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JAMES R. MOODY, CPA

Full Audit Report was approved by the
Board of Directors in April, copy is
posted to the AAHRA webpage.

PLEASE REPLY TO:
P. O. BOX 698
ODENVILLE, AL 35120

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

In planning and performing our audit of the financial statements of Alabama Association of Housing and Redevelopment Authorities (AAHRA) as of and for the year ended September 30, 2014, in accordance with auditing standards generally accepted in the United States of America, we considered AAHRA's internal control over financial reporting (internal control) as a basis for designing our auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of AAHRA's internal control. Accordingly, we do not express an opinion on the effectiveness of the AAHRA's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of AAHRA's financial statements will not be prevented, or detected and corrected, on a timely basis.

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

This communication is intended solely for the information and use of management, Board of Directors of AAHRA, and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.



December 12, 2014
Odenville, Alabama



ALABAMA ASSOCIATION OF HOUSING AND REDEVELOPMENT AUTHORITIES

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December 12, 2014

Moody & Company
P. O. Box 698
Odenville, AL 35120

This representation letter is provided in connection with your audit of the financial statements of Alabama Association of Housing and Redevelopment Authorities, which comprise the statements of financial position as of September 30, 2014 and 2013 and the related statements of activities and cash flows for the years then ended and the related notes to the financial statements, for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of December 12, 2014, the following representations made to you during your audit.

Financial Statements

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated September 2, 2014, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP.
- The financial statements referred to above are fairly presented in conformity with U.S. GAAP.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.

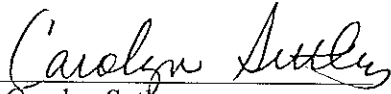
- Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
- Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
- All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
- The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
- Material concentrations have been appropriately disclosed in accordance with U.S. GAAP.
- Guarantees, whether written or oral, under which the organization is contingently liable, have been properly recorded or disclosed in accordance with U.S. GAAP.

Information Provided

- We have provided you with:
 - Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
 - Additional information that you have requested from us for the purpose of the audit.
 - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
 - Minutes of the meetings of the governing board or summaries of actions of recent meetings for which minutes have not yet been prepared.
- All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have no knowledge of any fraud or suspected fraud that affects the organization and involves:
 - Management,
 - Employees who have significant roles in internal control, or
 - Others where the fraud could have a material effect on the financial statements.

- We have no knowledge of any allegations of fraud or suspected fraud affecting the organization's financial statements communicated by employees, former employees, grantors, regulators, or others.
- We have no knowledge of any instances of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements.
- We have disclosed to you all known actual or possible litigation, claims, and assessment whose effects should be considered when preparation the financial statements.
- We have disclosed to you the identity of the organization's related parties and all the related party relationships and transactions of which we are aware.
- The organization has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us.
- Alabama Association of Housing and Redevelopment Authorities is an exempt organization under Section 501(c)(6) of the Internal Revenue Code. Any activities of which we are aware that would jeopardize the Organization's tax-exempt status, and all activities subject to tax on unrelated business income or excise or other tax, have been disclosed to you. All required filings with tax authorities are up-to-date.

Signed:


Carolyn Sutley

Title:

Treasurer

**ALABAMA ASSOCIATION OF HOUSING AND
REDEVELOPMENT AUTHORITIES
(A NONPROFIT ORGANIZATION)**

FINANCIAL STATEMENTS

SEPTEMBER 30, 2014 and 2013

**ALABAMA ASSOCIATION OF HOUSING AND
REDEVELOPMENT AUTHORITIES**

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JAMES R. MOODY, CPA

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P. O. BOX 698
ODENVILLE, AL 35120

INDEPENDENT AUDITORS' REPORT

Board of Directors
Alabama Association of Housing
and Redevelopment Authorities

We have audited the accompanying financial statements of the Alabama Association of Housing and Redevelopment Authorities, (the "Association") (a nonprofit organization), which comprise the statements of financial position as of September 30, 2014 and 2013, and the related statements of activities and changes in net assets and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Association as of September 30, 2014 and 2013, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Moody & Company

December 12, 2014
Odenville, Alabama

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

	2014	2013
Assets		
Cash	\$ 295,020	\$ 250,738
Investments	105,531	105,320
Interest receivable	49	-
Accounts receivable	900	961
Total Assets	\$ 401,500	\$ 357,019
 Liabilities and Net Assets		
Accounts payable	\$ 293	\$ 908
 Net Assets		
Unrestricted	401,207	356,111
 Total Liabilities and Net Assets	\$ 401,500	\$ 357,019

See the notes to the financial statements.

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

	2014	2013
Revenues		
Annual meeting revenues	\$ 150,605	\$ 162,185
Registration and workshop revenues	70,193	83,425
Membership and dues	70,113	64,563
Interest	293	250
Total revenues	291,204	310,423
Operating Expenses		
Annual meeting	135,565	115,729
Workshop expense	52,954	45,814
Lobbying	30,324	41,112
Administrative	26,972	24,917
Donations to AHAEFF	293	250
Total operating expenses	246,108	227,822
Operating income and changes in net assets	45,096	82,601
Net Assets, October 1,	356,111	273,510
Changes in net assets, September 30,	\$ 401,207	\$ 356,111

See the notes to the financial statements.

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

	2014	2013
Cash Flows From Operating Activities:		
Cash received from:		
Operations	\$ 291,216	\$ 309,853
Cash paid to/for		
Programs	(246,430)	(226,664)
Scholarship awards	(293)	(250)
Net cash provided by operating activities	44,493	82,939
Cash Flows Provided By Investing Activities:		
(Purchase) of investments	(211)	(191)
Net cash (used) by investing activities	(211)	(191)
Net increase in cash	44,282	82,748
Cash and cash equivalents beginning of year	250,738	167,990
Cash and cash equivalents end of year	\$ 295,020	\$ 250,738
Reconciliation of changes in net assets to net cash provided from operating activities:		
Increase in net assets	\$ 45,096	\$ 82,601
Adjustments to reconcile change in net assets to net cash from operating activities:		
Accounts receivable	61	(588)
Interest receivable	(49)	18
Accounts payable	(615)	908
Net cash provided by operating activities	\$ 44,493	\$ 82,939

See the notes to the financial statements.

**ALABAMA ASSOCIATION OF HOUSING AND
REDEVELOPMENT AUTHORITIES
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2014 AND 2013**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

Basis of Presentation – Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) ASC 958 (formerly known as FASB N. 117, “Financial Statements of Not-for-Profit Organizations”.) Under FASB ASC 958, the Association is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. AAHRA does not have any temporarily or permanently restricted net assets at September 30, 2014.

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

**ALABAMA ASSOCIATION OF HOUSING AND
REDEVELOPMENT AUTHORITIES
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
SEPTEMBER 30, 2014 AND 2013**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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

Federal Income Tax – AAHRA is exempt from income taxes under Section 501(c)(6) of the Internal Revenue Code.

Cash and Cash Equivalents – For purposes of the Statement of Cash Flows, cash equivalents include certificates of deposit with original maturities of three months or less. All bank deposits are fully covered by FDIC insurance limits at year ended September 30, 2014.

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

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

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

Subsequent Events- In preparing the financial statement, management evaluated subsequent events through December 12, 2014 the date the financial statements were available to be issued.

NOTE 2 – FUNCTIONAL ALLOCATION OF EXPENSES

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

NOTE 3 – COMMITMENTS AND CONTINGENCIES

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