

**ALABAMA ASSOCIATION OF HOUSING AND
REDEVELOPMENT AUTHORITIES**

Financial Statements

For the Year Ended September 30, 2016 and 2015

**ALABAMA ASSOCIATION OF HOUSING
AND REDEVELOPMENT AUTHORITIES**
Financial Statements
September 30, 2016

Independent Auditors' Report	1
Statement of Financial Position	2
Statement of Activities and Changes in Net Assets	3
Statement of Cash Flows	4
Notes to Financial Statements	5 - 6

YEAGER & BOYD

CERTIFIED PUBLIC ACCOUNTANTS

MEMBER AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
MEMBER ALABAMA ASSOCIATION OF CERTIFIED PUBLIC ACCOUNTANTS
MEMBER GOVERNMENT AUDIT QUALITY CENTER
QUALITY REVIEWED

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Alabama Association of Housing and Redevelopment Authorities

We have audited the accompanying financial statements of the Alabama Association of Housing and Redevelopment Authorities (AAHRA), which comprise the statement of financial position as of September 30, 2016, and the related statements of activities and changes in net assets, and cash flows for the year then ended, and the related notes to the financial statements. The financial statements of AAHRA as of September 30, 2015 were audited by other auditors whose report dated December 22, 2015 expressed an unmodified opinion on the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated 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 consolidated financial statements based on our audit. We conducted our audit in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 financial position of Alabama Association of Housing and Redevelopment Authorities as of September 30, 2016, and the changes in its net position and its cash flows for the year then ended in accordance with U.S. generally accepted accounting principles.

Yeager & Boyd
January 16, 2017
Birmingham, Alabama

ALABAMA ASSOCIATION OF HOUSING AND REDEVELOPMENT AUTHORITIES
STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30,

ASSETS	2016	2015
CURRENT ASSETS		
Cash - Unrestricted	\$ 304,548	\$ 324,830
Investments	107,540	105,638
Accounts Receivable	2,000	718
Prepaid Expenses	20	-
Interest Receivable	172	900
TOTAL ASSETS	\$ 414,280	\$ 432,086
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 1,440	\$ 1,488
Unearned Revenue	-	849
Total Current Liabilities	1,440	2,337
NET ASSETS		
Unrestricted Net Assets	412,840	429,749
Total Net Assets	412,840	429,749
TOTAL LIABILITIES AND NET ASSETS	\$ 414,280	\$ 432,086

See Independent Auditors' Report and notes to financial statements.

ALABAMA ASSOCIATION OF HOUSING AND REDEVELOPMENT AUTHORITIES
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED SEPTEMBER 30,

	<u>2016</u>	<u>2015</u>
OPERATING REVENUES		
Annual Meeting Revenues	\$ 162,290	\$ 160,045
Registration and Workshop Revenues	55,210	45,557
Membership Dues	68,970	70,736
Miscellaneous Income	220	-
Total Operating Revenues	<u>286,690</u>	<u>276,338</u>
OPERATING EXPENSES		
Annual Meeting Expense	177,106	138,149
Workshop Expense	55,965	36,984
Lobbying Expense	48,000	47,000
Administrative Expense	20,528	25,663
Donations	3,440	987
Total Operating Expenses	<u>305,039</u>	<u>248,783</u>
INCREASE (DECREASE) FROM OPERATIONS	<u>(18,349)</u>	<u>27,555</u>
OTHER REVENUES AND EXPENSES		
Interest Income	1,440	987
Total Other Revenues and Expenses	<u>1,440</u>	<u>987</u>
INCREASE (DECREASE) IN NET ASSETS	(16,909)	28,542
NET ASSETS, beginning of year	429,749	401,207
NET ASSETS, end of year	<u>\$ 412,840</u>	<u>\$ 429,749</u>

See Independent Auditors' Report and notes to financial statements.

ALABAMA ASSOCIATION OF HOUSING AND REDEVELOPMENT AUTHORITIES
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30,

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash Received from Operations	\$ 284,559	\$ 277,369
Cash Payments for Programs	(305,107)	(247,588)
Cash Payments for Scholarships and Awards	-	-
Net cash provided (used) by operating activities	<u>(20,548)</u>	<u>29,781</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Net cash provided (used) by non-capital financing activities	<u>-</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash Received on earnings from investments	2,168	136
Purchase of Investments	(1,902)	(107)
Net cash provided (used) by investing activities	<u>266</u>	<u>29</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	(20,282)	29,810
Cash and cash equivalents - beginning of year	<u>324,830</u>	<u>295,020</u>
Cash and cash equivalents - end of year	<u><u>\$ 304,548</u></u>	<u><u>\$ 324,830</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS)		
 TO CASH PROVIDED (USED) BY OPERATIONS:		
CASH FLOWS FROM OPERATING ACTIVITIES:		
Operating Income (Loss)	\$ (18,349)	\$ 27,555
Adjustments to reconcile net loss to net cash used by operating activities:		
Change in Accounts Receivable	(1,282)	182
Change in Accounts Payable	(48)	1,195
Change in Prepaid Expenses	(20)	-
Change in Deferred Revenue	(849)	849
Net cash provided by (used in) operating activities	<u><u>\$ (20,548)</u></u>	<u><u>\$ 29,781</u></u>

See Independent Auditors' Report and notes to financial statements.

**ALABAMA ASSOCIATION OF HOUSING
AND REDEVELOPMENT AUTHORITIES**
Notes to Financial Statements
September 30, 2016

Note 1 Summary of Significant Accounting Policies

Organization – Alabama Association of Housing and Redevelopment Authorities (AAHRA) is incorporated as a non-profit organization under the laws of the State of Alabama.

Nature of Activities – AAHRA is an organization of public housing authorities in the State of Alabama whose purpose is to improve the quality and management of assisted housing programs through seminars and workshops and the representation of public housing agencies to the Department of Housing and Urban Development.

AAHRA provides a number of program services to members. These services include: the presentation of educational sessions at annual membership meeting and training programs; research and analysis on federal housing issues; production of a newsletter; maintenance of an informational Internet website; the interpretation of the Department of Housing and Urban Development's regulations and policies.

AAHRA is guided by the Board of Directors with the management of business and affairs generally vested in the executive committee. Their principal funding sources consist of annual membership dues, conferences, seminars and workshop fees.

Method of Accounting – The financial statements are prepared using the accrual method of accounting.

Basis of Presentation – Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) ASC 958 formerly known as FASB No. 117, "Financial Statements of Not-for-Profit Organizations." Under FASB ASC 958, the AAHRA is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. AAHRA does not have any permanently restricted net assets.

Use of Estimates – The preparation of financial statements in conformity with generally accepted accounting principles includes the use of management's estimates that affect the financial statements. Accordingly, actual results could differ from those estimates.

**ALABAMA ASSOCIATION OF HOUSING
AND REDEVELOPMENT AUTHORITIES**
Notes to Financial Statements (continued)
September 30, 2016

Note 1 Summary of Significant Accounting Policies (continued)

Revenue Recognition – Revenue and expenses are recorded on the accrual basis. Membership dues, workshop and conference revenues are recorded as income in the period in which they are earned. Amounts that have been collected but not earned are recorded as deferred income.

Federal Income Tax – AAHRA is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

Cash and Cash Equivalents - For purposes of the statement of cash flows, cash equivalents include certificates of deposit with original maturities of three months or less.

Investments – Investments with an original maturity which exceeds 90 days when purchased are considered investments.

Accounts Receivable – AAHRA uses the allowance method to account for uncollectible accounts receivable. Receivables are reported net of any allowance for uncollectible accounts.

Contributions – All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for a specific purpose are reported as temporarily restricted or permanently restricted support that increases those net asset classes. However, if a restriction is fulfilled in the same time period in which the contribution is received, the organization reports the support as unrestricted.

Note 2 Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. All costs have been allocated to the programs benefited.

Note 3 Commitments and Contingencies

AAHRA receives a substantial amount of its support from its members. A significant reduction in the level of this support, if this were to occur, may have an effect on the programs and activities.

Note 4 Subsequent Events

In preparing financial statements, management evaluated subsequent events through January 16, 2017, the date the financial statements were issued.