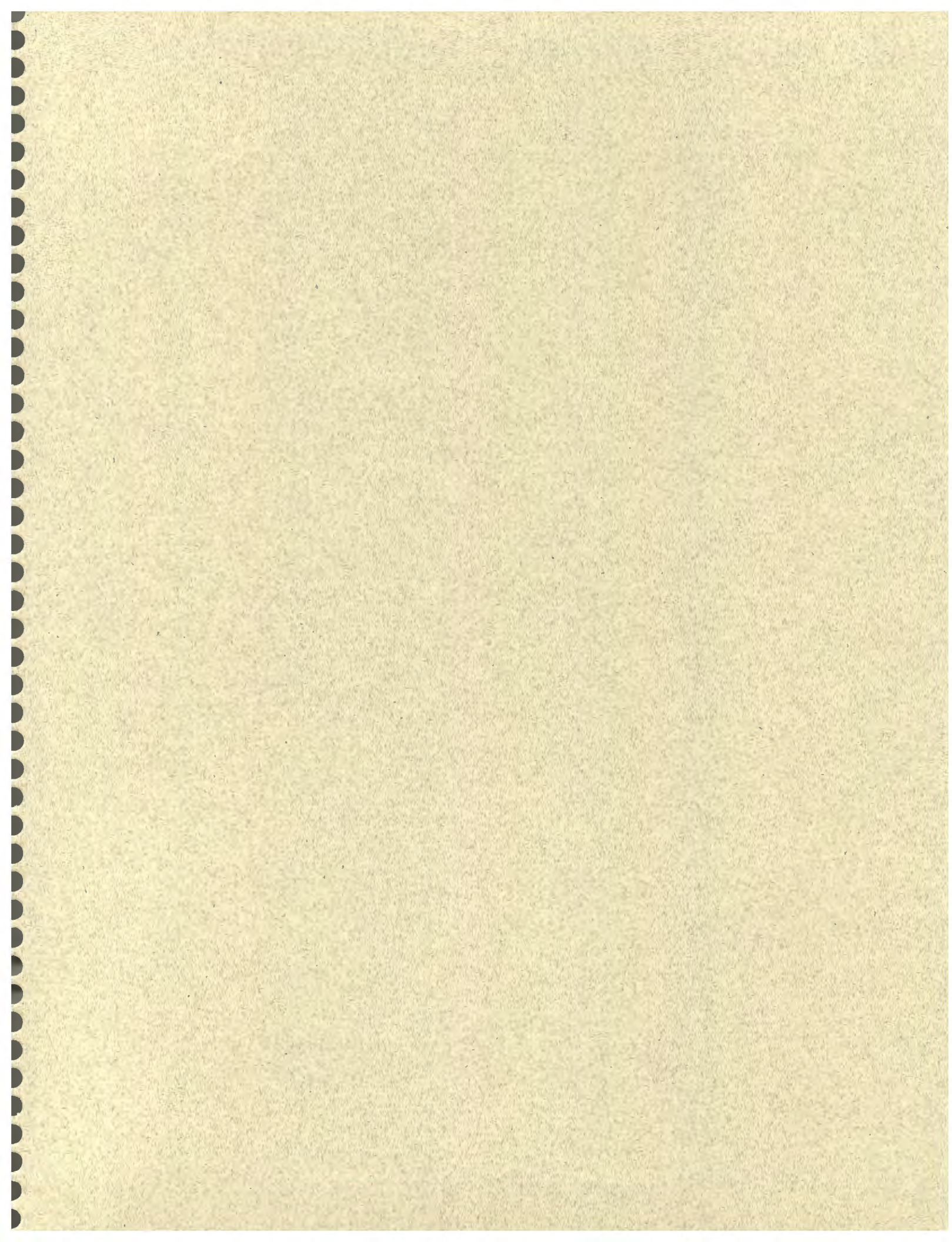


**HOUSING AUTHORITY OF THE CITY OF KYLE
KYLE, TEXAS**

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

JUNE 30, 2015

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



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

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

JUNE 30, 2015

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

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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 governmental activities, the business-type activities, and each major fund of the Housing Authority of the City of Kyle, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Housing Authority of the City of Kyle's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, and each major fund of the Housing Authority of the City of Kyle, as of June 30, 2015, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Other Matters

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 3 through 10 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated February 25, 2016, on our consideration of the Housing Authority of the City of Kyle's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Housing Authority of the City of Kyle's internal control over financial reporting and compliance.



Bill C. Rocha
Certified Public Accountant
San Antonio, Texas
February 25, 2016

Kyle Housing Authority Management's Discussion and Analysis For the Year Ended June 30, 2015

Introduction

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

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

The Authority has three individual programs. They include the Low Rent Housing Program, the Capital Fund Program, and the Rural Development Housing Program.

The Low Rent Housing Program consists of 21 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 Rural Development Housing Program consists of 30 units constructed from loans provided by the Department of Agriculture benefiting rural residents. The apartment complex is subsidized by the Department of Agriculture through Rural Rental Assistance payments provided. Tenants typically pay rent, which is 30 percent of their adjusted gross income. The remaining portion of rent is provided by Rural Development in the form of rental assistance.

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 financial statements are comprised of three individual statements. These statements include:

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

Management's Discussion and Analysis-Cont.

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

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

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

The Statement of Cash Flows reports cash activities for the fiscal year resulting from operating activities, investing activities, non-capital financing activities, and capital and related financing activities. The net result of these activities represents the increase or decrease of the cash equivalent account balance for the year ended June 30, 2015.

Financial Highlights

- The Kyle Housing Authority's net position decreased from (\$35,816) to (\$61,924), a reduction of \$26,108 or 73%. Current assets were reduced to \$104,878 representing a 20% decline, while current liabilities were reduced by \$4,450 or 9%. The total asset balance decreased by \$50,507 or 12%, while total liabilities were reduced from \$445,251 to \$420,852, a 5% change.
- Total revenues decreased from \$307,152 to \$269,625, a decrease of \$37,527 or 12%. Revenues are comprised of rental income, operating grants and capital grants, interest income, and other revenue.
- Total expenses were reduced by \$13,603, from \$309,336 to \$295,733 for the current year. This represents a 4% decrease.

Management's Discussion and Analysis-Cont.

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 following table lists the asset and liability comparisons for the years ended June 30, 2015 and June 30, 2014.

Kyle Housing Authority (Primary Government) Summary Statement of Net Position June 30, 2015 and 2014

<u>Category</u>	<u>FYE 2015</u>	<u>FYE 2014</u>	<u>Change \$</u>	<u>Change %</u>
Current Assets	\$ 104,878	\$ 131,196	\$ (26,318)	-20%
Noncurrent Assets	\$ 254,050	\$ 278,239	\$ (24,189)	-9%
Total Assets	\$ 358,928	\$ 409,435	\$ (50,507)	-12%
Current Liabilities	\$ 45,263	\$ 49,713	\$ (4,450)	-9%
Noncurrent Liabilities	\$ 375,589	\$ 395,538	\$ (19,949)	-5%
Total Liabilities	\$ 420,852	\$ 445,251	\$ (24,399)	-5%
Unrestricted	\$ 38,124	\$ 55,537	\$ (17,413)	-31%
Restricted	\$ 32,496	\$ 37,484	\$ (4,988)	-13%
Investment in Capital Assets	\$ (132,544)	\$ (128,837)	\$ (3,707)	-3%
Total Net Position	\$ (61,924)	\$ (35,816)	\$ (26,108)	-73%

Current Assets

Current assets decreased by \$26,318, or 20% from the previous year. The decrease was primarily due to a reduction in cash and receivables. Total cash in the Low Rent Housing Program decreased by \$9,632, while total cash for the Rural Development Housing Program was reduced by \$9,495. In addition, total receivables in for the Low Rent Public Housing Program were reduced from \$6,027 at June 30, 2014 to \$4 at June 30, 2015.

Noncurrent Assets

Capital assets decreased by \$24,189 due to the charging of depreciation expense exceeding additions in buildings and equipment during the current fiscal year. For further details, see the following section related to capital assets.

Current Liabilities

Current liabilities decreased by \$4,450, or 9% from the previous year. The decrease was primarily due to reductions in accounts payable and wages/payroll taxes payable. Accounts payable decreased from \$4,698 to \$1,684 while wages/payroll taxes payable decreased by \$1,380.

Management's Discussion and Analysis-Cont.

Housing Authority Activities & Highlights (continued)

Noncurrent Liabilities

Noncurrent liabilities decreased by \$19,949 or 5% due primarily to a reduction in long-term debt which decreased from \$388,147 to \$368,532.

Restricted

Restricted component of net position decreased from \$37,484 to \$32,496. Restricted component of net position consists of the classification of a maintenance reserve on the Rural Development Housing Program.

Unrestricted

The Authority's unrestricted component of net position decreased by \$17,413 or 31% from the previous year. The unrestricted component of net position is the amount available for future appropriations. These balances are subject to program specific guidelines. Individual program balances are as follows:

Low Rent Housing Program	\$ 60,939
Rural Development Housing Program	<u>(22,815)</u>
Total Unrestricted Net Assets	\$ <u>38,124</u>



Management's Discussion and Analysis-Cont.

Housing Authority Activities & Highlights (continued)

Kyle Housing Authority (Primary Government)
Summary Statement of Revenues & Expenses and Changes in Net Position
Years Ended June 30, 2015 and 2014

<u>Category</u>	<u>FYE 2015</u>	<u>FYE 2014</u>	<u>Change \$</u>	<u>Change %</u>
Tenant Revenue	\$ 159,115	\$ 163,116	\$ (4,001)	-2%
HUD Operating Grants	\$ 109,604	\$ 127,788	\$ (18,184)	-14%
Capital Grants	\$ 862	\$ 16,104	\$ (15,242)	-95%
Interest Income	\$ 44	\$ 98	\$ (54)	-55%
Other Revenue	\$ -	\$ 46	\$ (46)	-100%
Total Revenue	\$ 269,625	\$ 307,152	\$ (37,527)	-12%
Administration	\$ 80,807	\$ 81,404	\$ (597)	-1%
Utilities	\$ 34,741	\$ 38,872	\$ (4,131)	-11%
Ordinary Maintenance	\$ 95,278	\$ 102,929	\$ (7,651)	-7%
General Expense	\$ 18,099	\$ 18,118	\$ (19)	0%
Interest Expense	\$ 31,742	\$ 33,302	\$ (1,560)	-5%
Depreciation	\$ 35,066	\$ 34,711	\$ 355	1%
Total Expenses	\$ 295,733	\$ 309,336	\$ (13,603)	-4%
Excess of Revenue over Expenses	\$ (26,108)	\$ (2,184)	\$ (23,924)	1095%
Net Position, Beginning of Year	\$ (35,816)	\$ (33,632)	\$ (2,184)	-6%
Net Position, End of Year	\$ (61,924)	\$ (35,816)	\$ (26,108)	-73%

Results of Operations

Total revenues decreased by \$37,527 or 12% from the previous year. Notable changes as compared from the previous year include:

- Tenant revenue decreased by \$4,001 or 2% from the previous year. This change was due to tenant rental revenues associated with the Rural Development Program which decreased from \$97,655 to \$91,047, a reduction of \$6,608 or 7%. This decrease in rental revenue for the Rural Development Program was due to a decrease in unit months leased for the year, from 326 to 310 in the current year. Rental revenues for the Low Rent Housing Program actually increased slightly, from \$63,089 to \$65,130 due to primarily to an increase in unit months leased, from 239 to 243 in the current year.
- ★ Operating grants decreased by \$18,184 or 14% from the previous year. This reduction was due to reversal of unpaid PILOT liabilities from previous years in the Rural Development Program. The reversal of \$18,315 for accrued PILOT liability in the previous year was recorded as an operating grant.

Management's Discussion and Analysis-Cont.

Housing Authority Activities & Highlights (continued)

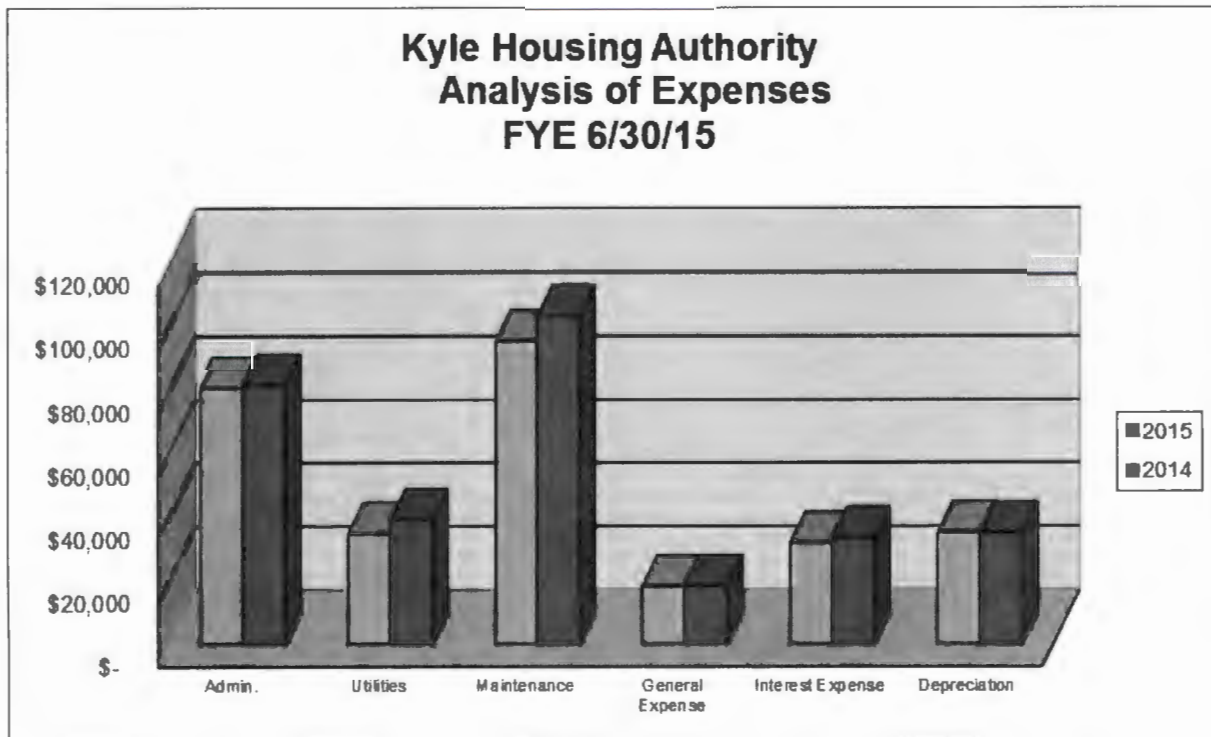
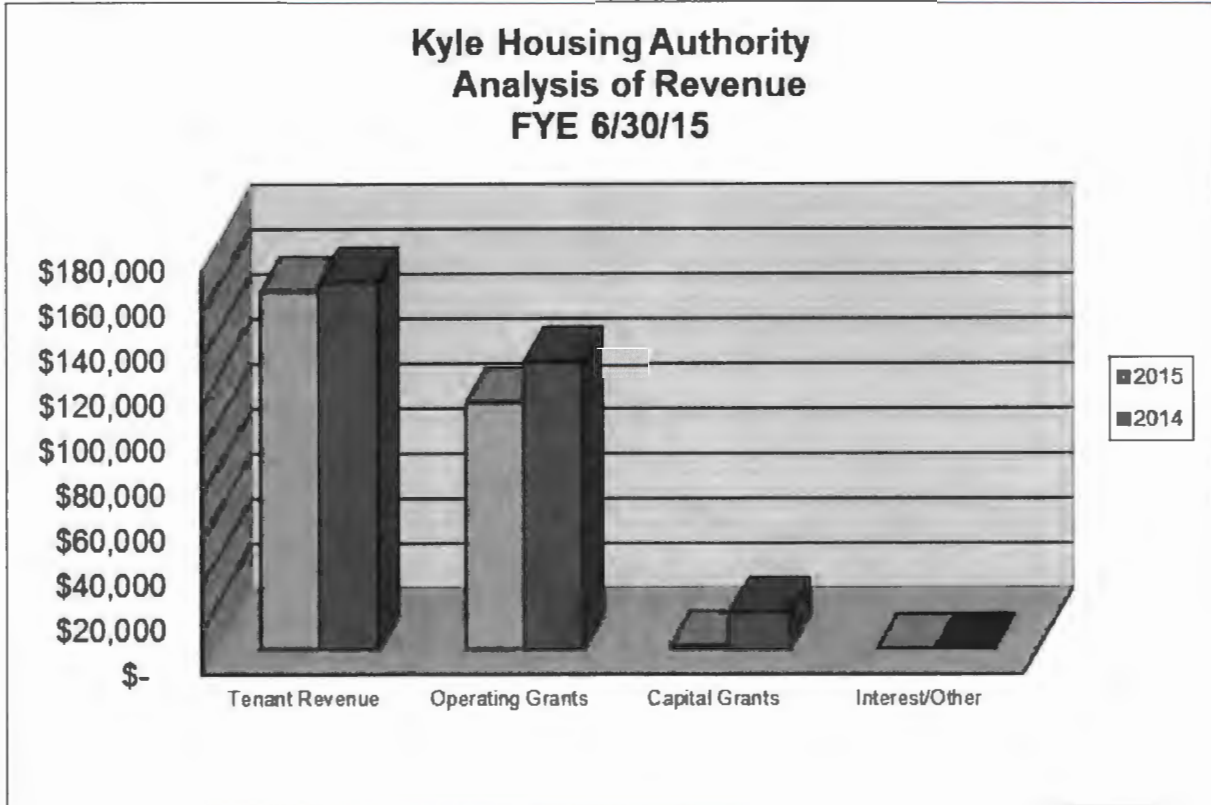
- Capital grants decreased by \$15,242 due to reduced activity related to capitalized costs in the Capital Fund Program.

Total expenses decreased by \$13,603 or 4% from the previous year. Significant changes from the previous year include:

- Utilities expense decreased from \$38,872 to \$34,741, a change of \$4,131 or 11%. The primary reason for the change is a reduction in water/sewer expenses for the Rural Development Housing Program, from \$18,639 for the previous year to \$13,347 for the current year.
- Ordinary maintenance expenses decreased by \$7,651 or 7%, due primarily to reductions in maintenance materials expenditures. The Low Rent Housing Program and the Rural Development Program decreased their spending on maintenance materials by \$2,981 and \$1,009 respectively. In addition, the Rural Development Program reduced their spending on maintenance contracts from \$25,118 to \$20,981 in the current year.

Management's Discussion and Analysis-Cont.

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



Management's Discussion and Analysis-Cont.

Capital Assets

As of June 30, 2015, the Kyle Housing Authority's investment in net capital assets was (\$132,544) representing a 3% increase from the previous year. This investment includes land, building, and equipment. The principal balance of the notes payable has been deducted from the cost of the capital assets in the calculation of the investment of net capital assets.

Summary Statement of Capital Assets
June 30, 2015 and 2014

<u>Category</u>	<u>FYE 2015</u>	<u>FYE 2014</u>	<u>Change \$</u>	<u>Change %</u>
Land	\$ 61,555	\$ 61,555	\$ -	0%
Buildings	\$ 1,568,453	\$ 1,568,453	\$ -	0%
Equipment	\$ 139,758	\$ 131,504	\$ 8,254	6%
Accumulated Depreciation	\$ (1,515,716)	\$ (1,483,273)	\$ (32,443)	2%
Total Capital Assets	\$ 254,050	\$ 278,239	\$ (24,189)	-9%

Equipment increased by \$8,254 due to the purchase and installation of new HVAC units for both the Low Rent Housing Program and the Rural Development Program.

Debt Administration

The notes payable account balance decreased by \$20,481 from the previous year. The remaining principal balance is \$386,595. The Authority did not incur any additional debt during the year.

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 for the current year was \$7,057.

Subsequent Events

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

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:

Kyle Housing Authority
Vickie Simpson, Executive Director
P.O. Box 130
Kyle, TX 78640

BASIC FINANCIAL STATEMENTS

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Government-Wide Financial Statements

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

Statement of Net Position

June 30, 2015

		<u>Business-Type Activities</u>
<u>ASSETS</u>		
Assets:		
Cash and Cash Equivalents	\$	37,516
Receivables:		
Tenant Receivables		567
Due From HUD		-
Investments		31,724
Inventories - Cost		769
Prepaid Expenses		1,801
Other Assets		5
Restricted Cash		32,496
Land		61,555
Buildings and Equipment, Net		192,495
Construction in Progress		-
Total Assets		<u>358,928</u>
<u>LIABILITIES</u>		
Liabilities:		
Accounts Payable		8,308
Accrued Payroll Liabilities and Other Accruals		1,546
Due to Other Governments		4,490
Accrued Vacation Payable - Current		3,759
Tenant Security Deposits Payable		9,024
Notes Payable - Current Year		18,063
Accrued Interest Payable		-
Accrued Vacation Payable - Long Term Portion		7,057
Notes Payable - Long Term Portion		368,532
Total Liabilities		<u>420,779</u>
Deferred Inflows of Resources:		
Tenant Revenues paid in advance		73
Total Deferred Inflows of Resources:		<u>73</u>
<u>NET POSITION</u>		
Invested in Capital Assets, Net of Related Debt		(132,545)
Restricted Net Position		32,496
Unrestricted Net Position		38,125
Total Net Position	\$	<u><u>(61,924)</u></u>

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 Position

For the Fiscal Year Ended June 30, 2015

	Business-Type Activities
Operating Revenues:	
Charges for Services and Rents	\$ 159,115
Operating Grants and Contributions	109,604
Other Revenues	-
Total Operating Revenues	268,719
Operating Expenses:	
Administrative	80,807
Utilities	34,741
Maintenance and Operations	95,278
General	18,099
Housing Assistance Payments	-
Depreciation	35,066
Total Operating Expenses	263,991
Operating Income (Loss)	4,728
Nonoperating Revenues (Expenses)	
Interest Income	44
Interest Expense	(31,742)
Extraordinary Maintenance	-
Capital Grants	862
Total Nonoperating Revenues (Expenses)	(30,836)
Income (Loss) before Contributions	(26,108)
Change in Net Position	(26,108)
Net Position - Beginning	(35,816)
Net Position - Ending	\$ (61,924)

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, 2015

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from Tenants	\$ 159,115
Receipts from (Payments to) Other Governments	69,586
Payments to Vendors/Suppliers	(150,153)
Payments to Employees	(74,592)
Other Receipts (Payments)	-
Receipts from HUD	40,018
Housing Assistance Payments	-
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>43,974</u>
CASH FLOW FROM NONCAPITAL ACTIVITIES	
(Purchases) Sale of Fixed Assets	-
NET CASH PROVIDED BY CAPITAL AND RELATED	<u>-</u>
CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Principal Paid on Notes Payable	(20,482)
Interest Paid on Notes Payable	(31,742)
NET CASH PROVIDED BY CAPITAL AND RELATED	<u>-</u>
FINANCING ACTIVITIES	<u>(52,224)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment in Fixed Assets	(10,877)
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>(10,877)</u>
NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS	(19,127)
BALANCES - BEGINNING OF YEAR	89,139
BALANCES - END OF YEAR	<u>\$ 70,012</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH	
PROVIDED (USED) BY OPERATING ACTIVITIES	
Change in Net Assets	\$ (26,108)
Adjustments to Reconcile Operating Income to Net Cash	
Provided by Operating Activities	
Depreciation Expense	35,066
Interest Expense on Long-Term Notes Payable	31,742
Changes in Assets and Liabilities	
(Increase) Decrease in Accounts Receivable - Tenants	383
(Increase) Decrease in Due from Other Funds	(6,627)
(Increase) Decrease in Due from HUD	5,769
(Increase) Decrease in Due from Other Governments	-
(Increase) Decrease in Inventories	476
(Increase) Decrease in Prepaid Expenses	565
Increase (Decrease) in Accounts Payable	(3,405)
Increase (Decrease) in Accrued Payroll Liabilities and Other Accruals	(1,379)
Increase (Decrease) in Due to Other Governments	31
Increase (Decrease) in Accrued Vacation Payable	406
Increase (Decrease) in Tenant Security Deposits	544
Increase (Decrease) in Deferred Revenues	(115)
Changes in Interprogram - Due From/Interprogram - Due To	6,626
Increase (Decrease) in Prior Period Adjustments	-
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 43,974</u>
Cash and Cash Equivalents Includes:	
Cash	\$ 37,516
Restricted Cash	32,496
Total Cash and Cash Equivalents	<u>\$ 70,012</u>

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

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Fund Financial Statements

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

**Statement of Net Position
Proprietary Funds**

For the Fiscal Year Ended June 30, 2015

	Programs		
	<u>Low Rent Public Housing</u>	<u>Capital Fund Program</u>	<u>Total Programs</u>
ASSETS			
Assets:			
Cash and Cash Equivalents	\$ 29,125	\$ -	\$ 29,125
Receivables			-
Tenant Receivables	2	-	2
Interprogram - Due From	33,897	-	33,897
Due from Other Government	-	-	-
Due From HUD	-	-	-
Investments	12,724	-	12,724
Inventories - Cost	315	-	315
Prepaid Expenses	842	-	842
Other Assets	2	-	2
Restricted Cash	-	-	-
Land	9,700	-	9,700
Buildings and Equipment, Net	159,047	-	159,047
Construction in Progress	-	-	-
Total Assets	<u>245,654</u>	<u>-</u>	<u>245,654</u>
LIABILITIES			
Liabilities:			
Accounts Payable	4,030	-	4,030
Accrued Payroll Liabilities and Other Accruals	740	-	740
Due to Other Governments	4,490	-	4,490
Accrued Vacation Payable - Current	1,645	-	1,645
Interprogram - Due To	-	-	-
Tenant Security Deposits Payable	2,275	-	2,275
Notes Payable - Current	-	-	-
Accrued Interest Payable	-	-	-
Long Term Liabilities:			
Accrued Vacation Payable - Long Term Portion	2,728	-	2,728
Notes Payable - Long Term Portion	-	-	-
Total Liabilities	<u>15,908</u>	<u>-</u>	<u>15,908</u>
Deferred Inflows of Resources:			
Tenant Revenues paid in advance	60	-	60
Total Deferred Inflows of Resources	<u>60</u>	<u>-</u>	<u>60</u>
NET POSITION			
Invested in Capital Assets, Net of Related Debt	168,747	-	168,747
Restricted	-	-	-
Unrestricted	60,939	-	60,939
Total Net Position	<u>\$ 229,686</u>	<u>\$ -</u>	<u>\$ 229,686</u>

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

Projects			
Rural Rental Housing Loans	Other Non-Major Projects	Total Projects	Total
\$ 8,391	\$ -	\$ 8,391	\$ 37,516
565	-	565	567
-	-	-	33,897
-	-	-	-
-	-	-	-
19,000	-	19,000	31,724
454	-	454	769
959	-	959	1,801
3	-	3	5
32,496	-	32,496	32,496
51,855	-	51,855	61,555
33,448	-	33,448	192,495
-	-	-	-
<u>147,171</u>	<u>-</u>	<u>147,171</u>	<u>392,825</u>
4,278	-	4,278	8,308
806	-	806	1,546
-	-	-	4,490
2,114	-	2,114	3,759
33,897	-	33,897	33,897
6,749	-	6,749	9,024
18,063	-	18,063	18,063
-	-	-	-
4,329	-	4,329	7,057
368,532	-	368,532	368,532
<u>438,768</u>	<u>-</u>	<u>438,768</u>	<u>454,676</u>
13	-	13	73
<u>13</u>	<u>-</u>	<u>13</u>	<u>73</u>
(301,292)	-	(301,292)	(132,545)
32,496	-	32,496	32,496
(22,814)	-	(22,814)	38,125
<u>\$ (291,610)</u>	<u>\$ -</u>	<u>\$ (291,610)</u>	<u>\$ (61,924)</u>

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

**Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds**

For the Fiscal Year Ended June 30, 2015

	Programs		
	<u>Low Rent Public Housing</u>	<u>Capital Fund Program</u>	<u>Total Programs</u>
Operating Revenues:			
Charges for Services and Rents	\$ 67,014	\$ -	\$ 67,014
Operating Grants	37,568	2,450	40,018
Other Revenues	-	-	-
Total Operating Revenues	<u>104,582</u>	<u>2,450</u>	<u>107,032</u>
Operating Expenses:			
Administrative	36,047	-	36,047
Utilities	20,233	-	20,233
Maintenance and Operations	42,878	-	42,878
General	10,549	-	10,549
Housing Assistance Payments	-	-	-
Depreciation	28,900	-	28,900
Total Operating Expenses	<u>138,607</u>	<u>-</u>	<u>138,607</u>
Operating Income (Loss)	<u>(34,025)</u>	<u>2,450</u>	<u>(31,575)</u>
Nonoperating Revenues (Expenses)			
Interest Income	20	-	20
Interest Expense	-	-	-
Extraordinary Maintenance	-	-	-
Capital Grants	-	862	862
Total Nonoperating Revenues (Expenses)	<u>20</u>	<u>862</u>	<u>882</u>
Income (Loss) before Contributions	(34,005)	3,312	(30,693)
Contributions and Transfers			
Capital Contributions	-	-	-
Change in Net Position	<u>(34,005)</u>	<u>3,312</u>	<u>(30,693)</u>
Total Change in Net Position			
Operating Transfers In (Out)	3,312	(3,312)	-
Equity Transfers In (Out)	-	-	-
Net Position - Beginning	<u>260,379</u>	<u>-</u>	<u>260,379</u>
Net Position - Ending	<u>229,686</u>	<u>-</u>	<u>229,686</u>

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

Projects			
Rural Rental Housing Loans	Other Non-Major Projects	Total Projects	Total
\$ 92,101	\$ -	\$ 92,101	\$ 159,115
-	69,586	69,586	109,604
-	-	-	-
<u>92,101</u>	<u>69,586</u>	<u>161,687</u>	<u>268,719</u>
44,760	-	44,760	80,807
14,508	-	14,508	34,741
52,400	-	52,400	95,278
7,550	-	7,550	18,099
-	-	-	-
6,166	-	6,166	35,066
<u>125,384</u>	<u>-</u>	<u>125,384</u>	<u>263,991</u>
<u>(33,283)</u>	<u>69,586</u>	<u>36,303</u>	<u>4,728</u>
24	-	24	44
(31,742)	-	(31,742)	(31,742)
-	-	-	-
-	-	-	862
<u>(31,718)</u>	<u>-</u>	<u>(31,718)</u>	<u>(30,836)</u>
(65,001)	69,586	4,585	(26,108)
-	-	-	-
<u>(65,001)</u>	<u>69,586</u>	<u>4,585</u>	<u>(26,108)</u>
69,586	(69,586)	-	-
-	-	-	-
<u>(296,195)</u>	<u>-</u>	<u>(296,195)</u>	<u>(35,816)</u>
<u>\$ (291,610)</u>	<u>\$ -</u>	<u>\$ (291,610)</u>	<u>\$ (61,924)</u>

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

**Statement of Cash Flows
Proprietary Funds**

For the Fiscal Year Ended June 30, 2015

	Business-type Activities Enterprise Funds
	Low Rent Public Housing
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from Tenants	\$ 67,014
Receipts from (Payments to) Other Governments	-
Payments to Vendors/Suppliers	(67,083)
Payments to Employees	(36,373)
Internal Activity - Payments/Receipts to/from other funds	(6,627)
Other Receipts (Payments)	-
Receipts from HUD	40,018
Housing Assistance Payments	-
NET CASH PROVIDED BY OPERATING ACTIVITIES	(3,051)
CASH FLOW FROM NONCAPITAL ACTIVITIES	
(Purchases) Sale of Fixed Assets	-
Operating Transfers	-
NET CASH PROVIDED BY CAPITAL AND RELATED	-
CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Principal Paid on Notes Payable	-
Interest Paid on Notes Payable	-
NET CASH PROVIDED BY CAPITAL AND RELATED	-
FINANCING ACTIVITIES	
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment in Fixed Assets	(6,581)
NET CASH PROVIDED BY INVESTING ACTIVITIES	(6,581)
NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS	(9,632)
BALANCES - BEGINNING OF YEAR	38,757
BALANCES - END OF YEAR	\$ 29,125
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Change in Net Assets	\$ (30,693)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities	
Depreciation Expense	28,900
Interest Expense on Long-Term Notes Payable	-
Changes in Assets and Liabilities	
(Increase) Decrease in Accounts Receivable - Tenants	256
(Increase) Decrease in Due from Other Funds	(6,627)
(Increase) Decrease in Due from HUD	5,769
(Increase) Decrease in Due from Other Governments	-
(Increase) Decrease in Inventories	196
(Increase) Decrease in Prepaid Expenses	(64)
Increase (Decrease) in Accounts Payable	(141)
Increase (Decrease) in Accrued Payroll Liabilities and Other Accruals	(1,146)
Increase (Decrease) in Due to Other Governments	31
Increase (Decrease) in Accrued Vacation Payable	183
Increase (Decrease) in Tenant Security Deposits	225
Increase (Decrease) in Deferred Revenues	60
Changes in Interprogram - Due From/Interprogram - Due To	-
Increase (Decrease) in Prior Period Adjustments	-
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ (3,051)
Cash and Cash Equivalents Includes:	
Cash	\$ 29,125
Restricted Cash	-
Total Cash and Cash Equivalents	\$ 29,125

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

	Rural Rental Housing Loans	Other Non-Major Projects	Total
\$	92,101	\$ -	\$ 159,115
	-	69,586	69,586
	(83,070)	-	(150,153)
	(38,219)	-	(74,592)
	6,627	-	-
	-	-	-
	-	-	40,018
	-	-	-
	<u>(22,561)</u>	<u>69,586</u>	<u>43,974</u>
	-	-	-
	69,586	(69,586)	-
	<u>69,586</u>	<u>(69,586)</u>	<u>-</u>
	(20,482)	-	(20,482)
	<u>(31,742)</u>	<u>-</u>	<u>(31,742)</u>
	(52,224)	-	(52,224)
	<u>(4,296)</u>	<u>-</u>	<u>(10,877)</u>
	<u>(4,296)</u>	<u>-</u>	<u>(10,877)</u>
	(9,495)	-	(19,127)
	50,382	-	89,139
\$	<u>40,887</u>	\$ <u>-</u>	\$ <u>70,012</u>
\$	(65,001)	\$ 69,586	\$ (26,108)
	6,166	-	35,066
	31,742	-	31,742
	127	-	383
	-	-	(6,627)
	-	-	5,769
	-	-	-
	280	-	476
	629	-	565
	(3,264)	-	(3,405)
	(233)	-	(1,379)
	-	-	31
	223	-	406
	319	-	544
	(175)	-	(115)
	6,626	-	6,626
	-	-	-
\$	<u>(22,561)</u>	\$ <u>69,586</u>	\$ <u>43,974</u>
\$	8,391	\$ -	\$ 37,516
	<u>32,496</u>	<u>-</u>	<u>32,496</u>
\$	<u>40,887</u>	\$ <u>-</u>	\$ <u>70,012</u>

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

Notes to the Financial Statements

June 30, 2015

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 Position, the Statement of Revenues, Expenses, and Changes in Fund Net Position, 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, 2015

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

The Statement of Revenues, Expenses and Changes in Fund Net Position 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.

The Authority adopted the reporting requirements of Government Accounting Standards Board Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position, which is effective for financial statements for periods beginning after December 15, 2012. GASB Statement No. 63 adds the financial statement elements of deferred outflows or resources and deferred inflows of resources to the financial statements of all fund types and activities.

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, 2015

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

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

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.

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, 2015

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, 2015, the balance of accrued compensated absences is \$ 10,816 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, 2015

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

Net Position

Net position represents the difference between assets and liabilities. Net position invested in capital assets, net of related debt, consists of capital 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 position is 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 position is 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, 2015, the carrying amount of the Authority's deposits, including certificates of deposit, was \$ 101,736 and the bank balance was \$ 110,219. The Authority's cash deposits at June 30, 2015, 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, 2015, the Authority's restricted cash balance consisted of the following:

Mortgage Escrow Deposits	\$ 778
Replacement Reserve	31,718
Total Restricted Cash	\$ <u>32,496</u>

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

Notes to the Financial Statements

June 30, 2015

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, 2015:

Description	Interest Rate	Maturity	Cost
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, 2015

E. Capital Assets

Capital assets activity for the year ended June 30, 2015 was as follows:

<u>Business-Type Activities</u>	Beginning Balance 07/01/14	Additions	Deletions	Transfers	Ending Balance 06/30/15
Land	\$ 61,555	\$ -	\$ -	\$ -	\$ 61,555
Buildings & Improvements	1,520,980	-	-	-	1,520,980
Furniture & Equipment	181,972	10,877	(2,622)	-	190,227
Construction in Progress	-	-	-	-	-
	<u>1,764,507</u>	<u>10,877</u>	<u>(2,622)</u>	<u>-</u>	<u>1,772,762</u>
Accumulated Depreciation	(1,486,268)	(35,066)	2,622	-	(1,518,712)
Total	<u>\$ 278,239</u>	<u>\$ (24,189)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 254,050</u>

The total depreciation for the fiscal year ending June 30, 2015 was \$ 32,444.

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, 2013, 2014, and 2015, the Authority contributed \$ 5,782, \$ 5,782, 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, 2015:

<u>Interfund Receivables (Due To)</u>	<u>Interfund Payables (Due From)</u>	
	Rural Rental Assistance Payments	Total
Low Rent Public Housing	\$ 33,897	\$ 33,897
Total	<u>\$ 33,897</u>	<u>\$ 33,897</u>

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

Notes to the Financial Statements

June 30, 2015

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	\$ 407,076	\$ -	\$ (20,481)	\$ 386,595	\$ 21,989
Total Long-Term Debt	\$ 407,076	\$ -	\$ (20,481)	\$ 386,595	\$ 21,989

The annual requirements to amortize all long term debt outstanding as of June 30, 2015, including interest payments, are as follows:

Year Ended June 30,	Principal	Interest	Total
2016	21,989	30,235	52,224
2017	23,814	28,410	52,224
2018	25,791	26,433	52,224
209	27,932	24,292	52,224
2020	30,250	21,974	52,224
2021-2025	193,346	67,774	261,120
2026-2027	63,473	3,670	67,143
Total Requirements	\$ 386,595	\$ 202,788	\$ 589,383

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SINGLE AUDIT INFORMATION

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GOVERNMENT AUDITING STANDARDS REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTER 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, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund information of the Housing Authority of the City of Kyle, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Housing Authority of the City of Kyle's basic financial statements, and have issued our report thereon dated February 25, 2016.

Internal Control Over Financial Reporting

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

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

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

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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 from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Bill C. Rocha
Certified Public Accountant
San Antonio, Texas
February 25, 2016

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**OMB CIRCULAR A-133 REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND
REPORT ON INTERNAL CONTROL OVER COMPLIANCE WITH UNMODIFIED OPINION COMPLIANCE;
NO MATERIAL WEAKNESSES OR SIGNIFICANT DEFICIENCIES**

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

Report on Compliance for Each Major Program

We have audited the Housing Authority of the City of Kyle's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Housing Authority of the City of Kyle's major federal programs for the year ended June 30, 2015. 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.

Management's Responsibility

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

Auditor's Responsibility

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

Opinion on Each Major Program

In our opinion the Housing Authority of the City of Kyle complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

Report on Internal Control Over Compliance

Management of the Housing Authority of the City of Kyle is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Housing Authority of the City of Kyle's internal control over compliance with types of requirements that could have a direct and material effect on

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each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the 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.

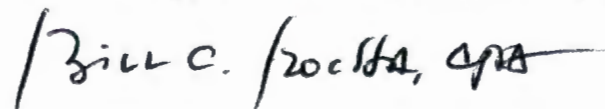
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirements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

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

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

We have audited the financial statements of the governmental activities, business-type activities, and each major fund of the Housing Authority of the City of Kyle, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Housing Authority of the City of Kyle's basic financial statements. We issued our report thereon dated February 25, 2016, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards, the financial data schedule and the statement of capital fund costs-incomplete are presented for purposes of additional analysis as required by OMB Circular A-133 and is 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 basic 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 basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards, the financial data schedule and the statement of capital fund costs-incomplete are fairly stated in all material respects in relation to the basic financial statements as a whole.

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



Bill C. Rocha
Certified Public Accountant
San Antonio, Texas
February 25, 2016

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

Schedule of Expenditures of Federal Awards

For the Fiscal Year Ended June 30, 2015

<u>Federal Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Grant/ Contract Number</u>	<u>Expenditures</u>
U. S. Department of Housing & Urban Development			
Direct Program			
Section 8 Housing Choice Vouchers	14.871	FW-647	\$ -
Low Rent Authority-Owned Housing	14.850	FW-647	37,568
Public Housing Capital Fund	14.872	FW-647	3,312
Interest Reduction Payments Rental and Cooperative Housing	14.103		-
N/C S/R Section 8 Program	14.182	TX59R000014	<u>69,586</u>
Total U. S. Department of Housing & Urban Development			<u>110,466</u>
Total Expenditures of Federal Awards			<u><u>\$ 110,466</u></u>

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

Notes to the Schedule of Expenditures of Federal Awards

June 30, 2015

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, 2015 balance due of \$ 386,595. 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, 2015

I. Summary of Auditor Results:

FINANCIAL STATEMENTS

- a. Type of auditor's report issued: Unmodified
- 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: Unmodified
- 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, 2015

There were no findings in last year's audit.

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

Corrective Action Plan

June 30, 2015

None required.

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SUPPLEMENTARY INFORMATION

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PHA Financials

TX367 Housing Authority of the City of Kyle Financial Data Schedule June 30, 2015												
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
111	Cash - unrestricted	26,850	-	26,850	-	-	1,642	-	-	28,492	-	28,492
112	Cash - restricted - modernization and development	-	-	-	-	-	-	-	-	-	-	-
113	Cash - other restricted	-	-	-	-	-	32,496	-	-	32,496	-	32,496
114	Cash - Tenant Security Deposits	2,275	-	2,275	-	-	6,749	-	-	9,024	-	9,024
115	Cash - Restricted for Payment of Current Liabilities	-	-	-	-	-	-	-	-	-	-	-
100	Total cash	29,125	-	29,125	-	-	40,887	-	-	70,012	-	70,012
121	Accounts receivable - PHA projects	-	-	-	-	-	-	-	-	-	-	-
122-010	Accounts receivable - HUD other projects - Operating Subsidy	-	-	-	-	-	-	-	-	-	-	-
122-020	Accounts receivable - HUD other projects - Capital Fund	-	-	-	-	-	-	-	-	-	-	-
122-030	Accounts receivable - HUD other projects - Other	-	-	-	-	-	-	-	-	-	-	-
122	Accounts receivable - HUD other projects	-	-	-	-	-	-	-	-	-	-	-
124	Accounts receivable - other government	-	-	-	-	-	-	-	-	-	-	-
125-010	Accounts receivable - miscellaneous - Not for Profit	-	-	-	-	-	-	-	-	-	-	-
125-020	Accounts receivable - miscellaneous - Partnership	-	-	-	-	-	-	-	-	-	-	-
125-030	Accounts receivable - miscellaneous - Joint Venture	-	-	-	-	-	-	-	-	-	-	-
125-040	Accounts receivable - miscellaneous - Tax Credit	-	-	-	-	-	-	-	-	-	-	-
125-050	Accounts receivable - miscellaneous - Other	-	-	-	-	-	-	-	-	-	-	-
125-060	Other - Comment	-	-	-	-	-	-	-	-	-	-	-
125	Accounts receivable - miscellaneous	-	-	-	-	-	-	-	-	-	-	-
126	Accounts receivable- tenants - dwelling rents	2	-	2	-	-	595	-	-	597	-	597
126.1	Allowance for doubtful accounts - dwelling rents	-	-	-	-	-	(30)	-	-	(30)	-	(30)
126.2	Allowance for doubtful accounts - other	-	-	-	-	-	-	-	-	-	-	-
127	Notes and mortgages receivable- current	-	-	-	-	-	-	-	-	-	-	-
128	Fraud recovery	-	-	-	-	-	-	-	-	-	-	-
128.1	Allowance for doubtful accounts - fraud	-	-	-	-	-	-	-	-	-	-	-
129	Accrued interest receivable	2	-	2	-	-	3	-	-	5	-	5
120	Total receivables, net of allowances for doubtful accounts	4	-	4	-	-	568	-	-	572	-	572
131	Investments - unrestricted	12,724	-	12,724	-	-	19,000	-	-	31,724	-	31,724
132	Investments - restricted	-	-	-	-	-	-	-	-	-	-	-
135	Investments - restricted for payment of current liabilities	-	-	-	-	-	-	-	-	-	-	-
142	Prepaid expenses and other assets	842	-	842	-	-	959	-	-	1,802	-	1,802
143	Inventories	350	-	350	-	-	504	-	-	854	-	854
143.1	Allowance for obsolete inventories	(35)	-	(35)	-	-	(50)	-	-	(85)	-	(85)
144	Interprogram - due from	33,897	-	33,897	-	-	-	-	-	33,897	(33,897)	-
145	Assets Held for Sale	-	-	-	-	-	-	-	-	-	-	-
146	Amounts to be provided	-	-	-	-	-	-	-	-	-	-	-
150	Total Current Assets	76,909	-	76,909	-	-	61,868	-	-	138,777	(33,897)	104,879
161	Land	9,700	-	9,700	-	-	51,855	-	-	61,555	-	61,555
162	Buildings	972,883	-	972,883	-	-	595,570	-	-	1,568,453	-	1,568,453
163	Furniture, equipment & machinery - dwellings	18,005	-	18,005	-	-	104,376	-	-	122,381	-	122,381
164	Furniture, equipment & machinery - administration	12,587	-	12,587	-	-	2,168	-	-	14,755	-	14,755
165	Leasehold improvements	-	-	-	-	-	-	-	-	-	-	-
166	Accumulated depreciation	(844,428)	-	(844,428)	-	-	(668,666)	-	-	(1,513,093)	-	(1,513,093)
167	Construction in Progress	-	-	-	-	-	-	-	-	-	-	-
168	Infrastructure	-	-	-	-	-	-	-	-	-	-	-
160	Total fixed assets, net of accumulated depreciation	168,748	-	168,748	-	-	85,303	-	-	254,051	-	254,051
171-010	Notes and mortgages receivable - non-current - Not for Profit	-	-	-	-	-	-	-	-	-	-	-
171-020	Notes and mortgages receivable - non-current - Partnership	-	-	-	-	-	-	-	-	-	-	-
171-030	Notes and mortgages receivable - non-current - Joint Venture	-	-	-	-	-	-	-	-	-	-	-
171-040	Notes and mortgages receivable - non-current - Tax Credit	-	-	-	-	-	-	-	-	-	-	-
171-050	Notes and mortgages receivable - non-current - Other	-	-	-	-	-	-	-	-	-	-	-
171-060	Other - Comment	-	-	-	-	-	-	-	-	-	-	-
171	Notes and mortgages receivable - non-current	-	-	-	-	-	-	-	-	-	-	-
172-010	Notes and mortgages receivable-non-current - past due - Not for Profit	-	-	-	-	-	-	-	-	-	-	-
172-020	Notes and mortgages receivable-non-current - past due - Partnership	-	-	-	-	-	-	-	-	-	-	-
172-030	Notes and mortgages receivable-non-current - past due - Joint Venture	-	-	-	-	-	-	-	-	-	-	-
172-040	Notes and mortgages receivable-non-current - past due - Tax Credit	-	-	-	-	-	-	-	-	-	-	-
172-050	Notes and mortgages receivable-non-current - past due - Other	-	-	-	-	-	-	-	-	-	-	-
172-060	Other - Comment	-	-	-	-	-	-	-	-	-	-	-
172	Notes and mortgages receivable-non-current - past due	-	-	-	-	-	-	-	-	-	-	-
173	Grants Receivable - Non Current	-	-	-	-	-	-	-	-	-	-	-
174-010	Other assets - Not for Profit	-	-	-	-	-	-	-	-	-	-	-

TX367 Housing Authority of the City of Kyle												
Financial Data Schedule												
June 30, 2015												
Line No	Account Description	Operations	Capital Fund	Subtotal	14.871 - Housing Choice Vouchers	14.182 - N/C S/A 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	Other assets	-	-	-	-	-	-	-	-	-	-	-
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	Investment in joint ventures	-	-	-	-	-	-	-	-	-	-	-
180	Total Noncurrent Assets	168,748	-	168,748	-	-	85,303	-	-	254,051	-	254,051
190	Total Assets	245,656	-	245,656	-	-	147,171	-	-	392,827	(33,897)	358,930

PHA Financials

TX367 Housing Authority of the City of Kyle Financial Data Schedule June 30, 2015												
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	825	-	825	-	-	859	-	-	1,684	-	1,684
313	Accounts payable > 90 days past due	-	-	-	-	-	-	-	-	-	-	-
321	Accrued wage/payroll taxes payable	740	-	740	-	-	806	-	-	1,546	-	1,546
322	Accrued compensated absences	1,645	-	1,645	-	-	2,114	-	-	3,759	-	3,759
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	-	-	-	-	-	-	-	-	-	-	-
332	Accounts Payable - PHA projects	-	-	-	-	-	-	-	-	-	-	-
333	Accounts payable - other government	4,490	-	4,490	-	-	-	-	-	4,490	-	4,490
341	Tenant security deposits	2,275	-	2,275	-	-	6,749	-	-	9,024	-	9,024
342-010	Deferred revenue - Operating Subsidy	-	-	-	-	-	-	-	-	-	-	-
342-020	Deferred revenue - Capital Fund	-	-	-	-	-	-	-	-	-	-	-
342-030	Deferred revenue - Other	60	-	60	-	-	-	-	-	60	-	60
342	Deferred revenue	60	-	60	-	-	13	-	-	73	-	73
343-010	CFFP	-	-	-	-	-	-	-	-	-	-	-
343-020	Capital Projects/Mortgage Revenue Bonds	-	-	-	-	-	-	-	-	-	-	-
343	Current portion of L-T debt - capital proj/mortgage rev bonds	-	-	-	-	-	18,063	-	-	18,063	-	18,063
344	Current portion of L-T debt - operating borrowings	-	-	-	-	-	-	-	-	-	-	-
345	Other current liabilities	-	-	-	-	-	-	-	-	-	-	-
346	Accrued liabilities - other	3,205	-	3,205	-	-	3,419	-	-	6,624	-	6,624
347	Interprogram - due to	-	-	-	-	-	33,897	-	-	33,897	(33,897)	-
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	13,239	-	13,239	-	-	65,920	-	-	79,159	(33,897)	45,261
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	-	-	-	-	-	368,532	-	-	368,532	-	368,532
352	Long-term debt, net of current - operating borrowings	-	-	-	-	-	-	-	-	-	-	-
353	Non-current liabilities- other	-	-	-	-	-	-	-	-	-	-	-
354	Accrued Compensated Absences - Non Current	2,728	-	2,728	-	-	4,329	-	-	7,057	-	7,057
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	2,728	-	2,728	-	-	372,861	-	-	375,589	-	375,589
300	Total Liabilities	15,967	-	15,967	-	-	438,780	-	-	454,747	(33,897)	420,850
508.1	Investment in Capital Assets, net of Related Debt	168,747	-	168,747	-	-	(301,291)	-	-	(132,545)	-	(132,545)
511.1	Restricted Net Assets	-	-	-	-	-	32,496	-	-	32,496	-	32,496
512.1	Unrestricted Net Assets	60,939	-	60,939	-	-	(22,815)	-	-	38,124	-	38,124
513	Total Equity	229,686	-	229,686	-	-	(291,611)	-	-	(61,925)	-	(61,925)
600	Total Liabilities and Equity	245,653	-	245,653	-	-	147,169	-	-	392,822	(33,897)	358,925

TX367 Housing Authority of the City of Kyle												
Financial Data Schedule												
June 30, 2015												
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
70300	Net tenant rental revenue	65,130	-	65,130	-	-	91,047	-	-	156,177	-	156,177
70400	Tenant revenue - other	1,884	-	1,884	-	1,054	1,054	-	-	3,992	-	3,992
70500	Total Tenant Revenue	67,014	-	67,014	-	1,054	92,101	-	-	160,169	-	160,169
70600-010	Housing assistance payments	-	-	-	-	-	-	-	-	-	-	-
70600-020	Ongoing administrative fees earned	-	-	-	-	-	-	-	-	-	-	-
70600-030	Hard to house fee revenue	-	-	-	-	-	-	-	-	-	-	-
70600-031	FSS coordinator	-	-	-	-	-	-	-	-	-	-	-
70600-040	Actual independent public accountant audit costs	-	-	-	-	-	-	-	-	-	-	-
70600-050	Total preliminary fees earned	-	-	-	-	-	-	-	-	-	-	-
70600-060	All other fees	-	-	-	-	-	-	-	-	-	-	-
70600-070	Admin fee calculation description	-	-	-	-	-	-	-	-	-	-	-
70600	HUD PHA Operating Grants	37,568	2,450	40,018	-	69,586	-	-	-	109,604	-	109,604
70710	Management Fee	-	-	-	-	-	-	-	-	-	-	-
70720	Asset Management Fee	-	-	-	-	-	-	-	-	-	-	-
70730	Book-keeping Fee	-	-	-	-	-	-	-	-	-	-	-
70740	Front Line Service Fee	-	-	-	-	-	-	-	-	-	-	-
70750	Other Fees	-	-	-	-	-	-	-	-	-	-	-
70700	Total Fee Revenue	-	-	-	-	-	-	-	-	-	-	-
70610	Capital Grants	-	862	862	-	-	-	-	-	862	-	862
70800	Other government grants	-	-	-	-	-	-	-	-	-	-	-
71100-010	Investment income - unrestricted - Housing assistance payments	-	-	-	-	-	-	-	-	-	-	-
71100-020	Investment income - unrestricted - Administrative fees	-	-	-	-	-	-	-	-	-	-	-
71100	Investment income - unrestricted	20	-	20	-	-	24	-	-	44	-	44
71200	Mortgage interest income	-	-	-	-	-	-	-	-	-	-	-
71300	Proceeds from Disposition of Assets Held for Sale	-	-	-	-	-	-	-	-	-	-	-
71310	Cost of Sale of Assets	-	-	-	-	-	-	-	-	-	-	-
71400-010	Fraud recovery - housing assistance payments	-	-	-	-	-	-	-	-	-	-	-
71400-020	Fraud recovery - administrative fees	-	-	-	-	-	-	-	-	-	-	-
71400	Fraud recovery	-	-	-	-	-	-	-	-	-	-	-
71500	Other revenue	-	-	-	-	-	-	-	-	-	-	-
71600	Gain or loss on sale of fixed assets	-	-	-	-	-	-	-	-	-	-	-
72000-010	Investment income - restricted - housing assistance payments	-	-	-	-	-	-	-	-	-	-	-
72000-020	Investment income - restricted - administrative fees	-	-	-	-	-	-	-	-	-	-	-
72000	Investment income - restricted	-	-	-	-	-	-	-	-	-	-	-
700	Total Revenue	104,601	3,312	107,913	-	70,640	92,125	-	-	270,678	-	270,678
91100	Administrative salaries	18,726	-	18,726	-	-	20,572	-	-	39,298	-	39,298
91200	Auditing fees	3,359	-	3,359	-	-	3,496	-	-	6,855	-	6,855
91300	Management fees	-	-	-	-	-	-	-	-	-	-	-
91310	Book-keeping fees	-	-	-	-	-	-	-	-	-	-	-
91400	Advertising and marketing	143	-	143	-	-	2,880	-	-	3,023	-	3,023
91500	Employee benefit contributions- administrative	5,027	-	5,027	-	-	5,479	-	-	10,506	-	10,506
91600	Office expenses	4,146	-	4,146	-	-	5,146	-	-	9,292	-	9,292
91700	Legal expenses	-	-	-	-	-	336	-	-	336	-	336
91800	Travel	1,338	-	1,338	-	-	1,337	-	-	2,675	-	2,675
91810	Allocated overhead	-	-	-	-	-	-	-	-	-	-	-
91900	Other	3,308	-	3,308	-	-	5,514	-	-	8,823	-	8,823
91000	Total Operating - Administrative	36,047	-	36,047	-	-	44,761	-	-	80,808	-	80,808
92000	Asset Management Fees	-	-	-	-	-	-	-	-	-	-	-
92100	Tenant services - salaries	-	-	-	-	-	-	-	-	-	-	-
92200	Relocation costs	-	-	-	-	-	-	-	-	-	-	-
92300	Employee benefit contributions- tenant services	-	-	-	-	-	-	-	-	-	-	-
92400	Tenant services - other	-	-	-	-	-	-	-	-	-	-	-
92500	Total Tenant Services	-	-	-	-	-	-	-	-	-	-	-
93100	Water	12,877	-	12,877	-	-	8,822	-	-	21,699	-	21,699
93200	Electricity	1,056	-	1,056	-	-	930	-	-	1,986	-	1,986
93300	Gas	601	-	601	-	-	231	-	-	832	-	832
93400	Fuel	-	-	-	-	-	-	-	-	-	-	-

TX367 Housing Authority of the City of Kyle Financial Data Schedule June 30, 2015												
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	5,699	-	5,699	-	-	4,525	-	-	10,224	-	10,224
93700	Employee benefit contributions- utilities	-	-	-	-	-	-	-	-	-	-	-
93800	Other utilities expense	-	-	-	-	-	-	-	-	-	-	-
93000	Total Utilities	20,233	-	20,233	-	-	14,509	-	-	34,742	-	34,742
94100	Ordinary maint and ops - labor	17,647	-	17,647	-	-	17,647	-	-	35,295	-	35,295
94200	Ordinary maint and ops - materials and other	4,536	-	4,536	-	-	6,402	-	-	10,937	-	10,937
94300-010	Ordinary maint and ops contracts - garbage and trash removal	5,437	-	5,437	-	-	7,753	-	-	13,190	-	13,190
94300-020	Ordinary maint and ops contracts - heating & cooling contracts	3,522	-	3,522	-	-	2,350	-	-	5,872	-	5,872
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	2,284	-	2,284	-	-	2,416	-	-	4,700	-	4,700
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	-	-	-	-	-	5,482	-	-	5,482	-	5,482
94300-090	Ordinary maint and ops contracts - extermination contracts	1,195	-	1,195	-	-	2,132	-	-	3,326	-	3,326
94300-100	Ordinary maint and ops contracts - janitorial contracts	-	-	-	-	-	-	-	-	-	-	-
94300-110	Ordinary maint and ops contracts - routine maintenance contracts	-	-	-	-	-	-	-	-	-	-	-
94300-120	Ordinary maint and ops contracts - misc. contracts	1,397	-	1,397	-	-	848	-	-	2,245	-	2,245
94300	Ordinary maintenance and operations contracts	13,834	-	13,834	-	-	20,981	-	-	34,815	-	34,815
94500	Employee benefit contributions- ordinary maintenance	6,860	-	6,860	-	-	7,370	-	-	14,231	-	14,231
94000	Total Operations and Maintenance	42,878	-	42,878	-	-	52,400	-	-	95,278	-	95,278
95100	Protective services - labor	-	-	-	-	-	-	-	-	-	-	-
95200	Protective services- other contract costs	-	-	-	-	-	-	-	-	-	-	-
95300	Protective services - other	-	-	-	-	-	-	-	-	-	-	-
95500	Employee benefit contributions- protective services	-	-	-	-	-	-	-	-	-	-	-
95000	Total Protective Services	-	-	-	-	-	-	-	-	-	-	-
96110	Property Insurance	1,634	-	1,634	-	-	1,841	-	-	3,476	-	3,476
96120	Liability Insurance	382	-	382	-	-	425	-	-	807	-	807
96130	Workmen's Compensation	962	-	962	-	-	1,073	-	-	2,035	-	2,035
96140	All Other Insurance	84	-	84	-	-	178	-	-	262	-	262
96000	Total Insurance Premiums	3,062	-	3,062	-	-	3,517	-	-	6,579	-	6,579
96200	Other general expenses	-	-	-	-	-	-	-	-	-	-	-
96210	Compensated absences	2,820	-	2,820	-	-	3,369	-	-	6,188	-	6,188
96300	Payments in lieu of taxes	4,490	-	4,490	-	-	-	-	-	4,490	-	4,490
96400	Bad debt - tenant rents	177	-	177	-	-	664	-	-	841	-	841
96500	Bad debt- mortgages	-	-	-	-	-	-	-	-	-	-	-
96600	Bad debt - other	-	-	-	-	-	-	-	-	-	-	-
96800	Severance expense	-	-	-	-	-	-	-	-	-	-	-
96000	Total Other General Expenses	7,486	-	7,486	-	-	4,033	-	-	11,519	-	11,519
96710	Interest on Mortgage (Bonds) Payable	-	-	-	-	-	31,742	-	-	31,742	-	31,742
96720	Interest on Notes Payable (Short and Long Term)	-	-	-	-	-	-	-	-	-	-	-
96730	Amortization of Bond Issue Costs	-	-	-	-	-	-	-	-	-	-	-
96700	Total Interest Expense and Amortization Cost	-	-	-	-	-	31,742	-	-	31,742	-	31,742
96900	Total Operating Expenses	109,706	-	109,706	-	-	150,962	-	-	260,668	-	260,668
97000	Excess Revenue Over Operating Expense	(5,105)	3,312	(1,793)	-	70,640	(58,837)	-	-	10,010	-	10,010
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	-	-	-	-	-	-	-	-	-	-	-
97300	Housing assistance payments	-	-	-	-	-	-	-	-	-	-	-
97150	HAP Portability-in	-	-	-	-	-	-	-	-	-	-	-
97400	Depreciation expense	28,900	-	28,900	-	-	6,166	-	-	35,066	-	35,066

TX367 Housing Authority of the City of Kyle												
Financial Data Schedule												
June 30, 2015												
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	-	-	-	-	-	-	-	-	-	-	-
90000	Total Expenses	138,606	-	138,606	-	-	157,128	-	-	295,734	-	295,734
10010	Operating transfers in	3,312	-	3,312	-	-	69,586	-	-	72,898	-	72,898
10020	Operating transfers out	-	(3,312)	(3,312)	-	(69,586)	-	-	-	(72,898)	-	(72,898)
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	-	-	-	-	-	-	-	-	-	-	-
10030	Operating transfers from/to primary government	-	-	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-	-	-
10100	Total other financing sources (uses)	3,312	(3,312)	-	-	(69,586)	69,586	-	-	-	-	-
10000	Excess (Deficiency) of Revenue Over (Under) Expenses	(30,693)	-	(30,693)	-	1,054	4,583	-	-	(25,056)	-	(25,056)
11020	Required annual debt principal payments	-	-	-	-	-	18,063	-	-	18,063	-	18,063
11030	Beginning equity	260,379	-	260,379	-	-	(296,195)	-	-	(35,816)	-	(35,816)
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	-	-	-	-	-	-	-	-	-	-	-
11040	Prior period adjustments, equity transfers, and correction of errors	-	-	-	-	-	-	-	-	-	-	-

TX367 Housing Authority of the City of Kyle												
Financial Data Schedule												
June 30, 2015												
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
11170-001	Administrative fee equity - beginning balance	-	-	-	-	-	-	-	-	-	-	-
11170-010	Administrative fee revenue	-	-	-	-	-	-	-	-	-	-	-
11170-020	Hard to house fee revenue	-	-	-	-	-	-	-	-	-	-	-
11170-021	FSS coordinator grant	-	-	-	-	-	-	-	-	-	-	-
11170-030	Audit costs	-	-	-	-	-	-	-	-	-	-	-
11170-040	Investment income	-	-	-	-	-	-	-	-	-	-	-
11170-045	Fraud recovery income	-	-	-	-	-	-	-	-	-	-	-
11170-050	Other revenue	-	-	-	-	-	-	-	-	-	-	-
11170-051	Comment for other revenue	-	-	-	-	-	-	-	-	-	-	-
11170-060	Total administrative fee revenue	-	-	-	-	-	-	-	-	-	-	-
11170-080	Total operating expenses	-	-	-	-	-	-	-	-	-	-	-
11170-090	Depreciation	-	-	-	-	-	-	-	-	-	-	-
11170-095	Housing assistance portability in	-	-	-	-	-	-	-	-	-	-	-
11170-100	Other expenses	-	-	-	-	-	-	-	-	-	-	-
11170-101	Comment for other expenses	-	-	-	-	-	-	-	-	-	-	-
11170-110	Total expenses	-	-	-	-	-	-	-	-	-	-	-
11170-002	Net administrative fees	-	-	-	-	-	-	-	-	-	-	-
11170-003	Administrative fee equity - ending balance	-	-	-	-	-	-	-	-	-	-	-
11170	Administrative Fee Equity											
11180-001	Housing assistance payments equity - beginning balance	-	-	-	-	-	-	-	-	-	-	-
11180-010	Housing assistance payments revenue	-	-	-	-	-	-	-	-	-	-	-
11180-015	Fraud recovery revenue	-	-	-	-	-	-	-	-	-	-	-
11180-020	Other revenue	-	-	-	-	-	-	-	-	-	-	-
11180-021	Comment for other revenue	-	-	-	-	-	-	-	-	-	-	-
11180-025	Investment income	-	-	-	-	-	-	-	-	-	-	-
11180-030	Total HAP revenues	-	-	-	-	-	-	-	-	-	-	-
11180-080	Housing assistance payments	-	-	-	-	-	-	-	-	-	-	-
11180-090	Other expenses	-	-	-	-	-	-	-	-	-	-	-
11180-091	Comment for other expenses	-	-	-	-	-	-	-	-	-	-	-
11180-100	Total housing assistance payments expenses	-	-	-	-	-	-	-	-	-	-	-
11180-002	Net housing assistance payments	-	-	-	-	-	-	-	-	-	-	-
11180-003	Housing assistance payments equity - ending balance	-	-	-	-	-	-	-	-	-	-	-
11180	Housing Assistance Payments Equity											
11190-210	Total ACC HCV Units	252	-	252	-	-	760	-	-	612	-	612
11190-220	Unfunded Units	-	-	-	-	-	-	-	-	-	-	-
11190-230	Other Adjustments	-	-	-	-	-	-	-	-	-	-	-
11190	Unit Months Available	252	-	252	-	-	690	-	-	612	-	612
11210	Unit Months Leased	243	-	243	-	-	510	-	-	553	-	553
11270	Excess Cash	62,511	-	62,511	-	-	-	-	-	62,511	-	62,511
11610	Land Purchases	-	-	-	-	-	-	-	-	-	-	-
11620	Building Purchases	5,719	862	6,581	-	-	-	-	-	6,581	-	6,581
11630	Furniture & Equipment - Dwelling Purchases	-	-	-	-	-	-	-	-	-	-	-
11640	Furniture & Equipment - Administrative Purchases	-	-	-	-	-	-	-	-	-	-	-
11650	Leasehold Improvements Purchases	-	-	-	-	-	-	-	-	-	-	-
11660	Infrastructure Purchases	-	-	-	-	-	-	-	-	-	-	-
13510	CFFP Debt Service Payments	-	-	-	-	-	-	-	-	-	-	-
13901	Replacement Housing Factor Funds	-	-	-	-	-	-	-	-	-	-	-

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510