

GAINESVILLE HOUSING AUTHORITY
Gainesville, Florida

**REPORT ON AUDIT OF BASIC FINANCIAL STATEMENTS,
SUPPLEMENTAL INFORMATION AND SINGLE AUDIT**

FOR THE YEAR ENDED MARCH 31, 2009

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MALCOLM JOHNSON & COMPANY, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

P.O. Box 530848

210 N. Highway 17-92

DeBary, Florida 32753-0848

Phone (386) 668-6464 Fax (386) 668-6463

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Gainesville Housing Authority
Gainesville, Florida

HUD, Jacksonville Area Office
Office of Public Housing
301 W. Bay Street, Suite 2200
Jacksonville, Florida 32202

We have audited the basic financial statements of the Gainesville Housing Authority ("the Authority") as of and for the year ended March 31, 2009, as listed in the table of contents. These basic financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

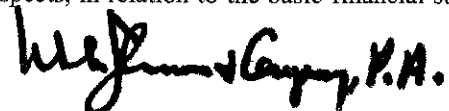
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and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

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of March 31, 2009, and the changes in financial position and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 18, 2009, on our consideration of the Authority'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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*, and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis as detailed in this Report, is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries made of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of the Authority. The supplemental information as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



Malcolm Johnson & Company, P.A.
Certified Public Accountants

DeBary, Florida
September 18, 2009

GAINESVILLE HOUSING AUTHORITY
Gainesville, Florida

MANAGEMENT DISCUSSION & ANALYSIS
MARCH 31, 2009

Our Discussion and Analysis of the Gainesville Housing Authority's (GHA) financial performance provides the reader with an overview to GHA's financial activities for the fiscal year ended March 31, 2009. The information contained in this Discussion and Analysis should be considered in conjunction with GHA's basic financial statements.

Financial Highlights

GHA manages the 400 Building (101 units) and Seminary Lane (53 units), which are both Section 8 New Construction Projects owned by Gainesville Florida Housing Corporation, Inc., a component unit of GHA. In addition, GHA owns and manages 635 Public Housing units and is authorized up to 1227 Section 8 Vouchers.

On August 22, 2007, the Gainesville Florida Housing Corp, Inc. refinanced the outstanding bonds on the 400 Building, by paying off the remaining balance on the bonds of \$645,000, plus accrued interest in the amount of \$10,781.35. In addition, some of the proceeds from the refinance were used to satisfy the remaining mortgage balance on Seminary Lane in the amount of \$177,413.81. Due to financial considerations, at the end of May 2009, Seminary Lane was closed and the remaining residents (51) received Section 8 Vouchers to relocate.

The current year financial statements have been prepared using GASB 34. Under GASB 34, the Net Assets section of the Balance Sheet will reflect three equity accounts: 1) **Net Assets Invested in Capital Assets net of Related Debt**, which equals fixed assets net of accumulated depreciation and net of debt related to those assets; 2) **Restricted Net Assets**, which equals equity related to any restricted assets that are not capital in nature; 3) **Unrestricted Net Assets**, which basically equals liquid assets.

Using this Annual Report

This annual report consists of Management's Discussion and Analysis (MD&A), the basic financial statements and notes to the financial statements. The MD&A provides a narrative of GHA's financial performance and activities for the year ended March 31, 2009. The basic statements provide readers with a broad overview of GHA's finances. The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

The basic financial statements consist of three statements:

The **Statement of Net Assets** presents information on all GHA's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial situation of GHA is improving.

The **Statement of Revenues, Expenses, and Changes in Net Assets** represents information showing how GHA's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing related to cash flows. Certain revenues and expenses are reported in this statement that will result in cash flows in future periods.

The **Statement of Cash Flows** presents information showing how GHA's cash changed during the most recent fiscal year. It shows the sources and uses of cash.

GAINESVILLE HOUSING AUTHORITY
Gainesville, Florida

MANAGEMENT DISCUSSION & ANALYSIS
MARCH 31, 2009
(Continued)

Housing Authority Activities and Highlights

Making Customer Service a High Priority

GHA is responsible for 635 units of public housing which include families along with elderly and disabled residents. In May 2009, GHA will reduce its inventory of Project-based Section 8 New Construction by 53 units. For the fiscal year ended March 31, 2009, GHA was responsible for managing 154 units of Project-based Section 8 New Construction. In addition, GHA has a Section 8 Housing Choice Voucher Program that is authorized for up to 1,227 vouchers in GHA's area of operation. GHA is consistently striving to improve its service delivery while continuing to efficiently manage its \$12.6 million dollar annual operating budget.

Our client base is very diverse. The average public housing family receiving assistance is headed by an African-American, single female with an average of 1.04 children. The average family has an income of \$9,425 per year. Approximately 54% of all clients are elderly (age 62 or older) or are persons with a disability(ies). The average tenant rent is \$214 per month, which may include utilities. Efforts to reach persons least likely to apply for public housing are continuing via radio, newsletters, newspapers, flyers, festivals and expos. The targeted population includes Native Americans, Asians, Pacific Islanders, Hispanics and Whites.

The participants in the Housing Choice Voucher Program (Section 8) come from diverse backgrounds whose households are, on average, headed by a single, African-American female, under the age of 40. The average family's annual income is \$12,139 with an average tenant rent of \$263. GHA's Section 8 Housing Choice Voucher staff is committed to ensuring that all income that is received in a household is being reported under the rental integrity program. There are approximately 600 landlords participating on the program.

From screening and housing applicants to issuing vouchers, to handling landlord and tenant concerns, GHA puts the customer first. Training and customer service is on-going and GHA is always seeking ways to improve its delivery of services.

For the fiscal year 2009, GHA earned 135 points out of 145 points on the SEMAP, earning the overall score of 93%, which is considered high performance.

GHA continues to use the Enterprise Income Verification (EIV) System to assist with the calculation of rent and verification of income.

Partnerships Key To Agency Success

The Family Self-Sufficiency Program (FSS):

From October 1995, to the present, GHA's Family Self-Sufficiency Program participants have benefited tremendously from the partnerships formed with various Support Service Agencies.

The community resources enable GHA to provide the necessary services without being the provider of these services. Overall, the agencies represent a true commitment to the economic independence and upward mobility of the individuals and families they serve. Clients are referred to the agencies staff feel will benefit the most.

GAINESVILLE HOUSING AUTHORITY
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MANAGEMENT DISCUSSION & ANALYSIS
MARCH 31, 2009
(Continued)

Community resources cover numerous agencies that represent support services such as employment, education, homeownership counseling, financial management, health care, mental health care, vocational rehabilitation, entrepreneurships, and a host of other resources, etc., vital to the success of the program participants.

Family Self Sufficiency (FSS) Program:

Effective August 31, 2009, GHA's Family Self Sufficiency Program will graduate the remaining seven (7) program participants who have all successfully completed their Contracts of Participation. Five (5) of the graduates are Section 8 housing recipients and two (2) are public housing residents. Four of the graduates are employed full-time and are working on their goals to become homeowners. Two of the graduates are attending Santa Fe College and are working part-time in their field. One graduate, who is currently a Licensed Practical Nurse, is attending Santa Fe College full-time to become a Registered Nurse.

Gainesville Police Department:

GHA continues its relationship with the Gainesville Police Department. The officers provide a valuable service to GHA by reviewing all public housing applications, securing background checks, conducting surveillance in all communities, reporting suspected criminal activity, making arrests for illegal criminal activity, following up on concerns of staff, referring potential applicants to GHA, as well as providing other services.

On a weekly basis, officers meet with the public housing staff to exchange information, plan activities and develop strategies to reduce crime. As a result of this on-going partnership, GHA has been able to effectively screen all new housing applicants for criminal propensities, resulting in safer and more secure communities for all GHA residents.

Santa Fe Community College:

Santa Fe Community College (SFCC) affords GHA residents, Section 8 clients, and FSS Participants the opportunity to receive training and post secondary educational opportunities and earn an AS or AA Degree from a two year program funded by the Gainesville Housing Authority/Jack McGriff Memorial Scholarship Program. GHA initiated the scholarship program with SFCC in 1992. The applicant must have a high school degree/GED, demonstrate proficiency to maintain an overall Grade Point Average of 2.0 once in the program, have a strong letter of recommendation from an agency or an individual, and have participated or agree to participate in a community service project or have performed volunteer work.

Besides the scholarship program, SFCC offers the Work Exploration Center, which provides employment services for individuals with disabilities; the Youth Employment Services (YES) Program, provides employment services for high school students who are college bound, while exploring various employment opportunities that could be a career choice. The Displaced Homemaker's Program is designed for women age thirty-five plus who are entering or re-entering the employment field. This is an empowerment program designed to emphasize personal growth and development, employability skills, career exploration, and group support.

GAINESVILLE HOUSING AUTHORITY
Gainesville, Florida

MANAGEMENT DISCUSSION & ANALYSIS
MARCH 31, 2009
(Continued)

Homeownership Opportunities:

The agencies that provide homeownership opportunities for the Family Self Sufficiency Participants are: The City of Gainesville Housing Division, Alachua County Habitat for Humanity and Neighborhood Housing and Development Corporation. Each of the agencies provide supportive housing counseling, basic money management training, credit review and analysis, opportunities to receive down payment and closing cost assistance, and financial assistance to purchase new or existing housing.

The ROSS Grant provided services for over 200 elderly/disabled residents at three sites: Oak Park, Sunshine Park and Woodland Park. Services included case management, occasional congregate meals, transportation to special events, referral services, and wellness programs, educational and recreational activities.

GHA's ROSS partners include: University of Florida College of Nursing and College of Medicine, DANCE ALIVE, University of Florida Shands Eastside Community Practice, Alachua County Health Department, Florida Department of Children and Families, Santa Fe Community College, Florida Works, Gainesville Police Department, Three Rivers Legal Services, Black on Black Crime Task Force, Life's Gateway Ministry, Corner Drug Store, Inc, Girl Scouts of Gateway Council, CWA Local Union 3170, Senior and Law Enforcement Together (SALT), Gamma Eta Sorority, Pi Lambda Phi Fraternity and several local community churches.

VETPORT is a HUD funded Shelter Plus Care Program that serves homeless veterans with chronic substance abuse or mental health issues. GHA operates this program in partnership with the Healthcare for Homeless Veterans and the Alachua County Coalition for the Homeless and Hungry. The VETPORT grant served on the average of 18 homeless veterans during the year.

PATH is a HUD funded Shelter Plus Care Program that provides housing and support services for homeless women with chronic substance abuse problems and their families. GHA operates this program in partnership with Meridian Behavior Healthcare, Incorporated, a 501 (c)(3) that provides a wide range of mental health and addiction treatment services. A total of 57 homeless persons were served in the last year (18 adult women, 33 children and 6 adult men). (Both VetPort and PATH have been extended for an additional 12 months).

HUD-VASH is a HUD funded Voucher Program that combines HUD HCV rental assistance for homeless veterans with case management and clinical services provided by the Department of Veterans Affairs (VA) at its medical centers and in the community. GHA has served 67 veterans in the last year (34 under lease, 10 searching, 16 ports, and 7 expired vouchers).

Children in Need of Services/Families in Need of Services (CINS/FINS):

The CINS/FINS program is funded by a contract between the Florida Network of Youth and Family Services and the Corner Drug Store (CDS). In partnership with the Black on Black Crime Task Force (BBCTF), GHA and BBCTF act as sub-contractors for CDS to provide for grant administration, services provided, and case management. The services provided are available to runaways, truant, and ungovernable youth sixteen (16) years of age or younger and their families. Prevention resources are directed at youth who are most at-risk and more likely to become delinquent. The program started in October 2004.

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MANAGEMENT DISCUSSION & ANALYSIS
MARCH 31, 2009
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GHA Operates Under Asset Management:

Just prior to the start of the new fiscal year on April 1, 2008, GHA implemented our reorganization to Project Based Management and Accounting with the reassignment of personnel, equipment and responsibilities to the new AMP Managers. Quite a lot of planning went into the transition so that when we went to bed on March 31, 2008, and woke up on April 1, 2008, the transition appeared seamless to most users and employees. The first year under Asset Management was a year for learning, experimenting, making changes and loaded with surprises. Software was upgraded during the fiscal year resulting in increased functionality for all users. With additional capabilities, the financial statements and reports were changed to meet the additional requirements related to Asset Management.

GHA realizes the important role that technology plays in an agency's ability to run effectively and efficiently under Asset Management. As was previously mentioned, because of the added requirements placed on GHA due to Asset Management, GHA purchased a new software package that will better meet the reporting requirements of Asset Management for tomorrow and for many years in the future. This new software package replaced our old software which we had used for the last 19 years. To help improve our efficiency, our goal each year, if funding is available, is to replace several of our older PC's, with newer versions complete with Windows Business Professional or better. Between the software upgrade and our continued effort to upgrade our older PC's, we hope to meet the added burden of Asset Management, Administration and Reporting with the same number of employees as in earlier years.

GHA uses an IBM AS400 processor networked to each employee's PC for all Housing Authority software. The new software purchased to replace our old housing authority software, is currently operational for all packages purchased.

Financial Operations Highlights

Total Assets decreased from \$10,369,277 to \$10,255,108, a decrease of \$114,169. Current Assets (primarily Cash and Investments) were used to extinguish Liabilities which resulted in a substantial decrease in both current and long term liabilities. (See schedules that detail both **Capital Assets** and **Debt Administration**). Capital Assets decreased by \$147,491. This was due primarily to; a charge to current operations for depreciation in the amount of \$905,673, the transfer of fixed assets in the amount of \$618,977, an increase in the balance of the Capital Fund of \$134,058 and the purchase of other fixed assets thru the normal course of business in the amount of \$5,146.

GAINESVILLE HOUSING AUTHORITY
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MANAGEMENT DISCUSSION & ANALYSIS
MARCH 31, 2009
(Continued)

	<u>March 31, 2009</u>	<u>March 31, 2008</u>	<u>Change</u>
Assets:			
Current assets	\$ 4,183,298	\$ 4,148,726	\$ 34,572
Other assets	129,906	131,155	(1,249)
Capital assets	<u>5,941,904</u>	<u>6,089,396</u>	<u>(147,492)</u>
Total Assets	<u>10,255,108</u>	<u>10,369,277</u>	<u>(114,169)</u>
Liabilities:			
Current liabilities	550,611	800,479	(249,868)
Noncurrent liabilities	<u>1,507,557</u>	<u>1,534,414</u>	<u>(26,857)</u>
Total Liabilities	<u>2,058,168</u>	<u>2,334,893</u>	<u>(276,725)</u>
Total Net Assets	<u>\$ 8,196,940</u>	<u>\$ 8,034,384</u>	<u>\$ 162,556</u>
Net Assets:			
Investment in Capital Assets	\$ 4,618,071	\$ 4,739,332	\$(121,261)
Restricted net assets	473,462	524,292	(50,830)
Unrestricted net assets	<u>3,105,407</u>	<u>2,770,760</u>	<u>334,647</u>
Total Net Assets	<u>\$ 8,196,940</u>	<u>\$ 8,034,384</u>	<u>\$ 162,556</u>

Financial Position and Results of Operations

GHA's net assets increased from \$8,034,384 in 2008 to \$8,196,940 in 2009. HUD PHA Operating Grants increased by \$1,372,555 due primarily to the increase in funding for Section 8 Vouchers in the amount \$378,524, VASH funding of \$374,559 and an increase in Public Housing operating subsidy in the amount of \$340,050. Total Operating Expense increased by \$2,006,532, which can be attributed to an increase in the cost of Housing Assistance Payments to residents and landlords, Administrative Costs, and for the increasing cost of energy. During the current fiscal year, utility costs totaled approximately \$1,300,200 which is an increase of \$192,346 from the prior year. Though the total consumption did not change that much, the cost of an individual unit of energy was much higher. Housing Assistance Payments to landlords and residents increased this year by \$1,259,451. This is the direct result of increasing energy costs and the increasing high unemployment rate. Public Housing still has a high vacancy rate due to an ongoing Capital Improvement program. The vacancy rate should be reduced by the end of our next fiscal year.

GAINESVILLE HOUSING AUTHORITY
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MANAGEMENT DISCUSSION & ANALYSIS
MARCH 31, 2009
(Continued)

	Fiscal Year End March 31,	
	<u>2009</u>	<u>2008</u>
Revenue		
Tenant revenue	\$ 1,772,141	\$ 1,845,744
Other revenue	<u>125,910</u>	<u>133,129</u>
Total Operating Income	<u>1,898,051</u>	<u>1,978,873</u>
Expenditures		
Administration	2,053,720	1,834,692
Tenant services	626,519	463,594
Utilities	1,300,203	1,107,854
Ordinary maintenance	1,491,786	1,276,987
Protective services	5,494	3,590
General expense	446,147	487,501
HAP payments	7,756,256	6,496,805
Depreciation	905,673	971,843
Other operating expenses	<u>64,450</u>	<u>850</u>
Total Operating Expenses	<u>14,650,248</u>	<u>12,643,716</u>
Operating income	<u>(12,752,197)</u>	<u>(10,664,843)</u>
Nonoperating Revenue (Expenses)		
Other government grants	57,317	-
Government operating grants	12,124,887	10,752,332
Interest expense	(106,514)	(92,189)
Capital grants	753,035	488,401
Interest income	84,383	77,493
Sale of Capital Assets	<u>1,645</u>	<u>-</u>
Total Nonoperating Revenues	<u>12,914,753</u>	<u>11,226,037</u>
Change in net assets	162,556	561,194
Total net assets, beginning of year	<u>8,034,384</u>	<u>7,473,190</u>
Total Net Assets, end of year	<u>\$ 8,196,940</u>	<u>\$ 8,034,384</u>

GAINESVILLE HOUSING AUTHORITY
Gainesville, Florida

MANAGEMENT DISCUSSION & ANALYSIS
MARCH 31, 2009
(Continued)

Capital Assets

Capital Assets are the largest asset reflected on GHA's statement of net assets. The following is a summary of changes in capital assets owned by GHA for the Fiscal Year ended March 31, 2009:

Total Fixed Assets net of Depreciation Mar 31, 2008	\$ 6,089,396
Total Fixed Assets net of Depreciation Mar 31, 2009	<u>5,941,904</u>
Net decreased in Total Fixed Assets	<u>\$(147,492)</u>

Analysis of Change in Total Capital Assets:

Capital Assets Capital Fund March 31, 2008	\$ 782,809
Addition to Capital Fund current year	753,033
Capital Assets projects completed	<u>(618,978)</u>
Capital Assets Capital Fund March 31, 2009	<u>916,866</u>
Net increase in Capital Fund for current year	134,057
Write off of fixed assets	(1,461,224)
Capital Fund completed projects	618,978
Purchase of Fixed Assets in the normal course of Business	5,146
Decrease in total Accumulated Depreciation	<u>555,551</u>
Net Change in Total Fixed Assets	<u>\$(147,492)</u>

Debt Administration

The largest liability of GHA consists of the conventional mortgage with M&S Bank of Gainesville for the refinance of the original bonds issued in 1977, for the construction of The 400 Building. Both The 400 Building and Seminary Lane are owned by the Gainesville Florida Housing Corp. Inc., a component unit of the Gainesville Housing Authority. The following is a table of outstanding revenue bonds and Mortgage balances as of March 31, 2009:

In Thousands				
	Purpose of Issue	Amount Issued	Amount Outstanding	Interest Rates
8/22/2007 Mortgage				
Mortgage-400 Building	Refinance	\$ 1,400.0	\$ 1,347	7.00% 12 Mo 7.25% 48 Mo

There were no bonds outstanding at March 31, 2009. New financing for \$1.4 million on The 400 Building was secured August 22, 2007, with a 5 year balloon.

GAINESVILLE HOUSING AUTHORITY
Gainesville, Florida

MANAGEMENT DISCUSSION & ANALYSIS
MARCH 31, 2009
(Continued)

Long Term Debt:

The 400 Building

Mortgage Payable at March, 31, 2008	\$ 1,381,071
Principle payments during current year	<u>33,777</u>

Mortgage Payable at March 31, 2009	<u>\$ 1,347,294</u>
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Seminary Lane

Mortgage Payable at March 31, 2009	<u>\$ -0-</u>
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Loan Amortization-400 Building-1.4 Million Mortgage:

	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>BALANCE</u>
FYE 03/31/2009	\$ 33,777	\$ 106,514	\$ 1,347,294
FYE 03/31/2010	39,384	96,387	1,307,910
FYE 03/31/2011	42,336	93,435	1,265,574
FYE 03/31/2012	45,510	90,262	1,220,064
FYE 03/31/2013	1,220,064	29,340	-

The Gainesville Florida Housing Corp. Inc. refinanced the balance of the bonds outstanding on the 400 Building on August 22, 2007. The new mortgage on The 400 Building is in the amount of \$1,400,000 at approximately 7/7.25% with a 20 year amortization, and a balloon at the end of 5 years. This substantially reduced the monthly mortgage payment. In addition, proceeds from the refinance were also used to pay off the balance of the mortgage on Seminary Lane in the amount of \$177,413.81.

Capital Fund Program

GHA is currently in a capital fund program. During the current year, expenditures were made for handicap renovations, peeling paint, electrical system repairs at Oak Park, roof replacement, and administrative costs.

Voluntary Compliance Agreement (VCA): During May 16-20, 2005, HUD conducted a compliance review of GHA's public housing program and its multi-family project-based Section 8 (The 400/Seminary Lane) housing programs. This review included a Fair Housing/Equal opportunity Assessment of program operations. The review concluded there were deficiencies related to physical accessibility of housing units and common areas, as well as deficiencies in operational policies and procedures. GHA acknowledged the findings and consented to negotiating a Voluntary Compliance Agreement (VCA). During the period of negotiations HUD restricted the use of capital funds and ROSS grant funds. In November 2007, HUD and GHA reached an agreement on the terms of the VCA for the public housing and multi-family housing programs.

The VCA was formally signed on January 17, 2008. Capital funds and ROSS grant funding was restored. The VCA covers a six year period with requirements for GHA to amend its operational policies and procedures for Fair Housing/Equal Opportunity compliance plus renovate common areas, office buildings and housing units for full accessibility (32 public housing units of various bedroom sizes and six multi-family units at The 400 [all one bedroom]). GHA is proceeding with meeting VCA compliance issues at this time.

GAINESVILLE HOUSING AUTHORITY
Gainesville, Florida

MANAGEMENT DISCUSSION & ANALYSIS
MARCH 31, 2009
(Continued)

Subsequent Events:

Seminary Lane Closing

Gainesville Florida Housing Corporation, Inc. (component unit)

Result of Operations:

	<u>400 Bldg</u>	<u>Seminary Lane</u>
Rental Income	\$ 266,270	\$ 35,523
Operating Grants	395,167	239,716
Other Income	<u>19,404</u>	<u>4,498</u>
Total Income	<u>680,841</u>	<u>279,737</u>
Expenditures	793,184	317,611
Excess (deficiency) of Revenue Over (under) Expense	<u>\$(112,343)</u>	<u>\$(37,874)</u>

At the end of May 2009, Seminary Lane was closed. For the subsequent year, Seminary Lane will collect rents and HUD Operating Grants thru May 2009 only. Most expenditures should stop. However, unknown at this time, is the cost of demolition and any other costs associated with closing the project.

The 400 Building has an on-going problem with the cost of fighting mold and mildew. In addition, under the VCA, as discussed elsewhere, The 400 Building is required to update 6 units, to make them handicap accessible. The cost for this renovation is not known at this time, but is expected to cost several hundred thousand dollars, before it is done.

Stimulus Grant (ARRA)

GHA was awarded \$1,289,269 in stimulus money. Most of this money will be used to paint and seal the exterior of Oak Park, a 101 unit high rise building; handicap renovations; and roof repairs at Sunshine Park.

Request for Information

This financial report is designed to provide a general overview of GHA'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:

Gainesville Housing Authority
Attn: William D. Cochran, Accounting Manager
PO Box 1468
Gainesville, Fl 32602

GAINESVILLE HOUSING AUTHORITY
Gainesville, Florida

STATEMENT OF NET ASSETS
MARCH 31, 2009

ASSETS

Current assets

Cash and cash equivalents, unrestricted	\$ 3,156,504
Cash and cash equivalents, restricted	673,613
Accounts receivable, net of allowance	17,222
Due from other governments	239,469
Inventories, net of obsolescence	71,867
Prepaid expenses	24,623
Total current assets	4,183,298

Noncurrent assets

Other assets

Unamortized loan costs	129,906
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Capital assets

Not being depreciated	1,587,218
Depreciable, net	4,354,686

Total capital assets, net	5,941,904
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Total noncurrent assets	6,071,810
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Total assets

10,255,108

LIABILITIES

Current liabilities

Vendors and contractors payable	284,006
Accrued compensated absences	17,959
Accrued interest payable	2,243
Due to other governments	40,277
Prepaid rents	4,609
Notes and bonds payable	39,456
Total current liabilities	388,550

Current liabilities payable from restricted assets

Resident security deposits	162,061
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Noncurrent liabilities

Notes and bonds payable	1,307,838
Accrued compensated absences	161,629
FSS escrows	38,090
Total noncurrent liabilities	1,507,557

Total liabilities

2,058,168

NET ASSETS

Invested in capital assets	4,618,071
Restricted	473,462
Unrestricted	3,105,407
Total net assets	\$ 8,196,940

The accompanying notes are an integral part of these basic financial statements.

GAINESVILLE HOUSING AUTHORITY
Gainesville, Florida

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2009

Operating revenues	
Rental revenue	\$ 1,707,045
Other governmental grants	57,317
Other revenue	65,097
Total operating revenues	<u>1,829,459</u>
Operating expenses	
Administrative	2,053,721
Tenant services	626,520
Utilities	1,300,203
Ordinary maintenance & operation	1,491,786
Protective services	5,494
Insurance	291,608
General expenses	154,539
Housing assistance payments	7,756,256
Depreciation	905,673
Total operating expenses	<u>14,585,800</u>
Operating loss	<u>(12,756,341)</u>
Nonoperating revenues (expenses)	
HUD grants	12,124,887
Interest revenue, unrestricted	82,908
Interest revenue, restricted	1,475
Interest expense	(106,514)
Fraud recovery	113,495
Other revenue	12,415
Other expense	(64,450)
Gain/(loss) on disposition of capital assets	1,645
Total nonoperating revenues	<u>12,165,861</u>
Loss before contributions	<u>(590,480)</u>
Capital contributions	<u>753,035</u>
Increase in net assets	<u>162,555</u>
Net assets, beginning of year, restated	<u>8,034,385</u>
Net assets, end of year	<u><u>\$ 8,196,940</u></u>

The accompanying notes are an integral part of these basic financial statements.

GAINESVILLE HOUSING AUTHORITY
Gainesville, Florida

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2009

Cash Flows From Operating Activities	
Receipts from dwelling rentals	\$ 1,707,472
Other receipts	248,612
Payments to employees and suppliers	(6,035,249)
Payments to landlords	(7,756,256)
Net cash used by operating activities	<u>(11,835,421)</u>
 Cash Flows From Noncapital Financing Activities	
Operating grants	<u>11,914,467</u>
 Cash Flows From Capital and Related Financing Activities	
Capital contributions	753,035
Purchases of capital assets	(758,181)
Proceeds from disposals of capital assets	1,646
Principal paid on capital debt	(33,777)
Interest paid on capital debt	(106,491)
Net cash used by capital and related financing activities	<u>(143,768)</u>
 Cash Flows From Investing Activities	
Interest	<u>84,383</u>
Net cash provided by investing activities	<u>84,383</u>
 Net increase in cash and cash equivalents	 19,661
Balance - beginning of the year	<u>3,810,456</u>
Balance - end of the year	<u>\$ 3,830,117</u>
 Reconciliation of Cash Flows to Statement of Net Assets	
Cash and cash equivalents, unrestricted	\$ 3,156,504
Cash and cash equivalents, restricted	673,613
	<u>\$ 3,830,117</u>

There are no non-cash transactions.

GAINESVILLE HOUSING AUTHORITY
Gainesville, Florida

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2009
(Continued)

Reconciliation of Net Operating Loss to
Net Cash Used By Operating Activities

Operating loss	\$ (12,756,341)
Adjustments to reconcile net operating loss to net cash used by operating activities:	
Depreciation elimination	905,673
Increase in accounts receivable	(4,568)
Increase in inventory	(7,154)
Increase in prepaid expenses	(6,240)
Increase in other assets	1,249
Decrease in security deposits	4,995
Decrease in accounts payable	(13,331)
Decrease in accrued wages	(881)
Decrease in compensated absences	4,430
Decrease in accrued liabilities	(25,001)
Decrease in deferred credits	288
Fraud recovery, other revenue, other expense and transfers to other entities reported as nonoperating	61,460
Net cash used by operating activities	<u>\$ (11,835,421)</u>

The accompanying notes are an integral part of these basic financial statements.

GAINESVILLE HOUSING AUTHORITY
Gainesville, Florida

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2009

A - Summary of Significant Accounting Policies and Organization:

1. **Organization:** Gainesville Housing Authority ("the Authority") is a public body corporate and politic pursuant to the Chapter 421 Laws of the State of Florida which was organized to provide low rent housing for qualified individuals in accordance with the rules and regulations prescribed by the U.S. Department of Housing and Urban Development (HUD) and other Federal Agencies.
2. **Reporting Entity:** In determining how to define the reporting entity, management has considered all potential component units. The decision to include a component unit in the reporting entity was made by applying the criteria set forth in Section 2100 and 2600 of the *Codification of Governmental Accounting and Financial Reporting Standards and Statement No. 14, (amended) of the Governmental Accounting Standards Board: The Financial Reporting Entity*. These criteria include manifestation of oversight responsibility including financial accountability, appointment of a voting majority, imposition of will, financial benefit to or burden on a primary organization, financial accountability as a result of fiscal dependency, potential for dual inclusion, and organizations included in the reporting entity although the primary organization is not financially accountable. Based upon the application of these criteria, the reporting entity has the component units.
 - Leased Housing of Gainesville
 - Gainesville, Florida Housing Corporation

These component units have been blended for financial statement presentation as the Business Activities (Component Unit #1) and Section 8 New Construction (Component Unit #2) columns of the combining financial schedules.

3. **Summary of HUD Programs:** The accompanying financial statements consist of the activities of the housing programs subsidized by HUD. A summary of each of these programs and the related contracts with HUD is provided below.
 - a. **Annual Contributions Contract A-3327**
 - 1) **Low Rent Public Housing:** This type of housing consists of apartments and single-family dwellings owned and operated by the Authority. Funding is provided by tenant rent payments and subsidies provided by HUD.
 - 2) **Modernization and Development:** Substantially all additions to land, buildings, and equipment are accomplished through the Development Program, Comprehensive Grant Program or Capital Fund Program. These programs add to, replace or materially upgrade deteriorated portions of the Authority's housing units. Funding is provided through programs established by HUD.
 - 3) **Resident Opportunity and Supportive Services Program (ROSS):** The Authority will provide supportive services to its elderly and disabled housing residents in order to enhance their quality of life and to enable residents to maintain their independence as long as possible. Services will include a wellness program, transportation, congregate meals, housekeeping aid, employment assistance, recreational activities and case management.

GAINESVILLE HOUSING AUTHORITY
Gainesville, Florida

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2009
(Continued)

A - Summary of Significant Accounting Policies and Organization: (Continued)

3. Summary of HUD Programs: (Continued)

a. Annual Contributions Contract A-3327 (Continued)

- 4) Shelter Plus Care Program:** The Authority will serve as the grant recipient. Meridian and VETSPACE, Inc., will serve as the non-profit sponsor. The Authority and VETSPACE will administer the grant jointly. The Authority will manage the rental assistance for program participants. Meridian and VETSPACE will coordinate all clinical and case management functions. Case management and support services for homeless veterans will be provided by the Department of Veterans Affairs Medical Center (VA). Up to 10% of the program participants may be non-veterans who are homeless and disabled. These individuals will be provided supportive services/case management by the referring agency/organization.

b. Annual Contributions Contract A-2989 - Housing Assistance Payments Programs

Housing Choice Vouchers: This is a housing program wherein low rent tenants lease housing units directly from private landlords rather than through the Authority. HUD contracts with private landlords to make assistance payments for the difference between the approved contract rent and the actual rent paid by the low-rent tenants.

- c. Leased Housing of Gainesville – Component Unit #1:** This represents a separate pool of non-federal funds used by the Authority to operate various summer programs and events and to maintain a small house, donated to the Authority by the City of Gainesville, for a disabled family.

- d. Gainesville, Florida Housing Corporation, Inc. – Component Unit #2:** The Gainesville, Florida Corporation, Inc. ("The Corporation") is a charitable, non-profit corporation formed under the laws of the State of Florida as an agency and an instrument of the Authority for the purpose of providing housing for low-income families within the area of operation of the Authority. It is empowered to borrow money as necessary to finance the cost of such housing. By resolution adopted November 17, 1977, as amended, the Authority approved the formation of the Corporation. Upon termination of existence of the Corporation, all its property and assets subject to the rights of its creditors, if any, become the property of the Authority or its successor.

- 4. Basis of Presentation and Accounting:** In accordance with uniform financial reporting standards for HUD housing programs, the basic financial statements are prepared in accordance with U. S. generally accepted accounting principles (GAAP).

GAINESVILLE HOUSING AUTHORITY
Gainesville, Florida

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2009
(Continued)

A - Summary of Significant Accounting Policies and Organization: (Continued)

4. Basis of Presentation and Accounting: (Continued)

Based upon compelling reasons offered by HUD, the Authority reports its basic financial statements as a special purpose government engaged solely in business-type activities, which is similar to the governmental proprietary fund type (enterprise fund), which uses the accrual basis of accounting and the flow of economic resources measurement focus. Revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred. Pursuant to the election option made available by *GASB Statement No. 20, Pronouncements of the Financial Accounting Standards Board (FASB)* issued after November 30, 1989 are applied in the preparation of the basic financial statements, unless those pronouncements conflict with or contradicts GASB pronouncements.

Generally accepted accounting principles for state and local governments requires that resources be classified for accounting and reporting purposes into the following three net asset categories:

Invested in Capital Assets, Net of Related Debt – Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets.

Restricted - Net assets whose use by the Authority is subject to externally imposed stipulations that can be fulfilled by actions of the Authority pursuant to those stipulations or the expire by the passage of time. Such assets include assets restricted for capital acquisitions and debt service.

Unrestricted – Net assets that are not subject to externally imposed stipulations. Unrestricted net assets may be designated for specific purposes by action of management or the Authority Board or may otherwise be limited by contractual agreements with outside parties.

- 5. Budgets:** Budgets are prepared on an annual basis for each major operating program and are used as a management tool throughout the accounting cycle. The capital fund budgets are adopted on a “project length” basis. Budgets are not, however, legally adopted nor legally required for financial statement presentation.
- 6. Cash and Cash Equivalents:** For purposes of the Statement of Cash Flows, the Authority considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased and non-negotiable certificates of deposit to be cash equivalents. There were no noncash investing, capital and financing activities during the year.
- 7. Interprogram Receivables and Payables:** Interprogram receivables/payables, when present, are all current, and are the result of the use of the interfund account as the common paymaster for shared costs of the Authority. Cash settlements are made monthly, and all interprogram balances net zero. Offsetting due to/due from balances are eliminated for the basic financial statement presentation.

GAINESVILLE HOUSING AUTHORITY
Gainesville, Florida

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2009
(Continued)

A - Summary of Significant Accounting Policies and Organization: (Continued)

- 8. Investments:** Investments, when present, are recorded at fair value. Investment instruments consist only of items specifically approved for public housing agencies by HUD. Investments are either insured or collateralized using the dedicated method. Under the dedicated method of collateralization, all deposits and investments over the federal depository insurance coverage are collateralized with securities held by the Authority's agent in the Authority's name. It is the Authority's policy that all funds on deposit are collateralized in accordance with both HUD requirements and requirements of the State of Florida.
- 9. Inventories:** Inventories (consisting of materials and supplies) are valued at cost using the first in, first out (FIFO) method. If inventory falls below cost due to damage, deterioration or obsolescence, the Authority establishes an allowance for obsolete inventory. In accordance with the consumption method, inventory is expensed when items are actually placed in service.
- 10. Prepaid Items:** Payments made to vendors for goods or services that will benefit periods beyond the fiscal year end are recorded as prepaid items.
- 11. Use of Estimates:** The preparation of basic financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the basic financial statements and reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.
- 12. Fair Value of Financial Instruments:** The carrying amount of the Authority's financial instruments at March 31, 2009 including cash, investments, accounts receivable, and accounts payable closely approximates fair value.
- 13. Capital Assets:**

 - a. Book Value:** All purchased fixed assets are valued at cost when historical records are available. When no historical records are available, fixed assets are valued at estimated historical cost.

Land values were derived from development closeout documentation.

Donated fixed assets are recorded at their fair value at the time they are received.

Donor imposed restrictions are deemed to expire as the asset depreciates.

All normal expenditures of preparing an asset for use are capitalized when they meet or exceed the capitalization threshold.
 - b. Depreciation:** The cost of buildings and equipment is depreciated over the estimated useful lives of the related assets on a composite basis using the straight-line method.

GAINESVILLE HOUSING AUTHORITY
Gainesville, Florida

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2009
(Continued)

A - Summary of Significant Accounting Policies and Organization: (Continued)

13. Capital Assets: (Continued)

b. Depreciation: (Continued)

Depreciation commences on modernization and development additions in the year following completion.

The useful lives of buildings and equipment for purposes of computing depreciation are as follows:

Buildings	27 years
Building modernization	10 years
Office and other equipment	5 years

c. Maintenance and Repairs Expenditures: Maintenance and repairs expenditures are charged to operations when incurred. Betterments in excess of \$1,000 are capitalized. When buildings and equipment are sold or otherwise disposed of, the asset account and related accumulated depreciation account are relieved, and any gain or loss is included in operations.

14. Compensated Absences: Compensated absences are those absences for which employees will be paid, such as vacation and sick leave computed in accordance with *GASB Statement No. 16*. A liability for compensated absences that is attributable to services already rendered and that are not contingent on a specific event that is outside the control of the Authority and its employees, is accrued as employees earn the rights to the benefits. Compensated absences that relate to future services or that are contingent on a specific event that is outside the control of the Authority and its employees are accounted for in the period in which such services are rendered or in which such events take place.

15. Litigation Losses: The Authority recognizes estimated losses related to litigation in the period in which the occasion giving rise to the loss occurred, the loss is probable and the loss is reasonably estimable.

16. Annual Contribution Contracts: Annual Contribution contracts provide that HUD shall have the Authority to audit and examine the records of public housing authorities. Accordingly, final determination of the Authority's financing and contribution status for the Annual Contribution Contracts is the responsibility of HUD based upon financial reports submitted by the Authority.

17. Risk Management: The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority carries commercial insurance for all property and equipment, employee health and accident insurance, general liability, fire and extended coverage, fidelity bond, automobile, and Director and Officers liability. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. Additionally, there have been no significant reductions in insurance coverage from the prior year.

GAINESVILLE HOUSING AUTHORITY
Gainesville, Florida

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2009
(Continued)

A - Summary of Significant Accounting Policies and Organization: (Continued)

17. Risk Management: (Continued)

The Authority also participates in public entity risk pool (Housing Authority's Risk Retention Group, Inc.) for boiler and machinery, fidelity bond and Director and Officers liability. Settled claims resulting from these risks have not exceeded risk pool coverage in any of the past three fiscal years. Rights and responsibilities of the Authority and the pool are contained within the pool agreement and the scope of coverage documents.

18. Use of Restricted Assets: It is the Authority's policy to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

19. Operating Revenues and Expenses: The principal operating revenues of the Authority's enterprise fund are charges to customers for rents and services. Operating expenses for the Authority's enterprise fund include the cost of providing housing and services, administrative expenses and depreciation on capital assets. Revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

B - Deposits and Investments: For purposes of the Statement of Cash Flows, the Authority considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased and non-negotiable certificates of deposit to be cash equivalents. There were no noncash investing, capital and financing activities during the year.

1. HUD Deposit and Investment Restrictions

HUD requires authorities to invest excess HUD program funds in obligations of the United States, certificates of deposit or any other federally insured instruments.

HUD also requires that deposits of HUD program funds be fully insured or collateralized at all times. Acceptable security includes FDIC/FSLIC insurance and the market value of securities purchased and pledged to the political subdivision. Pursuant to HUD restrictions, obligations of the United States are allowed as security for deposits. Obligations furnished as security must be held by the Authority or with an unaffiliated bank or trust company for the account of the Authority.

2. Risk Disclosures

a. Interest Rate Risk: As a means of limiting its exposure to fair value losses arising from rising interest rates, the Authority's investment policy limits the Authority's investment portfolio to maturities not to exceed two years at time of purchase.

At March 31, 2009, the Authority's deposits and investments were not limited, all of which are either available on demand or have maturities of less than two years.

b. Credit Risk: This is risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt. The Authority's investment policy is that none of its total portfolio may be invested in securities of any single issuer, other than the US Government, its agencies and instrumentalities.

GAINESVILLE HOUSING AUTHORITY
Gainesville, Florida

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2009
(Continued)

B - Deposits and Investments: (Continued)

2. Risk Disclosures (Continued)

- c. Custodial Credit Risk:** This is the risk that in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are held by the counterparty. All of the Authority's investments in securities are held in the name of the Authority. The Authority's custodial agreement policy prohibits counterparties holding securities not in the Authority's name.

The carrying amounts of the Authority's cash deposits were \$3,830,117 at March 31, 2009. Bank balances before reconciling items were \$3,932,764 at that date, the total amount of which was collateralized or insured with securities held by an unaffiliated banking institution in the Authority's name.

C - Accounts Receivable:

Dwelling rents (net of allowance for doubtful accounts of \$29,058) \$ 17,222

D - Due From Other Governments:

U.S. Department of Housing and Urban Development (HUD) \$239,469

E - Land, Buildings and Equipment:

	Balance March 31, 2008	Additions	Deletions	Transfers	Balance March 31, 2009
Not being depreciated:					
Land	\$ 670,352	\$ -	\$ -	\$ -	\$ 670,352
Construction in progress	782,808	753,035	-	(618,977)	916,866
Total not being depreciated	<u>1,453,160</u>	<u>753,035</u>	<u>-</u>	<u>(618,977)</u>	<u>1,587,218</u>
Depreciable:					
Buildings & improvements	26,069,247	-	-	618,977	26,688,224
Accumulated depreciation	(21,622,595)	(856,916)	-	-	(22,479,511)
Net buildings & improvements	<u>4,446,652</u>	<u>(856,916)</u>	<u>-</u>	<u>618,977</u>	<u>4,208,713</u>
Equipment	881,266	5,146	(58,044)	-	828,368
Accumulated depreciation	(691,682)	(48,757)	58,044	-	(682,395)
Net equipment	<u>189,584</u>	<u>(43,611)</u>	<u>-</u>	<u>-</u>	<u>145,973</u>
Net depreciable assets	<u>4,636,236</u>	<u>(900,527)</u>	<u>-</u>	<u>618,977</u>	<u>4,354,686</u>
TOTAL	<u>\$ 6,089,396</u>	<u>\$ (147,492)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,941,904</u>

GAINESVILLE HOUSING AUTHORITY
Gainesville, Florida

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2009
(Continued)

F - Due to Other Governments:

Payment in Lieu of Taxes – City of Gainesville, Florida \$ 40,277

G - Long-Term Debt:

Mortgage Bond and Note Payable – Component Unit (Gainesville Housing Corporation, Inc.)

Mortgage bonds and note payable through a Lending Institution of \$1,347,294 at March 31, 2009 consist of Mortgage bond and note issued in the amount of \$1,400,000 on August 22, 2007, and retirements in the amount of \$33,777.

The above note is secured by the land, buildings and equipment under signed Deeds of Trust. The Authority has signed a thirty-year Housing Assistance Payments Contract with HUD to support this financing arrangement which expired in January 2009. The Authority will execute a new Housing Assistance Contract with HUD for one year with an option for additional one year extensions.

Monthly and semi-annual payments including interest of 7.25% beginning 2010 through 2013	\$ 1,347,294
Less current portion of Long-term debt reclassified to current liabilities	<u>(39,456)</u>
	<u>\$ 1,307,838</u>

The following annual Bond and Note principal reductions are as follows:

<u>Year</u>	<u>Amount</u>	<u>Interest</u>	<u>Interest Rate</u>
2010	39,456	\$ 96,387	7.25%
2011	42,336	93,435	7.25%
2012	45,510	90,262	7.25%
2013	<u>1,219,992</u>	<u>29,340</u>	7.25%
	<u>\$1,347,294</u>	<u>\$ 309,424</u>	

Interest expense for the year ended March 31, 2009 was \$106,514. There was no capitalized interest expense for the year ended March 31, 2009.

The debt is secured by the property purchased in conjunction with the Authority's Section 8 New Construction Housing Assistance Payments Program Contract to cooperate in the development of Low Income Rental Housing in Gainesville, Florida.

H - Annual Contributions by Federal Agencies:

Annual Contributions Contract A-3327 - Pursuant to the Annual Contributions Contract, HUD contributes an operating subsidy approved in the operating budget under the Annual Contributions Contract. HUD operating subsidy contributions for the year ended March 31, 2009 were \$2,387,181. HUD also contributed additional finds for modernization and operations in the amount of \$1,378,660 for the year ended March 31, 2009.

GAINESVILLE HOUSING AUTHORITY
Gainesville, Florida

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2009
(Continued)

H - Annual Contributions by Federal Agencies: (Continued)

Annual Contributions Contract A-2989 - Section 8 programs provide for housing assistance payments to private owners of residential units on behalf of eligible low or very low-income families. The program provides for such payments covering the difference between the maximum rental on a dwelling unit, and the amount of rent contribution by a participating family and related administrative expense. HUD contributions for the year ended March 31, 2009, were \$7,829,154.

HUD contributions for the year ended March 31, 2009, were as follows:

Shelter Plus Care	\$ 245,738
Housing Choice Vouchers	7,829,154
Section 8 New Construction (Gainesville, Florida Housing Corporation, Inc. -- Component Unit #2)	634,883
VASH-Veterans Affairs Supportive Housing	374,559
Low Rent Public Housing	2,387,181
Public Housing Capital Fund	1,378,660
ROSS-Resident Opportunity and Self Sufficiency	27,747
Total	<u>\$12,877,922</u>

- I - Defined Contribution Pension Plan:** The Authority provides pension benefits for all its full-time employees through a defined contribution plan entitled "Gainesville Housing Authority Pension Plan". The plan is administered by Pension Specialist, Inc., 6271 DuPont Station Court East, Jacksonville, Florida 32217. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The Board of Commissioners for the Authority is authorized to establish and amend plan benefits. Employees are eligible to participate from the date of employment. The Authority contributes 15% of the employee's base salary each month. The Authority's contributions for each employee (and interest allocated to the employee's account) are fully vested after five years of continuous service. Authority contributions for, and interest forfeited by, employees who leave employment before vesting are used to reduce the Authority's current-period contribution requirement.

The Authority's total payroll in fiscal year 2009 was \$1,707,871. The Authority's contributions were calculated using the base salary amount of \$1,276,491. The Authority made the required contributions amounting to \$191,474.

J - Deferred Compensation Plan:

The Gainesville Housing Authority provides employees the opportunity to make voluntary contributions to a 457 Deferred Compensation Plan. All contributions to the plan come from deductions by employees thru payroll administration. Generally, employees can contribute up to 100% of their earnings up to the amount prescribed in the Federal Regulations. For employees who meet the age requirement (within three years of age 62), there is a provision allowed by Federal Law to make additional catch-up contributions up to the amount that would have been allowed over the last three years. This plan is administered by Key Financial Group/Security Benefit Life Insurance Company.

Upon termination of employment, either by retirement or otherwise, the employee is entitled to the balance of the funds in his/her account. No withdrawals are allowed while the participant is still employed.

GAINESVILLE HOUSING AUTHORITY
Gainesville, Florida

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2009
(Continued)

- K - Compensated Absences Payable:** The cost of current leave privileges computed in accordance with GASB Statement No. 16, "Compensated Absences", is recognized as a current year expenditure in the period in which it is earned, in accordance with U.S. generally accepted accounting principles.

At March 31, 2009 total leave to be paid upon termination is \$179,588(Current portion \$17,959/ Long Term \$161,629)

- L - Schedule of Changes in Long-Term Liabilities:**

	March 31, 2008		Year Ended March 31, 2009			
	Long-term Portion	Current Portion	Additions	Payments	Current Portion	Long-term Portion
Notes and bonds payable	\$ 1,345,571	\$ 35,500	\$ -	\$ (33,777)	\$ 39,456	\$ 1,307,838
Accrued compensated absences	157,642	17,516	17,245	(12,815)	17,959	161,629
	\$ 1,503,213	\$ 53,016	\$ 17,245	\$ (46,592)	\$ 57,415	\$ 1,469,467

- M - Economic Dependency:** The Authority receives approximately 85% of its revenues from HUD. If the amount of revenues received from HUD falls below critical levels, the Authority's reserves could be adversely affected.
- N - Contingencies:**
1. The Authority is subject to possible examinations made by Federal and State authorities who determine compliance with terms, conditions, laws and regulations governing other grants given to the Authority in the current and prior years. There were no such examinations for the year ended March 31, 2009.
 2. The Authority is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the Authority (and the Authority's attorney) that resolution of these matters will not have a material adverse effect on the financial condition of the Authority.
- O - Conduit Type Debt:** Debt related to the original acquisition and early modernization of the public housing developments is funded, guaranteed and serviced by HUD. There is no debt or pledge of faith and credit on part of the Authority. Accordingly, this debt has not been recorded in the financial statements of the Housing Authority. Additionally, HUD no longer provides debt service information to the Authority.
- P - Commitments:** The Authority is engaged in a modernization program funded by HUD. In this regard, the Authority has entered into construction-type grants with approximately \$916,866 remaining until completion.

Gainesville, Florida

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2009
(Continued)

Q - Leasing Activities (as Lessor): The Authority is the lessor of dwelling units mainly to low-income residents. The rents under the leases are determined generally by the resident's income as adjusted for eligible deductions regulated by HUD, although the resident may opt for a flat rent. Leases may be cancelled by the lessee at any time. The Authority may cancel the lease only for cause.

Revenues associated with these leases are recorded in the financial statements and schedules as "Rental Revenue". Rental Revenue per dwelling unit generally remains consistent from year to year, but is affected by general economic conditions which impact personal income and local job availability.

R - Interfund Transfer: The Authority will make cash transfers between the Capital Fund Program, Low Rent Public Housing and/or Section 8 Housing Programs as outlined in the Federal Regulations and authorized and approved by the Authority's Board of Commissioners. There were \$458,363 transfers during fiscal year 2009.

S - In May 2008, the members of the Gainesville Florida Housing Corporation, Inc., notified the residents of Seminary Lane (53 units) that the Housing Assistance contract would not be renewed with HUD, starting at the end of May 2009. The residents were given Section 8 Vouchers to find new housing. The plan is to demolish most of Seminary Lane within the next year. Though the cost of demolition has not been determined, it has been estimated that the demolition will exceed \$200,000. After May 2009, the Corporation will not receive any Rental Income or HAP covering Seminary Lane and most costs associated with Seminary Lane will stop, with the exception of the demolition. It is estimated that the income and associated expense for Seminary Lane will decrease as follows:

	FYE 03/31/2009	FYE 03/31/2010
Total Revenue	\$279,737	\$ 57,250
Total Expenses	317,611	50,000
Demolition Cost		200,000 (est)

The Gainesville Florida Housing Corporation, Inc. will continue to operate the 400 Building (101 Units) under the HUD Section 8 New Construction program.

SINGLE AUDIT SECTION

GAINESVILLE HOUSING AUTHORITY
Gainesville, Florida

COMBINING SCHEDULE OF NET ASSETS
MARCH 31, 2009

	Public Housing Projects	Business Activities	State / Local	N/C S/R Section 8 Program	Shelter Plus Care	Resident Opportunity and Supportive Services	Housing Choice Vouchers	Housing (HUD-VASH)	Central Office	Elimination	Total
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\$	1,787,363	29,105	17,248	730,363	\$ -	\$ -	\$ 381,617	\$ -	\$ 210,808	\$ -	3,156,504
	141,704	-	-	157,407	-	-	27,900	346,602	-	-	673,613
	16,264	-	-	958	-	-	-	-	-	-	17,222
	39,783	-	-	52,874	144,345	2,467	-	-	-	-	239,469
	(71,080)	1,254	(5,071)	2,466	(144,345)	(2,467)	1,969	-	217,274	-	-
	52,570	-	-	15,961	-	-	-	-	3,336	-	71,867
	-	-	-	3,892	-	-	3,268	-	17,463	-	24,623
	1,966,604	30,359	12,177	963,921	-	-	414,754	346,602	488,881	-	4,183,298

ASSETS

Current assets

Cash and cash equivalents, unrestricted	210,589
Cash and cash equivalents, restricted	3,095
Accounts receivable, net of allowance	40,277
Due from other governments	3,379
Due from/to other programs	257,340
Inventories, net of obsolescence	131,514
Prepaid expenses	27,848
Total current assets	1,307,838

Noncurrent assets

Other assets

Capital assets

Unamortized loan costs	210,589
Not being depreciated	3,095
Depreciable, net	40,277
Total capital assets, net	257,340
Total noncurrent assets	131,514

Total assets

LIABILITIES

Current liabilities

Vendors and contractors payable	210,589
Accrued compensated absences	3,095
Accrued interest payable	40,277
Due to other governments	3,379
Prepaid rents	257,340
Notes and bonds payable	131,514
Total current liabilities	1,307,838

Current liabilities payable from restricted assets

Resident security deposits

Noncurrent liabilities

Notes and bonds payable	27,848
Accrued compensated absences	10,190
FSS escrows	38,038
Total noncurrent liabilities	426,892
Total liabilities	426,892
NET ASSETS	4,884,190

Invested in capital assets

Restricted

Unrestricted

Total net assets

Invested in capital assets	4,884,190
Restricted	1,539,712
Unrestricted	6,423,902
Total net assets	12,847,804

GAINESVILLE HOUSING AUTHORITY
Gainesville, Florida

COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2009

	Public Housing Projects	Business Activities	State / Local	N/C S/R Section 8 Program	Shelter Plus Care	Resident Opportunity and Supportive Services	Housing Choice Vouchers	HUD-Veterans Affairs Supportive Housing (HUD-VASH)	Central Office Elimination	Total
Operating revenues										
Rental revenue	1,403,154	2,097	\$ -	\$ 301,794	\$ -	\$ -	\$ -	\$ -	\$ -	1,707,045
Fee revenue	-	57,317	-	-	-	-	-	1,192,523	(1,192,523)	57,317
Other governmental grants	-	-	-	-	-	-	-	-	-	65,897
Other revenue	64,954	-	-	-	-	-	-	143	-	65,097
Total operating revenues	1,468,108	59,414	-	301,794	-	-	-	1,192,666	(1,192,523)	1,829,459
Operating expenses										
Administrative	1,178,244	3,577	-	304,119	-	20,978	680,950	-	983,776	2,053,721
Asset management fee	72,600	-	-	-	-	-	-	-	(72,600)	-
Tenant services	310,049	55,118	7,392	1,655	245,738	6,348	-	220	-	626,520
Utilities	1,096,413	252	-	203,538	-	-	-	-	-	1,300,203
Ordinary maintenance & operation	1,171,542	2,688	-	296,571	-	-	-	-	20,985	1,491,786
Protective services	4,789	-	-	705	-	-	-	-	-	5,494
Insurance	205,790	2,047	-	50,159	-	421	20,529	-	12,662	291,608
General expenses	93,188	847	-	20,392	-	-	25,959	-	14,153	154,539
Housing assistance payments	-	-	-	-	-	-	7,728,299	27,957	-	7,756,256
Depreciation	770,346	1,852	-	97,123	-	-	4,230	-	31,922	905,673
Total operating expenses	4,903,161	66,381	7,392	974,262	245,738	27,747	8,459,967	27,957	1,065,718	14,585,800
Nonoperating revenues (expenses)	(3,435,053)	(6,967)	(7,392)	(672,468)	(245,738)	(27,747)	(8,459,967)	(27,957)	-	(12,756,341)
HUD grants	3,012,806	-	-	634,883	245,738	27,747	7,829,154	374,559	-	12,124,887
Interest revenue, unrestricted	41,025	874	14	10,613	-	-	25,195	-	5,187	82,908
Interest revenue, restricted	-	-	-	1,475	-	-	-	-	-	1,475
Interest expense	-	-	-	(106,514)	-	-	-	-	-	(106,514)
Fraud recovery	88,721	-	-	-	-	-	24,774	-	-	113,495
Other revenue	-	-	600	11,815	-	-	-	-	-	12,415
Other expense	(34,069)	-	-	(30,381)	-	-	-	-	-	(64,450)
Gain/(loss) on disposition of capital assets	-	-	-	360	-	-	10	-	1,275	1,645
Total nonoperating revenues	3,108,483	874	614	522,251	245,738	27,747	7,879,133	374,559	6,462	12,165,861
Income (loss) before contributions	(326,570)	(6,093)	(6,778)	(150,217)	-	-	(580,834)	346,602	133,410	(590,480)
Capital contributions	753,035	-	-	-	-	-	-	-	-	753,035
Income (loss) before contributions	426,465	(6,093)	(6,778)	(150,217)	-	-	(580,834)	346,602	133,410	162,555
Increase (decrease) in net assets	5,997,437	67,200	18,955	583,109	-	-	950,829	-	416,855	8,034,385
Net assets, beginning of year, restated	\$ 6,423,902	\$ 61,107	\$ 12,177	\$ 432,892	\$ -	\$ -	\$ 369,995	\$ 346,602	\$ 550,265	\$ 8,196,940
Net assets, end of year										

GAINESVILLE HOUSING AUTHORITY
Gainesville, Florida

**CERTIFICATION OF ACTUAL CAPITAL FUND
MODERNIZATION COSTS
FOR THE YEAR ENDED MARCH 31, 2009**

PROGRAM	501-05
Funds approved	<u>\$ 1,002,916</u>
Funds expended	<u>1,002,916</u>
Excess of funds approved	<u><u>\$ -</u></u>
Funds advanced	<u>\$ 1,002,916</u>
Funds expended	<u>1,002,916</u>
Excess of funds advanced	<u><u>\$ -</u></u>

The distribution of costs as shown on the Actual Modernization Cost Certificate submitted to HUD for approval is in agreement with the PHA's records.

All modernization costs have been paid and all related liabilities have been discharged through payment.

GAINESVILLE HOUSING AUTHORITY
Gainesville, Florida

**SCHEDULE AND RECONCILIATION OF ACTUAL
CAPITAL FUND PROGRAMS COSTS AND ADVANCES
FOR THE YEAR ENDED MARCH 31, 2009**

PROGRAM	<u>501-06</u>	<u>501-07</u>	<u>501-08</u>	<u>Total</u>
BUDGET	\$ 1,002,916	\$ 989,301	\$ 1,018,539	\$ 3,010,756
ADVANCES:				
Cash receipts & debt service - prior years	\$ 450,756	\$ 97,901	\$ -	\$ 548,657
Debt service cash - current year	552,160	529,595	257,122	1,338,877
Cumulative as of March 31, 2009	\$ 1,002,916	\$ 627,496	\$ 257,122	\$ 1,887,534
COSTS:				
Prior years	\$ 450,756	\$ 97,901	\$ -	\$ 548,657
Current year	552,160	553,431	273,069	1,378,660
Cumulative as of March 31, 2009	\$ 1,002,916	\$ 651,332	\$ 273,069	\$ 1,927,317
Deficiency of advances due from HUD (net)	\$ -	\$ (23,836)	\$ (15,947)	\$ (39,783)
Modernization Cost Certificate issued?	<u>Yes</u>	<u>No</u>	<u>No</u>	
Soft costs				
Prior years	\$ 286,925	\$ 97,901	\$ -	\$ 384,826
Current year	154,726	199,038	271,861	625,625
Cumulative as of March 31, 2009	\$ 441,651	\$ 296,939	\$ 271,861	\$ 1,010,451
Hard costs				
Prior years	\$ 163,831	\$ -	\$ -	\$ 163,831
Current year	397,434	354,393	1,208	753,035
Cumulative as of March 31, 2009	\$ 561,265	\$ 354,393	\$ 1,208	\$ 916,866
Cumulative hard and soft costs and debt service transfers	\$ 1,002,916	\$ 651,332	\$ 273,069	\$ 1,927,317

GAINESVILLE HOUSING AUTHORITY
Gainesville, Florida

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED MARCH 31, 2009**

Federal Grantor:

<u>CFDA Number</u>	<u>Program Title</u>	<u>Pass Through Entity</u>	<u>Federal Expenditures</u>
U.S. Department of Housing and Urban Development			
14.850	Low Rent Public Housing	NA	\$ 2,387,181
14.872	Capital Fund Program	NA	1,378,660
-	Business Activities	NA	57,317
14.181	N/C S/R Section 8 Program	NA	634,883
14.238	Shelter Plus Care	NA	245,738
14.870	Resident Opportunity and Supportive Services	NA	27,747
14.871	Housing Choice Vouchers	NA	7,829,154
14.VSH	HUD-Veterans Affairs Supportive Housing (HUD-VASH)	NA	374,559
	Total Federal Awards Expenditures		<u>\$ 12,935,239</u>

Notes to the Schedule of Expenditures of Federal Awards

A. Basis of Accounting

This schedule is prepared on the accrual basis of accounting.

B. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations".

C. Reconciliation of Total Federal Awards Expenditures to Financial Data Schedule

FDS line 706	HUD PHA Grants	\$ 12,124,887
FDS line 706.1	Capital Grants	753,035
FDS line 708	Other government grants	57,317
		<u>\$ 12,935,239</u>

SUPPLEMENTAL INFORMATION

GAINESVILLE HOUSING AUTHORITY
Gainesville, Florida

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED MARCH 31, 2009

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued:	Unqualified
Internal control over financial reporting:	
~ Material weakness(es) identified?	No
~ Significant deficiency(s) identified that are not considered to be material weaknesses?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
~ Material weakness(es) identified?	No
~ Significant deficiency(s) identified that are not considered to be material weakness(es)?	None reported
Type of auditors' report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	No

Identification of major programs:

CFDA Number	Name of Federal Program
14.182	N/C S/R Section 8 Program
14.871	Housing Choice Vouchers

Dollar threshold used to distinguish between type A and type B programs:	\$300,000
Auditee qualified as low-risk auditee?	Yes

MALCOLM JOHNSON & COMPANY, P.A.
CERTIFIED PUBLIC ACCOUNTANTS
P.O. Box 530848
210 N. Highway 17-92
DeBary, Florida 32753-0848

Phone (386) 668-6464 Fax (386) 668-6463

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

Board of Commissioners
Gainesville Housing Authority
Gainesville, Florida

HUD, Jacksonville Area Office
Office of Public Housing
301 W. Bay Street, Suite 2200
Jacksonville, Florida 32202

We have audited the basic financial statements of the Gainesville Housing Authority ("the Authority") as of and for the year ended March 31, 2009, and have issued our report thereon dated September 18, 2009, which included a disclaimer of opinion on Management's Discussion and Analysis. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Authority's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Authority's ability to initiate, authorize, record, process or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Authority's financial statements that is more than inconsequential will not be prevented or detected by the Authority's internal control.

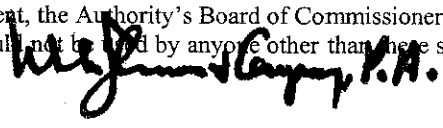
A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the basic financial statements will not be prevented or detected by the Authority's internal control.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provision of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of basic 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*.

This report is intended solely for the information and use of the Authority's management, the Authority's Board of Commissioners, others within the entity, and the U.S. Department of HUD and is not intended to be and should not be relied upon by anyone other than these specified parties.



Malcolm Johnson & Company, P.A.
Certified Public Accountants

DeBary, Florida
September 18, 2009

MALCOLM JOHNSON & COMPANY, P.A.
CERTIFIED PUBLIC ACCOUNTANTS
P.O. Box 530848
210 N. Highway 17-92
DeBary, Florida 32753-0848

Phone (386) 668-6464 Fax (386) 668-6463

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO ITS MAJOR PROGRAMS AND ON
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Board of Commissioners
Gainesville Housing Authority
Gainesville, Florida

HUD, Jacksonville Area Office
Office of Public Housing
301 W. Bay Street, Suite 2200
Jacksonville, Florida 32202

Compliance

We have audited the compliance of the Gainesville Housing Authority ("the Authority") with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to its major federal programs for the year ended March 31, 2009. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal programs is the responsibility of the Authority's management. Our responsibility is to express an opinion on the Authority's compliance based on our audit.

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

In our opinion, the Authority complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended March 31, 2009.

Internal Control Over Compliance

The management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Authority's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 Authority's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

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

This report is intended solely for the information and use of management, the Board of Commissioners, others within the entity, the U.S. Department of HUD and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Malcolm Johnson & Company, P.A.
Certified Public Accountants

DeBary, Florida
September 18, 2009

GAINESVILLE HOUSING AUTHORITY
Gainesville, Florida

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED MARCH 31, 2009
(Continued)

SECTION II - FINANCIAL STATEMENT FINDINGS

There were no Financial Statement Findings.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no Federal Award Findings and Questioned Costs.

SECTION IV - SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

2007-1	Condition:	No Detailed Physical Inventory of Fixed Assets
	Current Status:	This finding is cleared.

