ALMA HOUSING COMMISSION

REPORT ON FINANCIAL STATEMENTS

(with supplemental information)

For the Year Ended December 31, 2007

ALMA HOUSING COMMISSION

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A Regional Firm with Offices in Michigan and Wisconsin

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Private Companies Practice Section
American Institute of Certified
Public Accountants

INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Alma Housing Commission
Alma, Michigan

We have audited the accompanying financial statements of the business-type activities of the Alma Housing Commission, a component unit of the City of Alma, Michigan, as of and for the year ended December 31, 2007, which collectively comprise the Commission's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the Commission's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. 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 financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Alma Housing Commission as of December 31, 2007, and the respective 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 July 15, 2008 on our consideration of the Alma Housing Commission's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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The Management's Discussion and Analysis on pages 5 through 8 is not a required part of the 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 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 financial statements that collectively comprise the Alma Housing Commission's basic financial statements. The Financial Data Schedule is presented for the purpose of additional analysis as required by the U.S. Department of Urban Housing and Development and is not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations"*, and is also not a required part of the basic financial statements of Alma Housing Commission. The Financial Data Schedule and the Schedule of Expenditures of Federal Awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Anderson, Tackman & Co. PLC

ANDERSON, TACKMAN & COMPANY, PLC
Certified Public Accountants
Iron Mountain, Michigan

July 15, 2008

MANAGEMENT DISCUSSION AND ANALYSIS (UNAUDITED)

Our discussion and analysis of the Alma Housing Commission's financial performance provides an overview of the financial activities for the year ended December 31, 2007. Please read it in conjunction with the Commission's financial statements, which begin on page 9.

FINANCIAL HIGHLIGHTS

- Net assets for the entire Commission were $4,263,340 for the year ended December 31, 2007 compared to $4,148,854 for the year ended December 31, 2006.
- The Commission's operating revenues totaled $934,420 for the year ended December 31, 2007 and $972,358 for the year ended December 31, 2006, while operating expenses totaled $979,209 for the year ended December 31, 2007 and $999,816 for the year ended December 31, 2006.

USING THIS REPORT

This annual report consists of a series of financial statements. The Statement of Net Assets, Statement of Activities, Statement of Revenues, Expenses and Change in Net Assets, and the Statement of Cash Flows (on pages 9 to 12) provide information about the activities of the Commission as a whole and present a longer-term view of the Commission's finances.

REPORTING THE COMMISSION AS A WHOLE

Our analysis of the Commission as a whole begins on page 9. One of the most important questions asked about the Commission's finances is "Is the Commission, as a whole, better off or worse off as a result of the year's activities"? The Statement of Net Assets, Statement of Activities, Statement of Revenues, Expenses, and Change in Net Assets, and the Statement of Cash Flows report information about the Commission as a whole and about its activities in a way that helps answer this question. These statements include *all* assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. These two statements report the Commission's *net assets* and changes in them. You can think of the Commission's net assets – the difference between assets and liabilities – as one way to measure the Commission's financial health, or *financial position*. Over time, *increases or decreases* in the Commission's net assets are one indicator of whether its *financial health* is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the population of low income and elderly individuals.

In the Statement of Net Assets, Statement of Activities, Statement of Revenues, Expenses, and Change in Net Assets, and the Statement of Cash Flows, the Commission's activities are reported as business-type activities:

- Business-type activities – The Commission charges rent to tenants to help cover all or most of the costs of services it provides.

REPORTING THE COMMISSION'S MOST SIGNIFICANT FUNDS

Our analysis of the Commission's major activities begins on page 9. The financial statements provide detailed information on all of the Commission's activities. The Commission uses proprietary funds to account for its activities. The method of accounting for proprietary funds is explained below.

- *Proprietary funds* – The Commission charges tenants rent for the housing services it provides and these services are reported in a proprietary fund. Proprietary funds are reported in the same way for its activities and are reported in the Statement of Net Assets and the Statement of Revenues, Expenses, and Change in Net Assets.

THE COMMISSION AS A WHOLE

The Commission's combined net assets for the year ended December 31, 2007 increased $114,486 from December 31, 2006.

	December 31,	
	2007	2006
Assets		
Current assets	$1,901,252	$1,704,916
Capital assets (net)	2,443,096	2,530,133
Total assets	4,344,348	4,235,049
Liabilities		
Current liabilities	68,988	74,140
Noncurrent liabilities	12,020	12,055
Total liabilities	81,008	86,195
Net Assets		
Invested in capital assets, net of related debt	2,443,096	2,530,133
Restricted	15,077	-
Unrestricted	1,805,167	1,618,721
Net Assets	$4,263,340	$4,148,854

Net assets of the Commission stood at $4,263,340 for the year ended December 31, 2007 compared to $4,148,854 for the year ended December 31, 2006. Restricted net business assets were $15,077 for the year ended December 31, 2007 compared to $0 for the year ended December 31, 2006. Unrestricted net business assets were $1,805,167 for the year ended December 31, 2007 compared to $1,618,721 for the year ended December 31, 2006. In general, the Commission's unrestricted net assets are used to fund operations of the Commission. The increase in current assets was largely due to a $188,041 increase in cash.

Table 2

CHANGE IN NET ASSETS

	Year Ended December 31,	
	2007	2006
Revenues:		
Program revenues:		
Charges for services	$ 270,062	$ 273,573
Program grants and subsidies	743,761	926,553
General revenues:		
Other revenues	21,120	22,561
Unrestricted investment earnings	58,752	52,520
Total revenues	1,093,695	1,275,207
Program Expenses:		
Operating expenses	979,209	999,816
Change in net assets	114,486	275,391
Net assets - beginning of period	4,148,854	3,873,463
Net assets - end of period	$4,263,340	$ 4,148,854

BUSINESS – TYPE ACTIVITIES

Revenues for the Commission totaled $1,093,695 during December 31, 2007 compared to $1,275,207 during December 31, 2006. The Commission's average unit months leased on a monthly basis had decreased during the current year. In addition, HUD operating funds and capital funding grants had decreased during the current year. The Commission depends on HUD operating and capital grants to assist in covering its operating expenses. The decrease in operating expenses is largely due to a $8,223 increase in administrative expenses, a $6,079 increase in utilities, and a $36,232 decrease in depreciation.

CAPTIAL ASSETS

Capital Assets

The Commission had $6,586,513 invested in a variety of capital assets including land, equipment and buildings for the year ended December 31, 2007 compared to $6,480,004 for the year ended December 31, 2006.

Table 3

CAPITAL ASSETS
Business - Type Activity

	December 31,	
	2007	2006
Land	$ 124,090	$ 124,090
Land improvements	1,035,837	1,029,464
Building and improvements	5,005,383	4,907,967
Equipment	421,203	418,483
Total	6,586,513	6,480,004
Less accumulated depreciation	(4,143,417)	(3,949,871)
NET CAPITAL ASSETS	$ 2,443,096	$2,530,133

The Commission invested $106,508 in capital assets during the year ended December 31, 2007.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Commission's appointed officials considered many factors when setting the budget for the calendar year 2008. The current availability of low income and elderly tenants has been a major contributing factor in establishing the budgeted amounts. In the upcoming year, we do not anticipate any significant change in the occupancy rate and availability of new tenants that will provide any substantial increase in revenues. There continues to be a variety of inflationary cost and expense issues out of the control of the Commission. All of these were taken into consideration during the 2008 budget process.

CONTACTING THE COMMISSION'S FINANCIAL MANAGEMENT

This financial report is designed to provide the readers with a general overview of the Commission's finances and to show the Commission's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Commission's Executive Director, Marcia Zimmerman, at 400 E. Warwick Drive, Alma, Michigan 48801, or call 989-463-4200.

ALMA HOUSING COMMISSION

STATEMENT OF NET ASSETS
Proprietary Fund

December 31, 2007

CURRENT ASSETS:	
Cash and equivalents - unrestricted	$ 1,681,596
Cash and equivalents - restricted	15,077
Accounts receivable	3,406
Investments	196,727
Prepaid expenses	4,446
TOTAL CURRENT ASSETS	1,901,252
NONCURRENT ASSETS:	
Capital assets	6,586,513
Less accumulated depreciation	(4,143,417)
NET CAPITAL ASSETS	2,443,096
TOTAL ASSETS	4,344,348
CURRENT LIABILITIES:	
Accounts payable	6,200
Accrued liabilities	62,788
TOTAL CURRENT LIABILITIES	68,988
NONCURRENT LIABILITIES	12,020
TOTAL LIABILITIES	81,008
NET ASSETS:	
Investment in capital assets, net of related debt	2,443,096
Restricted net assets	15,077
Unrestricted net assets	1,805,167
NET ASSETS	$ 4,263,340

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

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ALMA HOUSING COMMISSION

STATEMENT OF ACVITIVIES

For the Year Ended December 31, 2007

FUNCTIONS/PROGRAMS	Expenses	Program Revenue: Fees, Fines and Charges for Services	Program Revenue: Operating Grants and Contributions	Program Revenue: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Business-Type Activities
BUSINESS-TYPE ACTIVITIES:					
Public Housing	$ 979,209	$ 270,062	$ 643,238	$ 100,523	$ 34,614
General revenues:					
Unrestricted investment earnings					58,752
Other					21,120
Total general revenues					79,872
Changes in net assets					114,486
NET ASSETS, beginning of year					4,148,854
NET ASSETS, end of year					$ 4,263,340

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

ALMA HOUSING COMMISSION

STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET ASSETS
Proprietary Fund

For the Year Ended December 31, 2007

OPERATING REVENUES:	
Tenant revenue	$ 270,062
Program grants-subsidies	643,238
Other income	21,120
TOTAL OPERATING REVENUES	934,420
OPERATING EXPENSES:	
Administration	214,505
Tenant services	2,601
Utilities	118,885
Maintenance	204,676
General	35,151
Housing assistance payments	209,845
Depreciation	193,546
TOTAL OPERATING EXPENSES	979,209
OPERATING (LOSS)	(44,789)
NONOPERATING REVENUES AND (EXPENSES):	
Capital grants	100,523
Interest income	58,752
TOTAL NONOPERATING REVENUES AND (EXPENSES)	159,275
CHANGE IN NET ASSETS	114,486
NET ASSETS, BEGINNING OF YEAR	4,148,854
NET ASSETS, END OF YEAR	$ 4,263,340

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

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ALMA HOUSING COMMISSION

STATEMENT OF CASH FLOWS
Proprietary Fund

For the Year Ended December 31, 2007

CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from customers	$ 267,872
Cash received from grants and subsidies	649,038
Cash payments to suppliers for goods and services	(447,455)
Cash payments for wages and related benefits	(336,232)
Cash payments for payment in lieu of taxes	(9,923)
Other receipts	21,120
NET CASH PROVIDED FROM OPERATING ACTIVITIES	144,420
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Capital grants	100,523
Acquisition of capital assets	(106,508)
NET CASH (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(5,985)
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchase of investments	(9,146)
Investment income	58,752
NET CASH PROVIDED FROM INVESTING ACTIVITIES	49,606
NET INCREASE IN CASH AND EQUIVALENTS	188,041
CASH AND EQUIVALENTS, BEGINNING OF YEAR	1,508,632
CASH AND EQUIVALENTS, END OF YEAR	$ 1,696,673
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Operating income (loss)	$ (44,789)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	193,546
Changes in assets and liabilities:	
Decrease (Increase) in receivables	3,610
Decrease (Increase) in prepaid expenses	(2,759)
Increase (Decrease) in accounts payable	(741)
Increase (Decrease) in accrued liabilities	(4,447)
NET CASH PROVED FROM OPERATING ACTIVITIES	$ 144,420

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

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NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

THE REPORTING ENTITY

The Alma Housing Commission (Commission) was formed by the City of Alma, Michigan under Public Act 18 of 1933 of the State of Michigan. The Commission operates under a Board of Commissioners appointed by the City Manager.

The Commission manages 94 units of low rent public housing, 60 section 8 vouchers and 30 section 8 new construction units of which, for financial reporting purposes, includes all of the activities relevant to its operations.

Component Unit

In evaluating how to define the Commission for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP, currently GASB Statement #14, *The Financial Reporting Entity* and as amended by GASB Statement #39.

The criteria established by the Governmental Accounting Standards Board for determining the various governmental organizations to be included in the reporting entity's financial statements include budget adoption, taxing authority, funding, appointment of the respective governing board, and scope of public service.

Based on the foregoing criteria, it was determined there are no component units of the Alma Housing Commission, but the Alma Housing Commission is a component unit of the City of Alma, Michigan.

The accounting policies of the Commission conform to accounting principles generally accepted in the United States of America. The following is a summary of such significant policies.

BASIS OF PRESENTATION

The Commission presents its financial statements in accordance with Governmental Accounting Standards Board (GASB) Statement No. 34.

Government-Wide Financial Statements:

The Statement of Net Assets, Statement of Activities, Statement of Revenues, Expenses and Change in Net Assets, and the Statement of Cash Flows display information about the Commission as a whole. They include all business-type activities of the Commission. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

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NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

BASIS OF PRESENTATION (Continued)

Proprietary Fund

Proprietary Funds are used to account for operations, (a) which are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus:

The government-wide Statement of Net Assets, Statement of Activities, and the Statement of Revenues, Expenses and Change in Net Assets are presented using the economic resource measurement focus as defined below.

a. The Commission utilizes an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets, financial position and cash flows. All assets and liabilities, whether current or noncurrent, associated with their activities are reported.

Basis of Accounting:

The Statement of Net Assets, Statement of Activities, Statement of Revenues, Expenses and Change in Net Assets, and the Statement of Cash Flows are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

As allowed by GASB Statement No. 20, the Commission's business-type activity follows all GASB pronouncements and FASB Statements and Interpretations that were issued on or after November 30, 1989, except those that conflict with a GASB pronouncement.

ASSETS, LIABILITIES AND NET ASSETS

a. Cash and Equivalents – The Commission's cash and cash equivalents, as reported in the Statement of Cash Flows and the Statement of Net Assets, are considered to be cash on hand, demand deposits, and short-term investments with maturities of three months or less.

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NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

ASSETS, LIABILITIES AND NET ASSETS

b. Receivables – All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

c. Due to and Due From Other Programs – Interprogram receivables and payables arise from interprogram transactions and are recorded by all funds affected in the period in which transactions are executed.

d. Capital Assets – Capital assets purchased or acquired are capitalized at historical cost or estimated historical cost. Donated capital assets are valued at their estimated fair market value on the date received.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets.

Depreciation on all assets is provided on the straight-line basis over the estimated useful lives as follows:

Buildings and improvements	10-40 years
Furniture and other equipment	5-10 years

The Commission has adopted a capitalization policy for capital assets of $2,500 per item.

e. Compensated Absences - It is the Commission's policy to permit employees to accumulate a limited amount of earned but unused sick leave and vacation days, which will be paid to employees upon separation from the Commission. The cost of vested sick leave and vacation days are recognized as an expense as earned by the employees.

f. Equity Classification

Equity is classified as net assets and displayed in two components:

1. Invested in capital assets – Consists of capital assets, net of accumulated depreciation.

2. Restricted net assets – Consists of Housing Assistance Payments (HAP) received from HUD in excess of payments paid to landlords. These excess funds can only be used for future HAP to landlords.

3. Unrestricted net assets – All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

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NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

REVENUES AND EXPENSES

Operating revenues and expenses are those that result from providing services and producing and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing, noncapital financing, or investing activities. Expenses are classified by operating and nonoperating and are subclassified by function, such as salaries, supplies, and contracted services.

OTHER SIGNIFICANT ACCOUNTING POLICIES

Interprogram Activity:

As a general rule, the effect of activity between programs has been eliminated from the government-wide statements.

The transfers of cash between the various Authority programs are reported separately from revenues and expenses as operating transfers in or (out), unless they represent temporary advances that are to be repaid, in which case, they are carried as assets and liabilities of the advancing or borrowing program.

Interprogram receivables and payables are eliminated from the Statement of Net Assets.

Budgets and Budgetary Accounting:

Budgets are adopted on a basis prescribed or permitted by the Department of Housing and Urban Development. All annual appropriations lapse at fiscal year end. The Commission follows these procedures in establishing the budgetary date reflected in the financial statements:

1. The Director submits to the Board a proposed operating budget for the fiscal year commencing on January 1st. The operating budget includes proposed expenses and the means of financing them. Prior to December 31st, the budget is legally adopted by Board resolution.

2. Formal budgetary integration is employed as a management control device during the year.

3. The budget has been amended. Supplemental appropriations were made during the year with the last one approved prior to December 31st.

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NOTE B - CASH AND INVESTMENTS

Cash and Equivalents

The Commission's cash and equivalents, as reported in the Statement of Net Assets, consisted of the following:

Petty cash	$ 250
Checking accounts	1,594,876
Money market accounts	101,547
TOTAL	$1,696,673

Custodial Credit Risk. Custodial credit risk is the risk that in the event of a bank failure, the Commission's deposits may not be returned. As of December 31, 2007, the Commission held cash and equivalents in excess of FDIC insurance in the amount of $1,531,091 which was fully collateralized by governmental securities having a fair market value of $4,970,697 at December 31, 2007.

The Commission's investments, as reported in the Statement of Net Assets, consisted of the following:

		(Investment Maturities in Years)	
Investment Type	Fair Value	Less Than 1 Year	1-5 Years
Certificates of Deposit	$196,727	$110,654	$86,073

Investments are recorded at fair market value, which is based on quoted market prices.

Michigan statutes authorize the Commission to invest in bonds, other direct obligations and repurchase agreements of the United States, certificates of deposit, savings accounts, deposit accounts or receipts of a bank which is a member of the FDIC, commercial paper rated at the time of purchase within the two highest classifications established by not less than two standard rating services and matures within 270 days of date of purchase, bankers' acceptances of United States banks, obligations of the State of Michigan and its political subdivisions, external investment pools, and certain mutual funds.

Custodial Credit Risk. Custodial credit risk is the risk that in the event of a bank failure, the Commission's deposits may not be returned. As of December 31, 2007, the Commission held investments in excess of FDIC insurance in the amount of $110,879 which were collateralized by Fannie Mae Bonds having a fair market value of $400,000 at December 31, 2007.

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NOTE B - CASH AND INVESTMENTS (Continued)

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of the Commission's investments. State law limits the allowable investments as described above. The Commission does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. Credit risk is the risk that an issuer or other party to an investment will not fulfill its obligations. The Commission has no investment policy limiting its investments in excess of state law on investment credit. Ratings are not required for the Commission's investments outlined above. The Commission's investments are in accordance with statutory authority.

Concentration of Credit Risk. The Commission places no limit on the amount the Commission may invest in one issuer. However, the Commission is required to have all funds in excess of insured amounts to be collateralized. The Commission's investments and balances are with the following financial institutions:

Commercial Bank, Alma, MI	$ 87,394
First Bank, Alma, MI	109,333
Total	$196,727

NOTE C – CAPITAL ASSETS

A summary of capital assets as of December 31, 2007 is as follows:

	Balance 1-1-07	Additions	Deletions	Balance 12-31-07
Land	$ 124,090	$ -	$ -	$ 124,090
Land improvements	1,029,464	175,945	(169,572)	1,035,837
Building and improvements	4,907,967	118,431	(21,015)	5,005,383
Equipment	418,483	83,488	(80,768)	421,203
	6,480,004	$ 377,864	$ (271,355)	6,586,513
Accumulated depreciation	(3,949,871)	$ (193,546)	$ -	(4,143,417)
Net capital assets	$ 2,530,133			$ 2,443,096

Depreciation expense for the year was $193,546.

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NOTE D - RISK MANAGEMENT

The Commission 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 Commission maintains commercial insurance covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Commission. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

NOTE E - USE OF ESTIMATES

The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE F - VULNERABILITY DUE TO CERTAIN CONCENTRATIONS

The Commission is dependent upon the Department of Housing and Urban Development (HUD) to fund its operations through operating subsidies and capital funding grants. Total revenues for the year ended December 31, 2007 totaled $1,093,695 of which $743,761 or 68% was from HUD subsidies and grants.

The operations of the project are subject to rules and regulations of HUD. These rules and regulations are subject to change. Such changes may occur with short notice and could create a lack of funding to pay for operational related costs, including the additional administrative burden to comply with the changes.

NOTE G – PENSION PLAN

Description of Plan and Plan Assets - The Housing Commission participates along with the City of Alma in an agent multiple-employer defined benefit pension plan with the Municipal Employees' Retirement System (MERS). The system provides the following provisions: normal retirement, deferred retirement and service retirement to plan members and their beneficiaries. The service requirement is computed using credited service at the time of termination of membership multiplied by the sum of 2.25 percent times the final average compensation (FAC). The most recent period of which actuarial data was available was for the fiscal year ended December 31, 2006.

MERS was organized pursuant to Section 12a of Act #156, Public Acts of 1851 (MSA 5.3333 (a); MCLA 46.12 (a), as amended, State of Michigan. MERS is regulated under Act No. 427 of Public Acts of 1984, sections of which have been approved by the State Pension Commission. MERS issues a publicly available financial report that includes financial statements and requires supplementary information for the system. That report may be obtained by writing to the MERS at 447 Canal Road, Lansing, Michigan 48917-9755.

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CERTIFIED PUBLIC ACCOUNTANTS

NOTE G – PENSION PLAN (Continued)

Funding Policy – For the non-union employees, the City Commission has established an employee contribution rate of 5.5% of gross wages to maintain the system. Under an agreement negotiated with the police union, the unionized employees also contribute 5.5% of the employee's gross wages towards the maintenance and operation of the pension program.

Actuarial Assumptions – The actuarial information presented in the required supplementary information was based on the assumptions included below:

Variable	Assumption
Valuation Date	December 31, 2006
Actuarial cost method	Entry age normal cost
Amortization method	Level percentage; open
Amortization period	30 years
Asset valuation method	5-year smoothed market
Investment rate of return	8%
Projected salary increases*	12.9% to 4.5%
*Includes inflation at	4.5%
Cost of-living adjustments	None

Annual Pension Cost – For year ended June 30, 2007 the employees contributed $162,328 and the City contributed $159,310 to the plan. The pension numbers included are based on the December 31, 2006 actuarial report. Three-year trend information is presented below:

Fiscal Year Ending	Annual Required Contribution (ARC)	Percentage of ARC Contributed	Net Pension Obligation
6/30/2004	$ 98,316	100%	$ -
6/30/2005	101,712	100%	-
6/30/2006	159,324	100%	-

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability(AAL) Entry Age (b)	Under-funded (AAL) (UAAL) (b-a)	Funded Ratio (ab)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)c)
12/31/2004	15,402,864	15,531,838	128,974	99.2%	2,985,693	4.0%
12/31/2005	15,709,223	15,745,190	35,967	100.0%	2,912,728	1.0%
12/31/2006	16,375,987	16,282,914	(93,073)	100.6%	2,941,896	3.2%

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SUPPLEMENTAL INFORMATION

ANDERSON, TACKMAN & COMPANY, P.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

ALMA HOUSING COMMISSION

FINANCIAL DATA SCHEDULE
Proprietary Fund

December 31, 2007

Line Item #	Account Description	N/C S/R Section 8 Programs	Low Rent Public Housing	Housing Choice Vouchers	Public Housing Capital Fund Program	TOTAL
	ASSETS					
	CURRENT ASSETS:					
	Cash:					
111	Cash - unrestricted	$ 321,997	$ 1,322,703	$ 36,896	$ -	$ 1,681,596
113	Cash - other restricted	-	-	15,077	-	15,077
100	Total cash	321,997	1,322,703	51,973	-	1,696,673
	Accounts and notes receivables:					
126	Accounts receivable- tenants	11	6,648	-	-	6,659
126.1	Allowance for doubtful accounts - tenants	-	(3,253)	-	-	(3,253)
120	Total receivables, net of allowances for doubtful accounts	11	3,395	-	-	3,406
	Other current assets:					
131	Investments	54,206	142,521	-	-	196,727
142	Prepaid expenses	-	2,173	2,273	-	4,446
150	TOTAL CURRENT ASSETS	376,214	1,470,792	54,246	-	1,901,252

See accompanying notes to financial statements

ANDERSON, TACKMAN & COMPANY, P.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

ALMA HOUSING COMMISSION

FINANCIAL DATA SCHEDULE
Proprietary Fund

December 31, 2007

Line Item #	Account Description	N/C S/R Section 8 Programs	Low Rent Public Housing	Housing Choice Vouchers	Public Housing Capital Fund Program	TOTAL
	NONCURRENT ASSETS:					
	Fixed assets:					
161	Land	-	124,090	-	-	124,090
162	Buildings	995,207	3,916,339	-	93,836	5,005,382
163	Furniture, equipment & machinery - dwellings	51,048	89,184	-	-	140,232
164	Furniture, equipment & machinery - administration	26,973	252,213	-	1,785	280,971
165	Leasehold improvements	18,024	890,087	-	127,727	1,035,838
166	Accumulated depreciation	(833,120)	(3,300,767)	-	(9,530)	(4,143,417)
160	Total fixed assets, net of accumulated depreciation	258,132	1,971,146	-	213,818	2,443,096
180	TOTAL NONCURRENT ASSETS	258,132	1,971,146	-	213,818	2,443,096
190	TOTAL ASSETS	$ 634,346	$ 3,441,938	$ 54,246	$ 213,818	$ 4,344,348
	LIABILITIES AND NET ASSETS					
	LIABILITIES:					
	CURRENT LIABILITIES					
312	Accounts payable ≤ 90 days	$ 2,093	$ 3,942	$ 165	$ -	$ 6,200
321	Accrued wages / payroll taxes payable	917	6,180	671	-	7,768
322	Accrued compensated absences - current portion	5,737	9,562	3,725	-	19,024
333	Accounts payable - other government	-	9,974	-	-	9,974
341	Tenant security deposits	5,613	19,438	-	-	25,051
342	Deferred revenues	-	971	-	-	971

See accompanying notes to financial statements

ANDERSON, TACKMAN
& COMPANY, P.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

ALMA HOUSING COMMISSION

FINANCIAL DATA SCHEDULE
Proprietary Fund

December 31, 2007

Line Item #	Account Description	N/C S/R Section 8 Programs	Low Rent Public Housing	Housing Choice Vouchers	Public Housing Capital Fund Program	TOTAL
310	TOTAL CURRENT LIABILITIES	14,360	50,067	4,561	-	68,988
354	Accrued compensated absences - non current	4,508	7,512	-	-	12,020
350	TOTAL NONCURRENT LIABILITIES	4,508	7,512	-	-	12,020
300	TOTAL LIABILITIES	18,868	57,579	4,561	-	81,008
	NET ASSETS					
508.1	Investment in capital assets, net of related debt	258,132	1,971,146	-	213,818	2,443,096
511.1	Restricted net assets	-	-	15,077	-	15,077
512.1	Unrestricted net assets	357,346	1,413,213	34,608	-	1,805,167
513	TOTAL NET ASSETS	615,478	3,384,359	49,685	213,818	4,263,340
600	TOTAL LIABILITIES AND NET ASSETS	$ 634,346	$ 3,441,938	$ 54,246	$ 213,818	$ 4,344,348

See accompanying notes to financial statements

ANDERSON, TACKMAN & COMPANY, P.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

ALMA HOUSING COMMISSION

FINANCIAL DATA SCHEDULE
Proprietary Fund

For the Year Ended December 31, 2007

Line Item #	Account Description	N/C S/R Section 8 Programs	Low Rent Public Housing	Housing Choice Vouchers	Public Housing Capital Fund Program	TOTAL
	REVENUES					
703	Net tenant rental revenue	$ 78,179	$ 190,652	$ -	$ -	$ 268,831
704	Tenant revenue - other	-	1,231	-	-	1,231
705	Total tenant revenue	78,179	191,883	-	-	270,062
706	HUD PHA grants	140,070	203,062	249,206	50,900	643,238
706.1	Capital grants	-	-	-	100,523	100,523
711	Investment income - unrestricted	3,681	54,959	112	-	58,752
714	Fraud recovery	-	-	905	-	905
715	Other revenue	7,148	13,067	-	-	20,215
700	TOTAL REVENUE	229,078	462,971	250,223	151,423	1,093,695
	EXPENSES					
	Administrative:					
911	Administrative salaries	13,123	102,303	24,801	-	140,227
912	Auditing fees	500	2,000	500	-	3,000
914	Compensated absences	(169)	(282)	(62)	-	(513)
915	Employee benefit contributions- administrative	3,486	27,675	6,249	-	37,410
916	Other operating- administrative	4,564	25,369	4,448	-	34,381
	Total Administrative	21,504	157,065	35,936	-	214,505

See accompanying notes to financial statements

ANDERSON, TACKMAN & COMPANY, P.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

ALMA HOUSING COMMISSION

FINANCIAL DATA SCHEDULE
Proprietary Fund

For the Year Ended December 31, 2007

Line Item #	Account Description	N/C S/R Section 8 Programs	Low Rent Public Housing	Housing Choice Vouchers	Public Housing Capital Fund Program	TOTAL
	Tenant services:					
924	Tenant services - other	1,341	1,260	-	-	2,601
	Utilities:					
931	Water	5,421	24,542	-	-	29,963
932	Electricity	25,260	16,727	-	-	41,987
933	Gas	2,425	44,510	-	-	46,935
	Total Utilities	33,106	85,779	-	-	118,885
	Maintenance:					
941	Ordinary maintenance and operations - labor	16,403	107,527	-	-	123,930
942	Ordinary maintenance and operations - materials & other	2,732	14,653	-	-	17,385
943	Ordinary maintenance and operations - contract costs	14,893	16,954	-	900	32,747
945	Employee benefit contributions- ordinary maintenance	4,222	26,392	-	-	30,614
	Total Maintenance	38,250	165,526	-	900	204,676
	General expenses:					
961	Insurance premiums	4,387	18,407	-	-	22,794
963	Payments in lieu of taxes	-	9,974	-	-	9,974
964	Bad debts - tenant rents	-	1,097	-	-	1,097
	Total General Expenses	4,387	29,478	-	-	33,865

See accompanying notes to financial statements

ANDERSON, TACKMAN
& COMPANY, P.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

ALMA HOUSING COMMISSION

FINANCIAL DATA SCHEDULE
Proprietary Fund

For the Year Ended December 31, 2007

Line Item #	Account Description	N/C S/R Section 8 Programs	Low Rent Public Housing	Housing Choice Vouchers	Public Housing Capital Fund Program	TOTAL
969	TOTAL OPERATING EXPENSES	98,588	439,108	35,936	900	574,532
970	EXCESS OPERATING REVENUE OVER OPERATING EXPENSES	130,490	23,863	214,287	150,523	519,163
971	Extraordinary maintenance	1,286	-	-	-	1,286
973	Housing assistance payments	-	-	209,845	-	209,845
974	Depreciation expense	28,103	156,060	-	9,383	193,546
900	TOTAL EXPENSES	127,977	595,168	245,781	10,283	979,209
	Other financing sources (uses)					
1001	Operating transfers in	-	50,000	-	-	50,000
1002	Operating transfers out	-	-	-	(50,000)	(50,000)
1010	Total other financing sources (uses)	-	50,000	-	(50,000)	-
1000	EXCESS (DEFICIENCY) OF TOTAL REVENUE OVER (UNDER) TOTAL EXPENSES	$ 101,101	$ (82,197)	$ 4,442	$ 91,140	$ 114,486

See accompanying notes to financial statements

ANDERSON, TACKMAN & COMPANY, P.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

ALMA HOUSING COMMISSION

FINANCIAL DATA SCHEDULE
Proprietary Fund

For the Year Ended December 31, 2007

Line Item #	Account Description	N/C S/R Section 8 Programs	Low Rent Public Housing	Housing Choice Vouchers	Public Housing Capital Fund Program	TOTAL
MEMO account information						
1103	Beginning equity	$ 512,558	$ 3,232,726	$ 45,242	$ 358,328	$ 4,148,854
1104	Prior Period Adjustments, Equity Transfers	$ 1,820	$ 233,830	$ -	$ (235,650)	$ -
1113	Maximum Annual Contributions Commitment (Per ACC)	$ -	$ -	$ -	$ -	$ -
1116	Total Annual Contributions Available	$ -	$ -	$ -	$ -	$ -
1120	Unit months available	360	1,128	722	-	2,210
1121	Number of unit months leased	353	1,104	722	-	2,179
1117	Administrative fees	-	-	35,279	-	35,279
1118	Housing assistance payments equity	-	-	15,077	-	15,077

See accompanying notes to financial statements

ANDERSON, TACKMAN & COMPANY, P.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

ALMA HOUSING COMMISSION

FEDERAL AUDIT REPORTS

For the Year Ended December 31, 2007

ALMA HOUSING COMMISSION

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ANDERSON, TACKMAN & COMPANY, P.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

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

Board of Commissioners
Alma Housing Commission
Alma, Michigan

We have audited the financial statements of Alma Housing Commission as of and for the year ended December 31, 2007, and have issued our report thereon dated July 15, 2008. 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 Alma Housing Commission's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Alma Housing Commission's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Alma Housing Commission'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 entity'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 entity's financial statements 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 a material misstatement of the financial statements will not be prevented or detected by the entity'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 weakness. We did not identify any deficiencies in internal control over financial reporting that we consider to be a material weakness, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Alma Housing Commission's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

ANDERSON, TACKMAN & COMPANY, P.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

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

This report is intended solely for the information of the Board of Commissioners, management and the Department of Housing and Urban Development and is not intended to be and should not be used by anyone other than those specified parties.

Anderson, Tackman & Co. PLC

ANDERSON, TACKMAN & COMPANY, PLC
Certified Public Accountants
Iron Mountain, Michigan

July 15, 2008

ANDERSON, TACKMAN & COMPANY, P.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Board of Commissioners
Alma Housing Commission
Alma, Michigan

Compliance

We have audited the compliance of Alma Housing Commission 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 each of its major federal programs for the year ended December 31, 2007. Alma Housing Commission's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Alma Housing Commission's management. Our responsibility is to express an opinion on Alma Housing Commission'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 Alma Housing Commission'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 Alma Housing Commission's compliance with those requirements.

In our opinion Alma Housing Commission 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 December 31, 2007.

Internal Control Over Compliance

The management of Alma Housing Commission is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Alma Housing Commission's internal control over compliance with 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 Alma Housing Commission's internal control over 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 Alma Housing Commission's internal control over compliance.

ANDERSON, TACKMAN & COMPANY, P.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

(Continued)

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 the 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 the audit committee, management and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

ANDERSON, TACKMAN & COMPANY, PLC
Certified Public Accountants
Iron Mountain, Michigan

July 15, 2008

ANDERSON, TACKMAN & COMPANY, P.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

ALMA HOUSING COMMISSION

For the Year Ended December 31, 2007

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Federal Grantor/Pass Through Grantor	Federal CFDA Number	Award Amount	Expensed as of 12-31-06	12-31-07 Federal Expenditures
Operating Subsidy	14.850	$ 203,062	$ -	$ 203,062
Housing Choice Vouchers	14.871	$ 249,206	$ -	$ 245,781
Section 8 New Construction	14.182	$ 140,070	$ -	$ 140,070
Capital Funding	14.872			
501-04		$ 162,930	$ 159,745	$ 3,185
501-05		155,483	-	148,238
		$ 318,413	$ 159,745	$ 151,423
Total Department of Housing and Urban Development				$ 740,336
TOTAL FEDERAL EXPENDITURES				$ 740,336

See accompanying notes to the schedule of expenditures of federal awards.

ANDERSON, TACKMAN & COMPANY, P.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

ALMA HOUSING COMMISSION

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended December 31, 2007

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Alma Housing Commission and is presented on the accrual basis of accounting. 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*.

NOTE B - COST REPORTS

Management has reported the expenditures in the Schedule of Expenditures of Federal Awards equal to those amounts reported in the modernization cost reports.

ANDERSON, TACKMAN & COMPANY, P.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

ALMA HOUSING COMMISSION

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended December 31, 2007

SUMMARY OF AUDITORS' RESULTS

1. The auditors' report expresses an unqualified opinion of the general purpose financial statements of the Alma Housing Commission.

2. There were no significant deficiencies relating to the audit of the general purpose financial statements.

3. There were no instances of noncompliance material to the general purpose financial statements of the Alma Housing Commission.

4. There were no significant deficiencies relating to the audit of the major federal award programs as reported in the Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133.

5. The auditors' report on compliance for the major federal award programs for the Alma Housing Commission expresses an unqualified opinion.

6. There were no audit findings relative to the major federal award programs for the Alma Housing Commission.

7. The programs tested as major programs included:

   A. Housing Choice Vouchers – CFDA 14.871

8. The threshold for distinguishing Types A and B programs was $300,000.

9. Alma Housing Commission was determined to be a low-risk auditee.

FINDINGS – FINANCIAL STATEMENT AUDIT

1. None.

FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

1. None.

PRIOR FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

1. None.

ANDERSON, TACKMAN & COMPANY, P.L.C.
CERTIFIED PUBLIC ACCOUNTANTS