115 Cash - Restricted for Payment of Current Liabilities	\$0	\$0		\$0	\$0	\$0
100 Total Cash	\$2,255,408	\$655,001	\$11,740	\$2,922,149	\$0	\$2,922,149
121 Accounts Receivable - PHA Projects	\$0	\$0		\$0	\$0	\$0
122 Accounts Receivable - HUD Other Projects	\$1,637	\$0		\$1,637	\$0	\$1,637
124 Accounts Receivable - Other Government	\$0	\$0		\$0	\$0	\$0
125 Accounts Receivable - Miscellaneous	\$0	\$0		\$0	\$0	\$0
126 Accounts Receivable - Tenants	\$8,042	\$0		\$8,042	\$0	\$8,042
126.1 Allowance for Doubtful Accounts - Tenants	-\$4,488	\$0		-\$4,488	\$0	-\$4,488
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	\$49,440		\$49,440	\$0	\$49,440
128.1 Allowance for Doubtful Accounts - Fraud	\$0	-\$44,496		-\$44,496	\$0	-\$44,496
129 Accrued Interest Receivable	\$5	\$19	\$84	\$108	\$0	\$108
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$5,196	\$4,963	\$84	\$10,243	\$0	\$10,243
131 Investments - Unrestricted	\$7,160	\$100,000	\$47,781	\$154,941	\$0	\$154,941
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	\$33,276	\$4,559		\$37,835	\$0	\$37,835
143 Inventories	\$1,006	\$0		\$1,006	\$0	\$1,006
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	\$0	\$0	\$0	\$0
150 Total Current Assets	\$2,302,046	\$764,523	\$59,605	\$3,126,174	\$0	\$0	\$3,126,174	\$0	\$3,126,174
161 Land	\$447,147	\$0	\$0	\$447,147	\$0	\$0	\$447,147	\$0	\$447,147
162 Buildings	\$6,632,968	\$0	\$0	\$6,632,968	\$0	\$0	\$6,632,968	\$0	\$6,632,968
163 Furniture, Equipment & Machinery - Dwellings	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
164 Furniture, Equipment & Machinery - Administration	\$352,585	\$50,020	\$0	\$402,605	\$0	\$0	\$402,605	\$0	\$402,605
165 Leasehold Improvements	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
166 Accumulated Depreciation	-\$3,905,882	-\$45,242	\$0	-\$3,951,124	\$0	\$0	-\$3,951,124	\$0	-\$3,951,124
167 Construction in Progress	\$23,070	\$0	\$0	\$23,070	\$0	\$0	\$23,070	\$0	\$23,070
168 Infrastructure	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
160 Total Capital Assets, Net of Accumulated Depreciation	\$3,549,888	\$4,778	\$0	\$3,554,666	\$0	\$0	\$3,554,666	\$0	\$3,554,666
171 Notes, Loans and Mortgages Receivable - Non-Current	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
173 Grants Receivable - Non Current	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
174 Other Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
176 Investments in Joint Ventures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
180 Total Non-Current Assets	\$3,549,888	\$4,778	\$0	\$3,554,666	\$0	\$0	\$3,554,666	\$0	\$3,554,666
190 Total Assets	\$5,851,934	\$769,301	\$59,605	\$6,680,840	\$0	\$0	\$6,680,840	\$0	\$6,680,840
311 Bank Overdraft	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
312 Accounts Payable <= 90 Days	\$7,017	\$984	\$8,001	\$8,001	\$0	\$0	\$8,001	\$0	\$8,001
313 Accounts Payable >90 Days Past Due	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
321 Accrued Wage/Payroll Taxes Payable	\$10,642	\$8,066	\$18,708	\$18,708	\$0	\$0	\$18,708	\$0	\$18,708
322 Accrued Compensated Absences - Current Portion	\$6,061	\$7,459	\$13,520	\$13,520	\$0	\$0	\$13,520	\$0	\$13,520
324 Accrued Contingency Liability	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
325 Accrued Interest Payable	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
331 Accounts Payable - HUD PHA Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
332 Account Payable - PHA Projects	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
333 Accounts Payable - Other Government	\$9,242	\$0	\$9,242	\$9,242	\$0	\$0	\$9,242	\$0	\$9,242
341 Tenant Security Deposits	\$29,840	\$0	\$29,840	\$29,840	\$0	\$0	\$29,840	\$0	\$29,840
342 Deferred Revenues	\$3,464	\$7,317	\$10,781	\$10,781	\$0	\$0	\$10,781	\$0	\$10,781
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue Bonds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
344 Current Portion of Long-term Debt - Operating Borrowings	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

345	Other Current Liabilities	\$0	\$25,575	\$25,575	\$0	\$25,575	\$25,575
346	Accrued Liabilities - Other	\$6,368	\$0	\$6,368	\$0	\$6,368	\$6,368
347	Inter Program - Due To	\$0	\$0	\$0	\$0	\$0	\$0
348	Loan Liability - Current	\$0	\$0	\$0	\$0	\$0	\$0
310	Total Current Liabilities	\$72,634	\$49,401	\$122,035	\$0	\$122,035	\$122,035
351	Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	\$0	\$0	\$0	\$0	\$0	\$0
352	Long-term Debt, Net of Current - Operating Borrowings	\$0	\$0	\$0	\$0	\$0	\$0
353	Non-current Liabilities - Other	\$0	\$102,298	\$102,298	\$0	\$102,298	\$102,298
354	Accrued Compensated Absences - Non Current	\$7,715	\$9,493	\$17,208	\$0	\$17,208	\$17,208
355	Loan Liability - Non Current	\$0	\$0	\$0	\$0	\$0	\$0
356	FASB 5 Liabilities	\$0	\$0	\$0	\$0	\$0	\$0
357	Accrued Pension and OPEB Liabilities	\$0	\$0	\$0	\$0	\$0	\$0
350	Total Non-Current Liabilities	\$7,715	\$111,791	\$119,506	\$0	\$119,506	\$119,506
300	Total Liabilities	\$80,349	\$161,192	\$241,541	\$0	\$241,541	\$241,541
508.1	Invested in Capital Assets, Net of Related Debt	\$3,549,888	\$4,778	\$3,554,666	\$0	\$3,554,666	\$3,554,666
511.1	Restricted Net Assets	\$0	\$287,675	\$287,675	\$0	\$287,675	\$287,675
512.1	Unrestricted Net Assets	\$2,221,697	\$315,656	\$2,596,958	\$59,605	\$2,596,958	\$2,596,958
513	Total Equity/Net Assets	\$5,771,585	\$608,109	\$6,439,299	\$59,605	\$6,439,299	\$6,439,299
600	Total Liabilities and Equity/Net Assets	\$5,851,934	\$769,301	\$6,680,840	\$59,605	\$6,680,840	\$6,680,840

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

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 09/30/2012

	Project Total	14,871 Housing Choice Vouchers	6 Component Units	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	\$264,906	\$0		\$264,906	\$0	\$264,906
70400 Tenant Revenue - Other	\$14,775	\$0		\$14,775	\$0	\$14,775
70500 Total Tenant Revenue	\$279,681	\$0	\$0	\$279,681	\$0	\$279,681
70600 HUD PHA Operating Grants	\$190,569	\$3,597,214		\$3,787,783	\$0	\$3,787,783
70610 Capital Grants	\$85,441	\$0		\$85,441	\$0	\$85,441
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	\$253	\$386	\$327	\$966	\$0	\$966
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	\$28,216		\$28,216	\$0	\$28,216
71400 Fraud Recovery	\$52,631	\$84,738		\$137,369	-\$30,129	\$107,240
71500 Other Revenue	\$0	\$0		\$0	\$0	\$0
71600 Gain or Loss on Sale of Capital Assets	\$0	\$326		\$326	\$0	\$326
72000 Investment Income - Restricted	\$608,575	\$3,710,880	\$327	\$4,319,782	-\$30,129	\$4,289,653
70000 Total Revenue						
91100 Administrative Salaries	\$102,620	\$187,671		\$290,291	\$0	\$290,291
91200 Auditing Fees	\$4,590	\$3,060		\$7,650	\$0	\$7,650
91300 Management Fee	\$0	\$0		\$0	\$0	\$0

91310 Book-keeping Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
91400 Advertising and Marketing	\$438	\$284	\$722	\$722	\$0	\$0	\$722	\$0	\$722
91500 Employee Benefit Contributions - Administrative	\$63,649	\$98,918	\$162,567	\$162,567	\$0	\$0	\$162,567	\$0	\$162,567
91600 Office Expenses	\$6,978	\$5,126	\$12,104	\$12,104	\$0	\$0	\$12,104	\$0	\$12,104
91700 Legal Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
91800 Travel	\$8,771	\$5,515	\$16,286	\$16,286	\$2,000	\$0	\$16,286	\$0	\$16,286
91810 Allocated Overhead	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
91900 Other	\$28,770	\$57,407	\$86,177	\$86,177	-\$30,129	-\$30,129	\$56,048	-\$30,129	\$56,048
91000 Total Operating - Administrative	\$215,816	\$357,981	\$575,797	\$575,797	\$2,000	-\$30,129	\$545,668	-\$30,129	\$545,668
92000 Asset Management Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
92100 Tenant Services - Salaries	\$0	\$31,058	\$31,058	\$31,058	\$0	\$0	\$31,058	\$0	\$31,058
92200 Relocation Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
92300 Employee Benefit Contributions - Tenant Services	\$0	\$11,822	\$11,822	\$11,822	\$0	\$0	\$11,822	\$0	\$11,822
92400 Tenant Services - Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
92500 Total Tenant Services	\$0	\$42,880	\$42,880	\$42,880	\$0	\$0	\$42,880	\$0	\$42,880
93100 Water	\$11,204	\$0	\$11,204	\$11,204	\$0	\$0	\$11,204	\$0	\$11,204
93200 Electricity	\$60,192	\$0	\$60,192	\$60,192	\$0	\$0	\$60,192	\$0	\$60,192
93300 Gas	\$6,000	\$0	\$6,000	\$6,000	\$0	\$0	\$6,000	\$0	\$6,000
93400 Fuel	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
93500 Labor	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
93600 Sewer	\$5,179	\$0	\$5,179	\$5,179	\$0	\$0	\$5,179	\$0	\$5,179
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	\$82,575	\$0	\$82,575	\$82,575	\$0	\$0	\$82,575	\$0	\$82,575
94100 Ordinary Maintenance and Operations - Labor	\$48,082	\$0	\$48,082	\$48,082	\$0	\$0	\$48,082	\$0	\$48,082
94200 Ordinary Maintenance and Operations - Materials and Other	\$50,238	\$0	\$50,238	\$50,238	\$0	\$0	\$50,238	\$0	\$50,238
94300 Ordinary Maintenance and Operations Contracts	\$105,700	\$0	\$105,700	\$105,700	\$0	\$0	\$105,700	\$0	\$105,700
94500 Employee Benefit Contributions - Ordinary Maintenance	\$26,836	\$0	\$26,836	\$26,836	\$0	\$0	\$26,836	\$0	\$26,836
94000 Total Maintenance	\$230,856	\$0	\$230,856	\$230,856	\$0	\$0	\$230,856	\$0	\$230,856
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
95000	Total Protective Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
96110	Property Insurance	\$25,611	\$0	\$0	\$25,611	\$0	\$0	\$0	\$25,611
96120	Liability Insurance	\$5,728	\$4,320	\$10,048	\$10,048	\$0	\$0	\$0	\$10,048
96130	Workmen's Compensation	\$5,395	\$3,644	\$9,039	\$9,039	\$0	\$0	\$0	\$9,039
96140	All Other Insurance	\$8,159	\$12	\$8,171	\$8,171	\$0	\$0	\$0	\$8,171
96100	Total Insurance Premiums	\$44,893	\$7,976	\$52,869	\$52,869	\$0	\$0	\$0	\$52,869
96200	Other General Expenses	\$743	\$495	\$1,238	\$1,238	\$0	\$0	\$0	\$1,238
96210	Compensated Absences	\$14,296	\$24,133	\$38,429	\$38,429	\$0	\$0	\$0	\$38,429
96300	Payments in Lieu of Taxes	\$12,975	\$0	\$12,975	\$12,975	\$0	\$0	\$0	\$12,975
96400	Bad debt - Tenant Rents	\$5,248	\$0	\$5,248	\$5,248	\$0	\$0	\$0	\$5,248
96500	Bad debt - Mortgages	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
96600	Bad debt - Other	\$0	\$17,760	\$17,760	\$17,760	\$0	\$0	\$0	\$17,760
96800	Severance Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
96000	Total Other General Expenses	\$33,262	\$42,388	\$75,650	\$75,650	\$0	\$0	\$0	\$75,650
96710	Interest of Mortgage (or Bonds) Payable	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
96720	Interest on Notes Payable (Short and Long Term)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
96730	Amortization of Bond Issue Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
96700	Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
96900	Total Operating Expenses	\$607,402	\$451,225	\$1,060,627	\$1,060,627	\$2,000	-\$30,129	\$1,030,498	\$1,030,498
97000	Excess of Operating Revenue over Operating Expenses	\$1,173	\$3,259,655	-\$1,673	\$3,259,155	\$0	\$0	\$0	\$3,259,155
97100	Extraordinary Maintenance	\$3,150	\$0	\$3,150	\$3,150	\$0	\$0	\$0	\$3,150
97200	Casualty Losses - Non-capitalized	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
97300	Housing Assistance Payments	\$0	\$3,322,691	\$3,322,691	\$3,322,691	\$0	\$0	\$0	\$3,322,691
97350	HAP Portability-In	\$0	\$63,694	\$63,694	\$63,694	\$0	\$0	\$0	\$63,694
97400	Depreciation Expense	\$262,465	\$5,065	\$267,530	\$267,530	\$0	\$0	\$0	\$267,530
97500	Fraud Losses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
97600	Capital Outlays - Governmental Funds								
97700	Debt Principal Payment - Governmental Funds								
97800	Dwelling Units Rent Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

90000	Total Expenses	\$873,017	\$3,842,675	\$2,000	\$4,717,692	-\$30,129	\$4,687,563
10010	Operating Transfer In	\$71,205	\$0		\$71,205	-\$71,205	\$0
10020	Operating transfer Out	-\$71,205	\$0		-\$71,205	\$71,205	\$0
10030	Operating Transfers from/to Primary Government	\$0	\$0		\$0	\$0	\$0
10040	Operating Transfers from/to Component Unit	\$0	\$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	\$0
10080	Special Items (Net Gain/Loss)	\$0	\$0		\$0	\$0	\$0
10091	Inter Project Excess Cash Transfer In	\$0			\$0	\$0	\$0
10092	Inter Project Excess Cash Transfer Out	\$0			\$0	\$0	\$0
10093	Transfers between Program and Project - In	\$0	\$0		\$0	\$0	\$0
10094	Transfers between Project and Program - Out	\$0	\$0		\$0	\$0	\$0
10100	Total Other financing Sources (Uses)	\$0	\$0	\$0	\$0	\$0	\$0
10000	Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-\$264,442	-\$131,795	-\$1,673	-\$397,910		-\$397,910
11020	Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0	\$0	\$0
11030	Beginning Equity	\$6,036,027	\$739,904	\$61,278	\$6,837,209	\$0	\$6,837,209
11040	Prior Period Adjustments, Equity Transfers and Correction of Errors	\$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		\$320,434		\$320,434		\$320,434
11180	Housing Assistance Payments Equity		\$287,675		\$287,675		\$287,675
11190	Unit Months Available	1590	7872		9462	0	9462
11210	Number of Unit Months Leased	1585	7597		9182	0	9182
11270	Excess Cash	\$2,145,422			\$2,145,422		\$2,145,422
11610	Land Purchases	\$0			\$0		\$0
11620	Building Purchases	\$89,589			\$89,589		\$89,589
11630	Furniture & Equipment - Dwelling Purchases	\$0			\$0		\$0
11640	Furniture & Equipment - Administrative Purchases	\$2,801			\$2,801		\$2,801

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

**SCHEDULE OF ADJUSTING ENTRIES – PHA OWNED HOUSING
HOUSING AUTHORITY OF THE CITY OF STILLWATER
September 30, 2012**

Description	Account Number
NONE	