

**HOUSING AUTHORITY OF THE CITY OF KYLE  
KYLE, TEXAS**

**BASIC FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITOR'S REPORT**

**JUNE 30, 2011**

**BILL C. ROCHA  
CERTIFIED PUBLIC ACCOUNTANT  
SAN ANTONIO, TEXAS**

**HOUSING AUTHORITY OF THE CITY OF KYLE  
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**FINANCIAL SECTION**





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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Commissioners of the  
Housing Authority of the City of Kyle  
Kyle, Texas

We have audited the accompanying financial statements of the business-type activities, each major fund, and the aggregate remaining fund information of the Housing Authority of the City of Kyle as of and for the year ended June 30, 2011 which collectively comprise the Housing Authority of the City of Kyle's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Housing Authority of the City of Kyle's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated February 23, 2012, on our consideration of the Housing Authority of the City of Kyle's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that management's discussion and analysis information on pages 3 through 7 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion

or provide assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Housing Authority of the City of Kyle's basic financial statements as a whole. 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 of the Housing Authority of the City of Kyle. The schedule of expenditure of federal awards 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 themselves. The required supplementary information (financial data schedule, statement and certification of actual capital fund program costs, and the statement of capital fund costs-incomplete) listed in the table of contents and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.



Bill C. Rocha  
Certified Public Accountant  
San Antonio, Texas  
February 23, 2012



# HOUSING AUTHORITY OF THE CITY OF KYLE, TEXAS

## MANAGEMENT'S DISCUSSION & ANALYSIS (MD&A)

Management of the Housing Authority of the City of Kyle (the Authority) provides this narrative overview and analysis of the Authority's financial activities and operations for the year ended June 30, 2011. This discussion and analysis is designed to assist in focusing on significant financial issues, provide an overview of the Authority's financial activity, changes in the Authority's financial position, and identify individual fund issues or concerns. This information should be used in conjunction with the Authority's financial statements to obtain a full understanding of its financial position, results of operations, changes in net assets, and cash flows.

This management's discussion and analysis is presented in accordance with the requirements of the Governmental Accounting Standards Board Statement No. 34 (GASB 34), Basic Financial Statements and Management Discussion and Analysis for State and Local Governments.

Questions concerning the information provided in this discussion or requests for additional information should be addressed to the Authority's Executive Director.

### FINANCIAL HIGHLIGHTS

- Assets of the Authority exceeded its liabilities at the close of the most recent fiscal year by \$ 11,830 (net assets) while liabilities exceeded assets in the prior year by \$ 21,023.
- The Authority's unrestricted cash balance as of June 30, 2011 was \$ 140,483 representing an increase of \$ 8,888 when compared to June 30, 2010. Restricted cash balance, as of June 30, 2011, for the Authority was \$ 55,439 and was \$ 37,096 as of June 30, 2010. Restricted cash was comprised of amounts restricted for deferred maintenance and insurance reserves as required by certain loan restrictions, and amounts restricted for Section 8 Housing Assistance Payments.
- The Authority's total revenues for the year ending June 30, 2011 were \$ 326,327, a decrease of \$ 44,713 over last year. The Authority's total expenses for the year ending June 30, 2011 were \$ 335,521, an increase of \$ 3,740 over last year.

### USING THIS ANNUAL REPORT

The report includes three major sections, the "Management's Discussion and Analysis (MD&A), Basic Financial Statements", and "Notes to the Financial Statements."

#### MD&A

~ Management's Discussion and Analysis - pgs 3 - 7 ~

#### Basic Financial Statements

~ Government-Wide Financial Statements - pgs 8 - 10 ~

#### Notes to the Financial Statements

~ Notes to the Financial Statements - pgs 11 - 18 ~

Because the Authority is a special-purpose government engaged in business-type activities only, the financial statements are presented in accordance with paragraph 138 of GASB Statement 34. In addition to the financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the Authority.

## Overview of the Financial Reports

The financial statements in this report are those of a special purpose governmental entity engaged only in business type activities. The following statements are included:

- Statement of Net Assets – Presents information about the Authority’s assets, liabilities, and net assets and is similar to a balance sheet. The Statement of Net Assets reports all financial capital resources for the Authority. This statement is presented in the format where assets minus liabilities equal net assets (formerly known as equity). Assets and liabilities are presented in order of liquidity and are classified as “current” (convertible to cash within one year), and “non-current.” Increases or decreases in net assets will serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.
- Statement of Revenues, Expenses, and Changes in Net Assets – reports the Authority’s revenues by source and type and its expenses by category to substantiate the change in net assets for the fiscal year ended.
- Statement of Cash Flows – Discloses net cash provided by, or used for operating activities, non-capital financing activities, and capital and related financing activities.

Our analysis of the Authority as a whole follows with the most important question, “Has the Authority’s financial health improved or worsened as a result of the year’s activities?” The following analysis of entity-wide net assets, revenues, and expenses is provided to assist with answering the above question. This analysis includes all assets and liabilities using the accrual method of accounting, which recognizes revenue when earned and expenses when incurred regardless of when cash is received or paid.

## Analysis of Authority – Wide Net Assets (Statement of Net Assets)

TABLE I  
STATEMENT OF NET ASSETS

	Business-Type Activities		% Change
	2011	2010	
Current Assets	\$ 179,585	\$ 179,979	-0.22%
Non-Current	330,139	344,533	-4.18%
Total Assets	<u>509,724</u>	<u>524,512</u>	-2.82%
Current Liabilities	47,847	37,371	28.03%
Non-Current Liabilities	450,047	466,118	-3.45%
Total Liabilities	<u>497,894</u>	<u>503,489</u>	-1.11%
Invested in Capital Assets, Net of Related Debt	(184,554)	(166,644)	10.75%
Restricted Net Assets	55,439	37,095	49.45%
Unrestricted Net Assets	140,945	150,572	-6.39%
Total Net Assets	<u>\$ 11,830</u>	<u>\$ 21,023</u>	-43.73%

The Authority’s unrestricted cash and investments increased by \$ 8,888 as compared to last year, there was an decrease in fixed assets in the amount of \$ 32,735, due mostly to depreciation of the Authority’s properties. The Authority’s liabilities decreased by \$ 5,595, due largely to a decrease in Notes Payable. For more detailed information, see page 8 for the Statement of Net Assets.



**Analysis of Entity – Wide Revenue and Expenses (Statement of Revenues, Expenses and Changes in Net Assets)**

The following table details changes in revenues, expenses, and net assets for the fiscal year ending June 30, 2011 when compared to 2010.

**TABLE II  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS**

	Business-Type Activities		% Change
	2011	2010	
Revenues			
Tenant and Other Revenues	\$ 247,348	\$ 127,191	94.47%
Operating and Capital Grants	78,775	243,693	-67.67%
Investment Income	204	156	30.77%
Total Revenues	<u>326,327</u>	<u>371,040</u>	-12.05%
Expenses			
Administration	77,215	78,584	-1.74%
Utilities	28,806	13,027	121.13%
Maintenance and Operations	90,074	101,711	-11.44%
Housing Assistance Payments	42,763	42,493	0.64%
General and Interest	63,426	53,187	19.25%
Extraordinary Maintenance	-	13,662	100.00%
Depreciation	33,236	29,117	14.15%
Total Expenses	<u>335,520</u>	<u>331,781</u>	1.13%
Results from Operations	(9,193)	39,259	-123.42%
Total Change in Net Assets	<u>\$ (9,193)</u>	<u>\$ 39,259</u>	-123.42%

The Authority's net assets decreased by \$ 9,193 as compared the previous fiscal year. Depreciation expense, a non-cash item, represented \$ 33,236 and rental revenues decreased by \$44,713 when compared to prior year. Rental revenues are based on resident's ability to pay. Essentially, rents are computed to be 30% of household income as required by HUD rules and regulations and Authority policy. Rental rates are comparable to area market rates. Residents' household incomes have a direct impact on rental revenues from tenants and rental revenues subsidized by HUD.

There was a decrease in overall HUD subsidies for 2011. There was a significant decrease in the Capital Funds Program. One reduction in subsidies resulted from vacancies in the Section 8 New Construction Fund (Pete Dressen housing complex).

Total expenses for fiscal year ended June 30, 2011 across all Authority programs increased by \$ 3,739 compared to June 30, 2010. The largest increases resulted from increased utilities and general and interest, while other expenses such as maintenance decreased. Overall, expenses remained relatively consistent as compared to fiscal year ending June 30, 2010.

For more detailed information, please refer to page 9, Statement of Revenues, Expenses and Changes in Fund Net Assets.

## **Capital Assets and Debt Administration**

### **Debt Outstanding**

As of the year-end, the Authority has \$ 459,254 in an outstanding mortgage payable for its rental property financial by the U.S. Department of Agriculture under its Rural Development program. The Authority paid down the mortgage payable \$ 14,826 during the current fiscal year. For more detailed information, please refer to Note H on page 18 of the Notes to the Financial Statements.

### **Capital Assets**

**TABLE III  
CAPITAL ASSETS**

	Business-Type Activities		% Change
	2011	2010	
Land	\$ 61,555	\$ 61,555	0.00%
Building & Improvements	1,469,155	1,410,479	4.16%
Furniture & Equipment	122,673	122,673	0.00%
Construction in Progress	-	58,177	-100.00%
Accumulated Depreciation	(1,378,683)	(1,345,447)	2.47%
Capital Assets, Net	<u>\$ 274,700</u>	<u>\$ 307,437</u>	-10.65%

During 2011, The Authority had a depreciation expense of \$ 33,236.

For more detailed information, please refer to Note E on page 17 of the Notes to the Financial Statements.

### **Economic Factors**

Several significant economic factors are present that may impact the Authority in the future.

- Congress continues to under fund the Low Rent, Capital Fund, and Section 8 Housing Choice Voucher programs. The Authority does not expect this trend to change.
- Health care and other insurance costs are expected to continue their upward trends over the next several years.
- Due to substantial historical cost increases in the Housing Choice Vouchers program, Congress continues to require HUD to more closely monitor actual costs associated with this program. This resulted in reduced funding for housing assistance payments (only utilized vouchers are now funded) and administrative fees earned by the Authority to administer this program. These reductions have continued to the current fiscal year and are expected to continue in the next coming years.
- HUD-implemented procedures for up-front verification of resident and Section 8 participant income has the effect of increases resident incomes, thereby reducing HUD operating subsidies.
- The Low Rent and Capital Fund programs have not been funded at 100% of the formula calculated levels for several years. This trend is expected to continue.
- Budget deficits and funding for the Departments of Defense and Homeland Security will probably continue to result in reduced appropriations for domestic program spending like assisted housing.

**Financial Contact**

Questions concerning any of the information provided in the Management's Discussion & Analysis should be addressed to:

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Executive Director  
Housing Authority of the City of Kyle  
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West 2<sup>nd</sup> Street  
Kyle, Texas 78640-0130  
(512) 268-7801**



**BASIC FINANCIAL STATEMENTS**

**Government-Wide Financial Statements**

**Housing Authority of the City of Kyle  
Kyle, Texas**

**Statement of Net Assets**

**June 30, 2011**

	<b>Business-Type Activities</b>
<b><u>ASSETS</u></b>	
<b>Current Assets:</b>	
Cash and Cash Equivalents	\$ 140,483
Receivables:	
Tenant Receivables	754
Due From HUD	3,405
Investments	31,724
Inventories - Cost	1,714
Prepaid Expenses	1,505
<b>Total Current Assets</b>	<b>179,585</b>
<b>Non-Current Assets:</b>	
Restricted Cash	55,439
Land	61,555
Buildings and Equipment, Net	213,145
Construction in Progress	-
<b>Total Non-Current Assets</b>	<b>330,139</b>
<b>Total Assets</b>	<b>509,724</b>
<b><u>LIABILITIES</u></b>	
<b>Current Liabilities:</b>	
Accounts Payable	5,442
Accrued Payroll Liabilities and Other Accruals	1,228
Due to Other Governments	13,603
Accrued Vacation Payable - Current	3,474
Tenant Security Deposits Payable	8,116
Notes Payable - Current Year	15,984
<b>Total Current Liabilities</b>	<b>47,847</b>
<b>Non-Current Liabilities:</b>	
Accrued Vacation Payable - Long Term Portion	6,777
Notes Payable - Long Term Portion	443,270
<b>Total Non-Current Liabilities:</b>	<b>450,047</b>
<b>Total Liabilities</b>	<b>497,894</b>
<b><u>NET ASSETS</u></b>	
Invested in Capital Assets, Net of Related Debt	(184,554)
Restricted Net Assets	55,439
Unrestricted Net Assets	140,945
<b>Total Net Assets</b>	<b>\$ 11,830</b>

The notes to the financial statements are an integral part of this statement.



**Housing Authority of the City of Kyle  
Kyle, Texas**

**Statement of Revenues, Expenses, and Changes in Fund Net Assets**

**For the Fiscal Year Ended June 30, 2011**

	<b>Business-Type Activities</b>
<b>Operating Revenues:</b>	
Charges for Services and Rents	\$ 244,608
Operating Grants and Contributions	77,508
Other Revenues	2,740
<b>Total Operating Revenues</b>	<b>324,856</b>
<b>Operating Expenses:</b>	
Administrative	77,215
Utilities	28,806
Maintenance and Operations	90,074
General	26,028
Housing Assistance Payments	42,763
Depreciation	33,236
<b>Total Operating Expenses</b>	<b>298,122</b>
<b>Operating Income (Loss)</b>	<b>26,734</b>
<b>Nonoperating Revenues (Expenses)</b>	
Interest Income	204
Interest Expense	(37,398)
Extraordinary Maintenance	-
Capital Grants and Contributions	1,267
<b>Total Nonoperating Revenues (Expenses)</b>	<b>(35,927)</b>
<b>Change in Net Assets</b>	<b>(9,193)</b>
<b>Net Assets - Beginning</b>	<b>21,023</b>
<b>Net Assets - Ending</b>	<b>\$ 11,830</b>

The notes to the financial statements are an integral part of this statement.

**Housing Authority of the City of Kyle  
Kyle, Texas**

**Statement of Cash Flows**

**For the Fiscal Year Ended June 30, 2011**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from Tenants	\$ 134,531
Receipts from (Payments to) Other Governments	110,842
Payments to Vendors/Suppliers	(146,856)
Payments to Employees	(61,226)
Other Receipts (Payments)	2,413
Receipts from HUD	83,013
Housing Assistance Payments	(42,763)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>79,954</u>
<b>CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Principal Paid on Notes Payable	(14,826)
Interest Paid on Notes Payable	(37,398)
<b>NET CASH PROVIDED BY CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<u>(52,224)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Investment in Fixed Assets	(500)
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>	<u>(500)</u>
<b>NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS</b>	27,230
<b>BALANCES - BEGINNING OF YEAR (RESTATED)</b>	168,691
<b>BALANCES - END OF YEAR</b>	<u>\$ 195,921</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	
Change in Net Assets	\$ (9,194)
<b>Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities</b>	
Depreciation Expense	33,236
Interest Expense on Long-Term Notes Payable	37,398
<b>Changes in Assets and Liabilities</b>	
(Increase) Decrease in Accounts Receivable - Tenants	658
(Increase) Decrease in Due from Other Governments	47,173
(Increase) Decrease in Due from HUD	8,717
(Increase) Decrease in Inventories	(116)
(Increase) Decrease in Due from Other Governments	-
(Increase) Decrease in Prepaid Expenses	26
Increase (Decrease) in Accounts Payable	4,885
Increase (Decrease) in Accrued Payroll Liabilities and Other Accruals	(251)
Increase (Decrease) in Due to Other Governments	3,213
Increase (Decrease) in Accrued Vacation Payable	1,304
Increase (Decrease) in Tenant Security Deposits	77
Changes in Interprogram - Due From/Interprogram - Due To	(47,173)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>\$ 79,952</u>
<b>Cash and Cash Equivalents Includes:</b>	
Cash	\$ 140,482
Restricted Cash	55,439
<b>Total Cash and Cash Equivalents</b>	<u>\$ 195,921</u>

The notes to the financial statements are an integral part of this statement.

**Housing Authority of the City of Kyle  
Kyle, Texas**

**Notes to the Financial Statements**

**June 30, 2011**

**A. Reporting Entity**

The Housing Authority of the City of Kyle (the Authority) was established for the purpose of engaging in the development, acquisition, leasing, and administration of low-cost housing for individuals meeting criteria established by the U.S. Department of Housing and Urban Development (HUD) and the U.S. Department of Agriculture. The governing body of the Authority is its Board of Commissioners. The Authority is fiscally independent of the City of Kyle (the City) and is not considered a component unit of the City as the Board of Commissioners independently oversees the Authority's operations.

A reporting entity consists of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading.

The criteria for including other organizations as component units within the Authority's reporting entity, as set forth in Section 2100 of the Governmental Accounting Standards Board's Codification of Government Accounting and Financial Reporting Standards include:

- the organization is legally separate (can sue and be sued in their own name)
- the Authority holds the corporate powers of the organization
- the Authority appoints a voting majority of the organization's board
- the Authority is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the Authority
- there is fiscal dependency by the organization on the Authority

Based on the aforementioned criteria, the Authority has no component units.

Income received or generated by the Authority is exempt from federal income tax under section 115(a)(1) of the Internal Revenue Code of 1986, as amended.

**B. Government-wide and Fund Financial Statements**

The Authority reports in accordance with Governmental Accounting Standards Board (GASB) Statement No. 34, as amended by GASB Statement No. 37, and effective portions of GASB Statement No. 38. The objective of Statement No. 34, as amended, is to enhance the understandability and usefulness of the general purpose external financial reports of state and local governments to the citizenry, legislative and oversight bodies, and investors and creditors. As a result of Statement No. 34, as amended, the Authority's financial report is required to include a Management's Discussion and Analysis, Government-Wide Financial Statements, Fund Financial Statements, Notes to the Financial Statements and required Supplemental Information.

The Government-Wide financial statements (i.e., the Statement of Net Assets, the Statement of Revenues, Expenses, and Changes in Fund Net Assets, and the Statement of Cash Flows) report information on all activities of the Authority. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by grants, interest income and transfers, are reported separately from business-type activities, which rely to a significant extent on federal grants, interest income, mortgage repayments and bond proceeds for support. However in accordance with recommendations from the U.S. Department of Housing and Urban Development (HUD), all activities related to housing that are funded by HUD subsidies have been classified as business-type activities.



**Housing Authority of the City of Kyle  
Kyle, Texas**

**Notes to the Financial Statements**

**June 30, 2011**

**B. Government-wide and Fund Financial Statements (continued)**

The Statement of Revenues, Expenses and Changes in Fund Net Assets demonstrates the degree to which expenses are offset by revenues. Separate financial statements are provided for proprietary funds. Major individual enterprise funds are reported in separate columns in the fund financial statements.

The Statement of Cash Flows provides information on the Authority's cash receipts, cash payments and changes in cash resulting from operations, investments and financing activities. This statement provides information on the sources and uses of cash and the change in cash and cash equivalents balance during the current fiscal year.

**Measurement Focus, Basis of Accounting, and Financial Statement Preparation**

The government-wide financial statements are reported using the *economic resources management focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenue to be available if they are collected within 60 days of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences and claims and judgments are recorded only when the payment is due.

Grant revenue, tenant charges and interest associated within the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Authority.

The Authority reports the following major and non-major proprietary funds:

**Business-Type Funds**

**Low Rent Public Housing (Major Fund)** – This program is the Authority's primary source of operating funds. It is designed to provide subsidized housing to low income residents. The Authority receives dwelling rental income from residents and operating subsidies provided by HUD.

**Housing Authority of the City of Kyle  
Kyle, Texas**

**Notes to the Financial Statements**

**June 30, 2011**

**B. Government-wide and Fund Financial Statements (continued)**

**Measurement Focus, Basis of Accounting, and Financial Statement Preparation (continued)**

Housing Choice Voucher Program Fund (Major Fund) - Under the Housing Choice Voucher Program, the Authority provides housing assistance payments (HAP) to qualified low income persons. The Authority enters into an Annual Contribution Contract (ACC) with HUD which establishes partnerships with private housing providers throughout the city. The Authority earns administrative fees from HUD for facilitating and managing public/private housing partnerships.

N/C S/R Section 8 Program (Major Fund) – Under this program, the Authority provides rental assistance for eligible low-income persons in connection with newly constructed, privately owned rental housing financed with any type of construction or permanent financing. The Authority entered into a note payable agreement with USDA in 1979 and constructed thirty units.

Public Housing Capital Fund Program (Non-Major Fund) – Under this program, HUD provides the Authority with funding for capital and management activities, including modernization and development of public housing development and for management improvements to assure that they continue to be available to low-income housing residents.

Public Housing Capital Fund Stimulus (Formula Recovery Act Funded) (Non-Major Fund) – Under this program, stimulus funding through the American Recovery and Reinvestment Act was provided for additional CFP projects.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

**Cash and Cash Equivalents**

For purposes of the Statement of Cash Flows, the Authority considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

**Allowance for Doubtful Accounts**

The Authority records an allowance for doubtful accounts for estimating tenant accounts receivable when management deems them to be uncollectible.



**Housing Authority of the City of Kyle  
Kyle, Texas**

**Notes to the Financial Statements**

**June 30, 2011**

**B. Government-wide and Fund Financial Statements (continued)**

**Fixed Assets and Depreciation**

Property and equipment are stated at cost and are depreciated using the straight-line method over their estimated lives of 5 to 40 years.

Repairs and maintenance are charged to costs and expenses as incurred. Renewals and betterments which add significantly to the utility or useful life of the asset are capitalized. Upon retirement or disposition of assets, related gains or losses are reflected in operations.

**Inventory Valuation**

Inventory in proprietary fund consists of supplies held for consumption stated at the lower of cost or market on a first in, first out basis.

**Prepaid Expenses**

Prepaid expenses record payment to vendors that benefit future reporting periods and are also reported on the consumption basis.

Both inventory and prepaid expenses are similarly reported in the government-wide and fund financial statements.

**Compensated Absences**

Employees are allowed to accrue vacation time according to their years of service. An employee can accrue vacation leave of 6.66 hours for each month's service to a maximum of 80 hours per year. Vacation leave shall begin to accrue at the end of the first full month of employment but no employee shall be allowed to use any vacation leave until he has completed one year's service. An employee may accrue three weeks vacation leave after five years of service. An employee may accrue four weeks of vacation leave after ten years of service. An employee may accrue five weeks vacation leave after fifteen years of service. Five weeks shall be the maximum vacation leave for the Authority's employees.

As of June 30, 2011, the balance of accrued compensated absences is \$ 10,251 and included in accrued liabilities in the government-wide and fund financial statements.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual amounts could differ from those estimates.

**Housing Authority of the City of Kyle  
Kyle, Texas**

**Notes to the Financial Statements**

**June 30, 2011**

**B. Government-wide and Fund Financial Statements (continued)**

**Net Assets**

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consists of capitals assets, net of related accumulated depreciation, reduced by the outstanding balances of borrowing funds for the acquisition, construction, improvements of those assets, and adding back unspent proceeds. Net assets are reported as restricted when there are limitations imposed on their use by restrictions imposed by creditors, grantors or laws or regulations of other governments. Net assets are reported as unrestricted if they do not fall within the categories that are presented in the text above. It is the Authority's policy to use unrestricted net assets if restricted net assets are unavailable to fund operations.

**C. Cash, Restricted Cash and Investments**

**Cash**

The Authority's funds are required to be deposited and invested under the terms of a depository contract pursuant to federal and state regulations. The depository bank deposits for safekeeping and trust with the Authority's agent bank approved pledged securities in an amount sufficient to protect the Authority's funds on a day to day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank dollar amount of Federal Deposit Insurance Corporation (FDIC) insurance.

At June 30, 2011, the carrying amount of the Authority's deposits, including certificates of deposit, was \$ 227,646 and the bank balance was \$ 235,133. The Authority's cash deposits at June 30, 2011, were entirely covered by FDIC insurance or by pledged collateral held by the Authority's agent bank in the Authority's name.

**Restricted Cash**

In accordance with a note payable agreement with USDA, certain restricted cash accounts need to be maintained by the Authority. At June 30, 2011, the Authority's restricted cash balance consisted of the following:

Mortgage Escrow Deposits	\$	778
Replacement Reserve		37,977
HAP Restricted Cash		16,684
<b>Total Restricted Cash</b>	<b>\$</b>	<b><u>55,439</u></b>



**Housing Authority of the City of Kyle  
Kyle, Texas**

**Notes to the Financial Statements**

**June 30, 2011**

**C. Cash, Restricted Cash and Investments (continued)**

**Investments**

The Texas Public Funds Investment Act (Texas Government Code Chapter 2256) (the Act) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the Authority to adopt, implement, and publicize an investment policy. The Act also requires the Authority to have independent auditors perform test procedures related to investment practices as provided by the Act. The Authority is in substantial compliance with the requirements of the Act and with local policies.

The Authority invests funds at its own discretion in accordance with its investment policy. Investments are reported at cost, which approximates fair value. Investments consisted of certificates of deposits, which are not subject to interest rate risk, and consisted of the following at June 30, 2011:

<u>Description</u>	<u>Interest Rate</u>	<u>Maturity</u>	<u>Cost</u>
Certificates of Deposit	2.47% - 3.34%	6 Months	\$ 31,724

**Concentration of Credit Risk**

The full amount of the Authority's cash, restricted cash, and investments is held on deposit with one issuer, Wells Fargo Bank, N.A. In accordance with the Authority's investment policy, the entire amount was either insured or collateralized by securities pledged in the Authority's name in accordance with the Authority's investment policy.

**D. Contingencies**

The Authority participates in federal programs, which are governed by various rules and regulations of the granting agencies. Costs charged to the respective programs are subject to audit adjustments by the granting agencies; therefore, to the extent that the Authority has not complied with those rules and regulations, refunds of monies received might be required. In the opinion of management, there are no significant liabilities relating to compliance with rules and regulations governing the respective grants; therefore, no provision has been made in the financial statement for such contingencies.

**Housing Authority of the City of Kyle  
Kyle, Texas**

**Notes to the Financial Statements**

**June 30, 2011**

**E. Capital Assets**

Capital assets activity for the year ended June 30, 2011 was as follows:

<u>Business-Type Activities</u>	Beginning Balance 06/30/10	Additions	Deletions	Transfers	Ending Balance 06/30/11
Land	\$ 61,555	\$ -	\$ -	\$ -	\$ 61,555
Buildings & Improvements	1,410,478	500	-	58,177	1,469,155
Furniture & Equipment	122,673	-	-	-	122,673
Construction in Progress	58,177	-	-	(58,177)	-
	<u>1,652,883</u>	<u>500</u>	<u>-</u>	<u>-</u>	<u>1,653,383</u>
Accumulated Depreciation	<u>(1,345,447)</u>	<u>(33,236)</u>	<u>-</u>	<u>-</u>	<u>(1,378,683)</u>
Total	<u>\$ 307,436</u>	<u>\$ (32,736)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 274,700</u>

The total depreciation for the fiscal year ending June 30, 2011 was \$ 33,236.

**F. Pension Plan**

The Authority provides a defined contribution pension plan for its full-time employees who have completed 90 days of continuous, full-time employment. The Authority contributes 5% of the employee's compensation to the plan. Under a defined contribution plan, the pension benefits a participant will receive depend only on the amount contributed to the participant's account and returns on investments of those contributions. During the years ending June 30, 2009, 2010, and 2011, the Authority contributed \$ 2,353, \$ 2,891 and \$ 5,782, respectively, to the plan.

**G. Interprogram Transactions**

Interprogram receivables/payable within the Authority's funds consisted of the following as of fiscal year ended June 30, 2011:

<u>Interfund Receivables (Due To)</u>	<u>Interfund Payables (Due From)</u>		
	Rural Rental Assistance Payments	Housing Choice Vouchers	Total
Low Rent Public Housing	\$ 9,551	\$ 403	\$ 9,954
Housing Choice Vouchers	-	-	-
	<u>\$ 9,551</u>	<u>\$ 403</u>	<u>\$ 9,954</u>

**Housing Authority of the City of Kyle  
Kyle, Texas**

**Notes to the Financial Statements**

**June 30, 2011**

**H. Long Term Debt**

Long-term debt activity for the fiscal year ended June was as follows:

Note payable to USDA Rural Development (Section 515) issued November 19, 1979, with monthly installments of \$ 4,352, including interest at 9% (1% subsidized, 8% unsubsidized). Final payment is due 50 years from the original date of issue. The note is secured by all land, structures, and equipment.

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Notes Payable	\$ 474,080	\$ -	\$ (14,826)	\$ 459,254	\$ 15,984
<b>Total Long-Term Debt</b>	<b>\$ 474,080</b>	<b>\$ -</b>	<b>\$ (14,826)</b>	<b>\$ 459,254</b>	<b>\$ 15,984</b>

The annual requirements to amortize all long term debt outstanding as of June 30, 2011, including interest payments, are as follows:

Year Ended June 30,	Principal	Interest	Total
2012	\$ 15,984	\$ 36,240	\$ 52,224
2013	17,311	34,913	52,224
2014	18,748	33,476	52,224
2015	20,304	31,920	52,224
2016	21,989	30,235	52,224
2017-2021	140,548	120,573	261,121
2022-2026	209,394	51,726	261,120
2027	14,976	254	15,229
<b>Total Requirements</b>	<b>\$ 459,254</b>	<b>\$ 339,337</b>	<b>\$ 798,591</b>

**I. Subsequent Events**

During the fiscal year ended June 30, 2012, the Housing Authority of the City of Kyle notified the Department of Housing and Urban Development of its intension to transfer its Section 8 Housing Choice Voucher program to the Housing Authority of the City of San Marcos. As of the date of the audit report, the Housing Authority of the City of Kyle had begun fulfilling the requirements for the transfer. The Housing Authority of the City of Kyle intends for the transfer to be finalized by the beginning of the 2013 fiscal year.

**SINGLE AUDIT INFORMATION**





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

To the Board of Commissioners of the  
Housing Authority of the City of Kyle  
Kyle, Texas

We have audited the financial statements of the Housing Authority of the City of Kyle as of and for the year ended June 30, 2011, and have issued our report thereon dated February 23, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

Management of the Housing Authority of the City of Kyle is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Housing Authority of the City of Kyle's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Housing Authority of the City of Kyle's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority of the City of Kyle'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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Housing Authority of the City of Kyle's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the Housing Authority of the City of Kyle in a separate letter dated February 23, 2012.

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

A handwritten signature in black ink that reads "Bill C. Rocha, CPA". The signature is written in a cursive style with a horizontal line at the end.

Bill C. Rocha  
Certified Public Accountant  
San Antonio, Texas  
February 23, 2012



**BILL C. ROCHA**  
**CERTIFIED PUBLIC ACCOUNTANT**

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**REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Independent Auditor's Report

To the Board of Commissioners of the  
Housing Authority of the City of Kyle  
Kyle, Texas

Compliance

We have audited the Housing Authority of the City of Kyle compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement that could have a direct and material effect on each of the Housing Authority of the City of Kyle's major federal programs for the year ended June 30, 2011. The Housing Authority of the City of Kyle'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 and state programs is the responsibility of the Housing Authority of the City of Kyle's management. Our responsibility is to express an opinion on the Housing Authority of the City of Kyle's compliance based on our audit.

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

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



### Internal Control Over Compliance

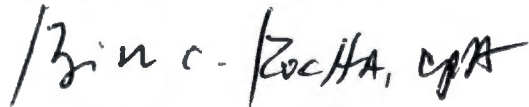
Management of the Housing Authority of the City of Kyle is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. *A significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

The Housing Authority of the City of Kyle's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the Housing Authority of the City of Kyle's responses and, accordingly, we express no opinion on the responses.

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



Bill C. Rocha  
Certified Public Accountant  
San Antonio, Texas  
February 23, 2012



**Housing Authority of the City of Kyle  
Kyle, Texas**

**Schedule of Expenditures of Federal Awards**

**For the Fiscal Year Ended June 30, 2011**

<u>Federal Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Grant/ Contract Number</u>	<u>Expenditures</u>
<b>U. S. Department of Housing &amp; Urban Development Direct Program</b>			
Section 8 Housing Choice Vouchers	14.871	FW-647	\$ 54,955
Low Rent Authority-Owned Housing	14.850	FW-647	20,289
Public Housing Capital Fund	14.872	FW-647	500
Formula Capital Fund Stimulus Grant	14.885		767
Interest Reduction Payments Rental and Cooperative Housing	14.103		2,264
N/C S/R Section 8 Program	14.182	TX59R000014	<u>110,842</u>
<b>Total U. S. Department of Housing &amp; Urban Development</b>			<u>189,617</u>
 <b>Total Expenditures of Federal Awards</b>			 <u><u>\$ 189,617</u></u>

**Housing Authority of the City of Kyle  
Kyle, Texas**

**Notes to the Schedule of Expenditures of Federal Awards**

**June 30, 2011**

**Note 1 – Basis of Presentation**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Housing Authority of the City of Kyle and is presented on the accrual basis of accounting. The information on this schedule is presented in accordance with the requirements of OMB Circular 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 preparation of, the general purpose financial statements.

**Note 2 – USDA Rural Development Multifamily Housing Loans**

The Authority currently has a USDA Rural Development (Section 515) note payable in the original amount of \$ 639,000 with a June 30, 2011 balance due of \$ 460,215. The note payable to USDA Rural Development (Section 515) issued November 19, 1979, with monthly installments of \$ 4,352, including interest at 9% (1% subsidized, 8% unsubsidized). Final payment is due 50 years from the original date of issue. The note is secured by all land, structures, and equipment.

Housing Authority of the City of Kyle  
Kyle, Texas

Schedule of Findings and Questioned Costs

June 30, 2011

I. Summary of Auditor Results:

FINANCIAL STATEMENTS

- a. Type of auditor's report issued: Unqualified
- b. Internal control over financial reporting:
- Material weakness(es) identified? \_\_\_ yes  x  no
- Significant deficiency(ies) identified? \_\_\_ yes  x  none noted
- c. Noncompliance material to financial statements noted? \_\_\_ yes  x  no

FEDERAL AWARDS

- d. Internal control over major programs:
- Material weakness(es) identified? \_\_\_ yes  x  no
- Significant deficiency(ies) identified? \_\_\_ yes  x  none noted
- e. Type of auditor's report issued on compliance for major programs: Unqualified
- f. Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133 \_\_\_ yes  x  no

Identification of major programs:

CFDA Number(s)  
14.182

Name of Federal Program Cluster  
Section 8 New Construction

- g. Dollar threshold used to distinguish between type A and type B programs: \$  300,000
- h. Auditee qualified as low-risk auditee:  x  yes \_\_\_ no

II. Financial Statement Findings

None

III. Federal Award Findings and Questioned Costs

None

**Housing Authority of the City of Kyle  
Kyle, Texas**

**Schedule of Status of Prior Year Findings**

**June 30, 2011**

There were no findings in last year's audit.



**Housing Authority of the City of Kyle  
Kyle, Texas**

**Corrective Action Plan**

**June 30, 2011**

None required.

**SUPPLEMENTARY INFORMATION**

**Housing Authority of the City of Kyle  
Kyle, Texas**

**Statement and Certification of Actual Capital Fund Program Costs**

**For the Fiscal Year Ended June 30, 2011**

1. The Actual Capital Fund Program Costs are as follows:

	<u><b>50109S</b></u>
Funds Approved	\$ 33,757
Funds Expended	<u>33,757</u>
Excess of Funds Approved	<u>\$ -</u>
Funds Advanced	\$ 33,757
Funds Expended	<u>33,757</u>
Excess (Deficiency) of Funds Advanced	<u>\$ -</u>

2. The distribution of costs as shown on the Final Performance and Evaluation Report for grant 50109S, dated August 8, 2011 submitted to HUD for approval appears to be in agreement with the Authority's records.

**Housing Authority of the City of Kyle  
Kyle, Texas**

**Statement of Capital Fund Program Costs - Incomplete**

**For the Fiscal Year Ended June 30, 2011**

	<u>50109</u>
Funds Approved	\$ 28,658
Funds Expended	<u>27,435</u>
Excess of Funds Approved	\$ <u><u>1,223</u></u>
Funds Advanced	\$ 24,030
Funds Expended	<u>27,435</u>
Excess (Deficiency) of Funds Advanced	\$ <u><u>(3,405)</u></u>





TX367 Housing Authority of the City of Kyle												
Financial Data Schedule												
June 30, 2011												
Line No.	Account Description	Operations	Capital Fund	Subtotal	14.871 - Housing Choice Vouchers	14.182 - N/C S/R Section 8 Programs	10.415 Rural Rental Housing Loans	14.103 Interest Reduction Payments	14.885 Formula Capital Fund Stimulus Grant	Subtotal	Eliminations	Total
174-020	Other assets - Partnership	-	-	-	-	-	-	-	-	-	-	-
174-030	Other assets - Joint Venture	-	-	-	-	-	-	-	-	-	-	-
174-040	Other assets - Tax Credit	-	-	-	-	-	-	-	-	-	-	-
174-050	Other assets - Other	-	-	-	-	-	-	-	-	-	-	-
174-060	Other - Comment	-	-	-	-	-	-	-	-	-	-	-
174	<b>Other assets</b>	-	-	-	-	-	-	-	-	-	-	-
176-010	Investment in joint ventures - Not for Profit	-	-	-	-	-	-	-	-	-	-	-
176-020	Investment in joint ventures - Partnership	-	-	-	-	-	-	-	-	-	-	-
176-030	Investment in joint ventures - Joint Venture	-	-	-	-	-	-	-	-	-	-	-
176-040	Investment in joint ventures - Tax Credit	-	-	-	-	-	-	-	-	-	-	-
176-050	Investment in joint ventures - Other	-	-	-	-	-	-	-	-	-	-	-
176-060	Other - Comment	-	-	-	-	-	-	-	-	-	-	-
176	<b>Investment in joint ventures</b>	-	-	-	-	-	-	-	-	-	-	-
180	<b>Total Noncurrent Assets</b>	212,225	-	212,225	-	-	62,475	-	-	274,700	-	274,700
190	<b>Total Assets</b>	335,586	-	335,586	19,791	-	164,362	-	-	519,678	(9,954)	509,724



TX367 Housing Authority of the City of Kyle												
Financial Data Schedule												
June 30, 2011												
Line No.	Account Description	Operations	Capital Fund	Subtotal	14.871 - Housing Choice Vouchers	14.182 - N/C S/R Section 8 Programs	10.415 Rural Rental Housing Loans	14.103 Interest Reduction Payments	14.885 Formula Capital Fund Stimulus Grant	Subtotal	Eliminations	Total
311	Bank overdraft	-	-	-	-	-	-	-	-	-	-	-
312	Accounts payable ≤ 90 days	1,838	-	1,838	62	-	592	-	-	2,492	-	2,492
313	Accounts payable > 90 days past due	-	-	-	-	-	-	-	-	-	-	-
321	Accrued wage/payroll taxes payable	1,103	-	1,103	-	-	125	-	-	1,228	-	1,228
322	Accrued compensated absences	1,219	-	1,219	461	-	1,794	-	-	3,474	-	3,474
324	Accrued contingency liability	-	-	-	-	-	-	-	-	-	-	-
325	Accrued interest payable	-	-	-	-	-	-	-	-	-	-	-
331-010	Accounts Payable - HUD PHA Programs - Operating Subsidy	-	-	-	-	-	-	-	-	-	-	-
331-020	Accounts Payable - HUD PHA Programs - Capital Fund	-	-	-	-	-	-	-	-	-	-	-
331-030	Accounts Payable - HUD PHA Programs - Other	-	-	-	-	-	-	-	-	-	-	-
331	Accounts Payable - HUD PHA Programs	-	-	-	392	-	-	-	-	392	-	392
332	Accounts Payable - PHA projects	-	-	-	-	-	-	-	-	-	-	-
333	Accounts payable - other government	7,783	-	7,783	-	-	5,428	-	-	13,211	-	13,211
341	Tenant security deposits	1,900	-	1,900	-	-	6,216	-	-	8,116	-	8,116
342-010	Deferred revenue - Operating Subsidy	-	-	-	-	-	-	-	-	-	-	-
342-020	Deferred revenue - Capital Fund	-	-	-	-	-	-	-	-	-	-	-
342-030	Deferred revenue - Other	-	-	-	-	-	-	-	-	-	-	-
342	Deferred revenue	-	-	-	-	-	-	-	-	-	-	-
343-010	CFFP	-	-	-	-	-	-	-	-	-	-	-
343-020	Capital Projects/Mortgage Revenue Bonds	-	-	-	-	-	-	-	-	-	-	-
343	Current portion of L-T debt - capital proj/mortgage rev bonds	-	-	-	-	-	15,984	-	-	15,984	-	15,984
344	Current portion of L-T debt - operating borrowings	-	-	-	-	-	-	-	-	-	-	-
345	Other current liabilities	-	-	-	-	-	-	-	-	-	-	-
346	Accrued liabilities - other	1,442	-	1,442	-	-	1,508	-	-	2,950	-	2,950
347	Interprogram - due to	-	-	-	403	-	9,551	-	-	9,954	(9,954)	(0)
348-010	Loan Liability - Current - Not for Profit	-	-	-	-	-	-	-	-	-	-	-
348-020	Loan Liability - Current - Partnership	-	-	-	-	-	-	-	-	-	-	-
348-030	Loan Liability - Current - Joint Venture	-	-	-	-	-	-	-	-	-	-	-
348-040	Loan Liability - Current - Tax Credit	-	-	-	-	-	-	-	-	-	-	-
348-050	Loan Liability - Current - Other	-	-	-	-	-	-	-	-	-	-	-
348-060	Other - Comment	-	-	-	-	-	-	-	-	-	-	-
348	Loan Liability - Current	-	-	-	-	-	-	-	-	-	-	-
310	Total Current Liabilities	15,285	-	15,285	1,318	-	41,198	-	-	57,801	(9,954)	47,847
351-010	Long-term debt - CFFP	-	-	-	-	-	-	-	-	-	-	-
351-020	Long-term debt - Capital Projects/Mortgage Revenue Bonds	-	-	-	-	-	-	-	-	-	-	-
351	Long-term debt, net of current - capital proj/mortgage rev bonds	-	-	-	-	-	443,270	-	-	443,270	-	443,270
352	Long-term debt, net of current - operating borrowings	-	-	-	-	-	-	-	-	-	-	-
353	Non-current liabilities- other	-	-	-	-	-	-	-	-	-	-	-
354	Accrued Compensated Absences - Non Current	2,590	-	2,590	856	-	3,331	-	-	6,777	-	6,777
355-010	Loan Liability - Non-current - Not for Profit	-	-	-	-	-	-	-	-	-	-	-
355-020	Loan Liability - Non-current - Partnership	-	-	-	-	-	-	-	-	-	-	-
355-030	Loan Liability - Non-current - Joint Venture	-	-	-	-	-	-	-	-	-	-	-
355-040	Loan Liability - Non-current - Tax Credit	-	-	-	-	-	-	-	-	-	-	-
355-050	Loan Liability - Non-current - Other	-	-	-	-	-	-	-	-	-	-	-
355-060	Other - Comment	-	-	-	-	-	-	-	-	-	-	-
355	Loan Liability - Non-current	-	-	-	-	-	-	-	-	-	-	-
356	FASB 5 Liabilities	-	-	-	-	-	-	-	-	-	-	-
357	Accrued Pension and OPEB Liabilities	-	-	-	-	-	-	-	-	-	-	-
350	Total Noncurrent Liabilities	2,590	-	2,590	856	-	446,601	-	-	450,047	-	450,047
300	Total Liabilities	17,875	-	17,875	2,174	-	487,799	-	-	507,848	(9,954)	497,894
508.1	Investment in Capital Assets, net of Related Debt	212,225	-	212,225	-	-	(396,779)	-	-	(184,554)	-	(184,554)
511.1	Restricted Net Assets	-	-	-	16,684	-	38,755	-	-	55,439	-	55,439
512.1	Unrestricted Net Assets	105,484	-	105,484	933	-	34,527	-	-	140,944	-	140,944
513	Total Equity	317,710	-	317,709	17,617	-	(323,497)	-	-	11,829	-	11,829
600	Total Liabilities and Equity	335,585	-	335,585	19,791	-	164,302	-	-	519,677	(9,954)	509,723







TX367 Housing Authority of the City of Kyle												
Financial Data Schedule												
June 30, 2011												
Line No.	Account Description	Operations	Capital Fund	Subtotal	14.871 - Housing Choice Vouchers	14.182 - N/C S/R Section 8 Programs	10.415 Rural Rental Housing Loans	14.103 Interest Reduction Payments	14.885 Formula Capital Fund Stimulus Grant	Subtotal	Eliminations	Total
93500	Labor	-	-	-	-	-	-	-	-	-	-	-
93600	Sewer	4,000	-	4,000	-	-	5,905	-	-	9,905	-	9,905
93700	Employee benefit contributions- utilities	-	-	-	-	-	-	-	-	-	-	-
93800	Other utilities expense	-	-	-	-	-	-	-	-	-	-	-
93000	<b>Total Utilities</b>	<b>13,216</b>	<b>-</b>	<b>13,216</b>	<b>-</b>	<b>-</b>	<b>15,999</b>	<b>-</b>	<b>-</b>	<b>28,906</b>	<b>-</b>	<b>28,906</b>
94100	Ordinary maint and ops - labor	14,947	-	14,947	-	-	16,218	-	-	31,165	-	31,165
94200	Ordinary maint and ops - materials and other	14,470	-	14,470	-	-	9,644	-	-	24,114	-	24,114
94300-010	Ordinary maint and ops contracts - garbage and trash removal	3,660	-	3,660	-	-	5,228	-	-	8,888	-	8,888
94300-020	Ordinary maint and ops contracts - heating & cooling contracts	946	-	946	-	-	905	-	-	1,851	-	1,851
94300-030	Ordinary maint and ops contracts - snow removal contracts	-	-	-	-	-	-	-	-	-	-	-
94300-040	Ordinary maint and ops contracts - elevator maintenance contracts	-	-	-	-	-	-	-	-	-	-	-
94300-050	Ordinary maint and ops contracts - landscape & grounds contracts	760	-	760	-	-	3,410	-	-	4,170	-	4,170
94300-060	Ordinary maint and ops contracts - unit turnaround contracts	-	-	-	-	-	-	-	-	-	-	-
94300-070	Ordinary maint and ops contracts - electrical contracts	-	-	-	-	-	-	-	-	-	-	-
94300-080	Ordinary maint and ops contracts - plumbing contracts	41	-	41	-	-	200	-	-	241	-	241
94300-090	Ordinary maint and ops contracts - extermination contracts	1,864	-	1,864	-	-	1,721	-	-	3,584	-	3,584
94300-100	Ordinary maint and ops contracts - janitorial contracts	-	-	-	-	-	-	-	-	-	-	-
94300-110	Ordinary maint and ops contracts - routine maintenance contracts	1,734	-	1,734	-	-	1,654	-	-	3,388	-	3,388
94300-120	Ordinary maint and ops contracts - misc. contracts	-	-	-	-	-	-	-	-	-	-	-
94300	<b>Ordinary maintenance and operations contracts</b>	<b>9,005</b>	<b>-</b>	<b>9,005</b>	<b>-</b>	<b>-</b>	<b>13,118</b>	<b>-</b>	<b>-</b>	<b>22,123</b>	<b>-</b>	<b>22,123</b>
94500	Employee benefit contributions- ordinary maintenance	8,207	-	8,207	-	-	4,465	-	-	12,672	-	12,672
94000	<b>Total Operations and Maintenance</b>	<b>46,629</b>	<b>-</b>	<b>46,629</b>	<b>-</b>	<b>-</b>	<b>43,445</b>	<b>-</b>	<b>-</b>	<b>90,074</b>	<b>-</b>	<b>90,074</b>
95100	Protective services - labor	-	-	-	-	-	-	-	-	-	-	-
95200	Protective services- other contract costs	-	-	-	-	-	-	-	-	-	-	-
95300	Protective services - other	-	-	-	-	-	-	-	-	-	-	-
95500	Employee benefit contributions- protective services	-	-	-	-	-	-	-	-	-	-	-
95000	<b>Total Protective Services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
96110	Property Insurance	1,700	-	1,700	-	-	2,439	-	-	4,139	-	4,139
96120	Liability Insurance	152	-	152	-	-	241	-	-	393	-	393
96130	Workmen's Compensation	507	-	507	-	-	724	-	-	1,231	-	1,231
96140	All Other Insurance	134	-	134	-	-	159	-	-	293	-	293
96000	<b>Total Insurance Premiums</b>	<b>2,493</b>	<b>-</b>	<b>2,493</b>	<b>-</b>	<b>-</b>	<b>3,563</b>	<b>-</b>	<b>-</b>	<b>6,056</b>	<b>-</b>	<b>6,056</b>
96200	Other general expenses	-	-	-	-	-	212	-	-	212	-	212
96210	Compensated absences	2,351	-	2,351	141	-	3,369	-	-	5,861	-	5,861
96300	Payments in lieu of taxes	7,783	-	7,783	-	-	5,428	-	-	13,211	-	13,211
96400	Bad debt - tenant rents	439	-	439	-	-	249	-	-	688	-	688
96500	Bad debt- mortgages	-	-	-	-	-	-	-	-	-	-	-
96600	Bad debt - other	-	-	-	-	-	-	-	-	-	-	-
96800	Severance expense	-	-	-	-	-	-	-	-	-	-	-
96000	<b>Total Other General Expenses</b>	<b>10,573</b>	<b>-</b>	<b>10,573</b>	<b>141</b>	<b>-</b>	<b>9,258</b>	<b>-</b>	<b>-</b>	<b>19,972</b>	<b>-</b>	<b>19,972</b>
96710	Interest on Mortgage (Bonds) Payable	-	-	-	-	-	35,134	2,264	-	37,398	-	37,398
96720	Interest on Notes Payable (Short and Long Term)	-	-	-	-	-	-	-	-	-	-	-
96730	Amortization of Bond Issue Costs	-	-	-	-	-	-	-	-	-	-	-
96700	<b>Total Interest Expense and Amortization Cost</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>35,134</b>	<b>2,264</b>	<b>-</b>	<b>37,398</b>	<b>-</b>	<b>37,398</b>
96900	<b>Total Operating Expenses</b>	<b>105,779</b>	<b>-</b>	<b>105,779</b>	<b>3,985</b>	<b>-</b>	<b>146,726</b>	<b>2,264</b>	<b>767</b>	<b>259,521</b>	<b>-</b>	<b>259,521</b>
97000	<b>Excess Revenue Over Operating Expense</b>	<b>(18,742)</b>	<b>500</b>	<b>(18,242)</b>	<b>51,031</b>	<b>110,842</b>	<b>(76,825)</b>	<b>-</b>	<b>-</b>	<b>66,806</b>	<b>-</b>	<b>66,806</b>
97100	Extraordinary maintenance	-	-	-	-	-	-	-	-	-	-	-
97200	Casualty losses - non capitalized	-	-	-	-	-	-	-	-	-	-	-
97300-010	Housing assistance payments - Mainstream 1 & 5 years	-	-	-	-	-	-	-	-	-	-	-
97300-020	Housing assistance payments - Home-Ownership	-	-	-	-	-	-	-	-	-	-	-
97300-025	Housing assistance payments - Litigation	-	-	-	-	-	-	-	-	-	-	-
97300-030	Housing assistance payments - Hope IV	-	-	-	-	-	-	-	-	-	-	-
97300-035	Housing assistance payments - Moving to Work	-	-	-	-	-	-	-	-	-	-	-
97300-040	Housing assistance payments - Tenant Protection	-	-	-	-	-	-	-	-	-	-	-
97300-050	Housing assistance payments - All Other	-	-	-	42,763	-	-	-	-	42,763	-	42,763
97300	<b>Housing assistance payments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>42,763</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>42,763</b>	<b>-</b>	<b>42,763</b>
97350	HAP Portability-in	-	-	-	-	-	-	-	-	-	-	-
97400	Depreciation expense	30,882	428	31,310	-	-	1,926	-	-	33,236	-	33,236

TX367	Housing Authority of the City of Kyle												
	Financial Data Schedule												
	June 30, 2011												
Line No.	Account Description	Operations	Capital Fund	Subtotal	14.871 - Housing Choice Vouchers	14.182 - N/C S/R Section 8 Programs	10.415 Rural Rental Housing Loans	14.103 Interest Reduction Payments	14.885 Formula Capital Fund Stimulus Grant	Subtotal	Eliminations	Total	
97500	Fraud losses	-	-	-	-	-	-	-	-	-	-	-	
97800	Dwelling units rent expense	-	-	-	-	-	-	-	-	-	-	-	
<b>90000</b>	<b>Total Expenses</b>	<b>136,661</b>	<b>428</b>	<b>137,089</b>	<b>46,748</b>	<b>-</b>	<b>148,652</b>	<b>2,264</b>	<b>767</b>	<b>335,520</b>	<b>-</b>	<b>335,520</b>	
10010	Operating transfers in	-	-	-	-	-	110,842	-	-	110,842	-	110,842	
10020	Operating transfers out	-	-	-	-	(110,842)	-	-	-	(110,842)	-	(110,842)	
10030-010	Operating transfers from/to primary government - Not for Profit	-	-	-	-	-	-	-	-	-	-	-	
10030-020	Operating transfers from/to primary government - Partnership	-	-	-	-	-	-	-	-	-	-	-	
10030-030	Operating transfers from/to primary government - Joint Venture	-	-	-	-	-	-	-	-	-	-	-	
10030-040	Operating transfers from/to primary government - Tax Credit	-	-	-	-	-	-	-	-	-	-	-	
10030-050	Operating transfers from/to primary government - Other	-	-	-	-	-	-	-	-	-	-	-	
10030-060	Other - Comment	-	-	-	-	-	-	-	-	-	-	-	
<b>10030</b>	<b>Operating transfers from/to primary government</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
10040	Operating transfers from/to component unit	-	-	-	-	-	-	-	-	-	-	-	
10070	Extraordinary items/gains	-	-	-	-	-	-	-	-	-	-	-	
10080	Special items/gains	-	-	-	-	-	-	-	-	-	-	-	
10091	Inter project excess cash transfer in	-	-	-	-	-	-	-	-	-	-	-	
10092	Inter project excess cash transfer out	-	-	-	-	-	-	-	-	-	-	-	
10093	Transfers between programs and projects - in	-	-	-	-	-	-	-	-	-	-	-	
10094	Transfers between programs and projects - out	-	-	-	-	-	-	-	-	-	-	-	
<b>10100</b>	<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(110,842)</b>	<b>110,842</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>10000</b>	<b>Excess (Deficiency) of Revenue Over (Under) Expenses</b>	<b>(49,624)</b>	<b>72</b>	<b>(49,552)</b>	<b>8,268</b>	<b>-</b>	<b>32,091</b>	<b>-</b>	<b>-</b>	<b>(9,193)</b>	<b>-</b>	<b>(9,193)</b>	
11020	Required annual debt principal payments	-	-	-	-	-	-	-	-	-	-	-	
<b>11030</b>	<b>Beginning equity</b>	<b>367,262</b>	<b>-</b>	<b>367,262</b>	<b>9,349</b>	<b>-</b>	<b>(355,588)</b>	<b>-</b>	<b>-</b>	<b>21,023</b>	<b>-</b>	<b>21,023</b>	
11040-010	Prior period adjustments and correction of errors - Editable	-	-	-	-	-	-	-	-	-	-	-	
11040-020	Prior period adjustments and correction of errors - Editable	-	-	-	-	-	-	-	-	-	-	-	
11040-030	Prior period adjustments and correction of errors - Editable	-	-	-	-	-	-	-	-	-	-	-	
11040-040	Prior period adjustments and correction of errors - Editable	-	-	-	-	-	-	-	-	-	-	-	
11040-050	Prior period adjustments and correction of errors - Editable	-	-	-	-	-	-	-	-	-	-	-	
11040-060	Prior period adjustments and correction of errors - Editable	-	-	-	-	-	-	-	-	-	-	-	
11040-070	Equity transfers	-	-	-	-	-	-	-	-	-	-	-	
11040-080	Equity transfers	-	-	-	-	-	-	-	-	-	-	-	
11040-090	Equity transfers	-	-	-	-	-	-	-	-	-	-	-	
11040-100	Equity transfers	-	-	-	-	-	-	-	-	-	-	-	
11040-110	Equity transfers	-	-	-	-	-	-	-	-	-	-	-	
<b>11040</b>	<b>Prior period adjustments, equity transfers, and correction of errors</b>	<b>72</b>	<b>(72)</b>	<b>(0)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(0)</b>	<b>-</b>	<b>(0)</b>	



