The Atlanta Blueprint

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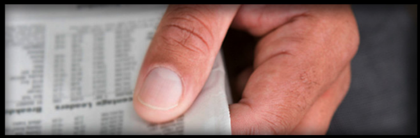




AHA LEGACY ATTACHMENT B REQUIREMENTS

The following elements for AHA's FY 2009 MTW Annual Report are in accordance with AHA's Legacy Attachment B Requirements included in AHA's Amended and Restated MTW Agreement.

REQUIREMENT	LOCATION
I. Households Served	
A. Number served: plan vs. actual by unit size, family type, income group, program/housing type, race & ethnicity B. Changes in tenant characteristics C. Changes in waiting list numbers and characteristics D. Narrative discussion/ explanation of difference	*Refer to the MTW Benchmarking Study Update in the MTW Annual Report.*
II. Occupancy Policies	
A. Changes in concentration of lower-income families, by program	**Appendix D** ▪ Households Served
B. Changes in Rent Policy, if any	**Appendix H** ▪ Minimum Rent Policy Impact Analysis
C. Narrative discussion/explanation of change	**Appendix H** ▪ Minimum Rent Policy Impact Analysis **Appendix C** ▪ Deconcentration & Occupancy Policies ***NOTE:*** *A copy of AHA's Statement of Corporate Policies Governing the Leasing and Residency of Assisted Apartments is included as* ***Appendix P*** *of AHA's FY 2010 CATALYST Implementation Plan*
III. Changes in the Housing Stock	
A. Number of units in inventory by program: planned vs. actual - B. Narrative discussion/explanation of difference	**Eliminate.** Public Housing inventory is reported to HUD through the PIC system. We are submitting Housing Choice unit leasing information through the quarterly 52681-B Housing Choice financials submissions.
IV. Sources and Amounts of Funding	
A. Planned vs. actual funding amounts B. Narrative discussion/explanation of difference	**Appendix F** ▪ Financial Analysis

AHA LEGACY ATTACHMENT B REQUIREMENTS

REQUIREMENT	LOCATION
IV. Sources and Amounts of Funding - *continued*	
C. Consolidated Financial Statement	**Appendix G** ▪ A Comprehensive Annual Financial Report and Report of Independent Certified Public Accountants
V. Uses of Funds	
A. Budgeted vs. actual expenditures by line item B. Narrative/explanation of difference C. Reserve balance at end of year. Discuss adequacy of reserves.	**Appendix F** ▪ Financial Analysis
VI. Capital Planning	
A. Planned vs. actual expenditures by property B. Narrative discussion/explanation of difference	**Appendix F** ▪ Financial Analysis
VII. Management Information for Owned / Managed Units	
(Vacancy) Occupancy Rates	
1. Target vs. actual occupancies by property	**Appendix E** ▪ Management Information for Owned / Managed Units & Assisted Units
2. Narrative/explanation of difference	No explanation of difference (N/A)
Rent Collections (Rents Uncollected)	
1. Target vs. actual collections	**Appendix E** ▪ Management Information for Owned / Managed Units & Assisted Units
2. Narrative/explanation of difference	No explanation of difference (N/A)
Work Orders	
1. Target vs. actual response rates 2. Narrative/explanation of difference	**Appendix E** ▪ Management Information for Owned / Managed Units & Assisted Units **Appendix H** ▪ MTW Program Benchmarks

AHA LEGACY ATTACHMENT B REQUIREMENTS

REQUIREMENT	LOCATION
VII. Management Information for Owned / Managed Units - *continued*	
Inspections	
1. Planned vs. actual inspections completed	**Appendix E** ▪ Management Information for Owned / Managed Units & Assisted Units
2. Narrative/explanation of difference	N / A
3. Results of independent PHAS inspections	**Appendix H** ▪ MTW Program Benchmarks
E. Security	
1. Narrative: planned vs. actual actions/explanation of difference	**Appendix E** ▪ Management Information for Owned / Managed Units & Assisted Units
VIII. Management Information for Leased Housing	
A. Leasing Information	
1. Target vs. actual lease ups at end of period	Eliminate. We are submitting Housing Choice unit leasing information through the quarterly 52681-B Housing Choice financials submissions.
2. Information and Certification of Data on Leased Housing Management including: ▪ Ensuring rent reasonableness; ▪ Expanding housing opportunities; ▪ Deconcentration of low-income families 3. Narrative/explanation of differences	**Appendix C** ▪ Deconcentration and Occupancy Policies ***NOTE:*** *A copy of AHA's Statement of Policies Governing the Housing Choice Voucher Program is included as* ***Appendix Q*** *of AHA's FY 2010 CATALYST Implementation Plan.*
Inspection Strategy	
1. Results of strategy, including: a) Planned vs. actual inspections completed by category: Annual HQS inspections; Pre-contract HQS inspections; HQS Quality Control inspections; b) HQS Enforcement 2. Narrative/discussion of difference	**Appendix H** ▪ MTW Program Benchmarks

AHA LEGACY ATTACHMENT B REQUIREMENTS

REQUIREMENT	LOCATION
VIII. Resident Programs	
A. Narrative: planned vs. actual actions/explanation of difference	*Refer to the Human Development Priority section in the MTW Annual Report*
B. Results of latest PHAS Resident Survey, or equivalent as determined by HUD.	**Appendix B** ▪ Resident Satisfaction Survey
X. Other Information as Required by HUD	
A. Results of latest completed 133 Audit, (including program-specific OMB compliance supplement items, as applicable to AHA's Agreement)	**Appendix G** ▪ Reports of Independent Certified Public Accountants in Accordance with Government Auditing Standards and OMB Circular A-133
B. Required Certifications and other submissions from which the Agency is not exempted by the MTW Agreement	**Appendix H** ▪ MTW Program Benchmarks
C. Submissions required for the receipt of funds	**Appendix K** ▪ Submissions Required for Receipt of Funds

OMB Control Number: 2577-0216
Expiration Date: 12/31/2011

Form 50900: Elements for the Annual MTW Plan and Annual MTW Report

Attachment B

to AMENDED AND RESTATED MOVING TO WORK AGREEMENT BETWEEN U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT AND AGENCY

The information on this form is being collected so the Department is able to respond to Congressional and other inquiries regarding outcome measures obtained and promising practices learned throughout the Moving to Work (MTW) demonstration. The information reported through this form is not confidential. Respondents will report outcome information to accurately evaluate the effects of MTW policy changes on residents, the Agency's operations and the local community. The estimated burden per year per Agency is 81 hours. Responses to the collection of information are required to obtain a benefit or to retain a benefit. The Agency may not conduct or sponsor, and are not required to respond to, a collection of information unless that collection displays a valid OMB control number. All MTW Agencies will provide the following required elements in their Annual MTW Plans and Reports, consistent with the requirements of Section VII of the standard Amended and Restated Agreement, and will follow the following order and format.

Annual MTW Report	Location
I. Introduction	
A. Table of Contents, which includes all the required elements of the Annual MTW Report; and	• Annual Report Table of Contents • Annual Report Appendices Table of Contents
B. Overview of the Agency's ongoing MTW goals and objectives.	**Annual Report:** • Six Priority Activities • Corporate Support

II. General Housing Authority Operating Information	
A. Housing Stock Information	
Number of public housing units at the end of the Plan year, discuss any changes over 10%;	**Appendix I:** • Housing Innovations Chart A1
Description of any significant capital expenditures by development (>30% of the Agency's total budgeted capital expenditures for the fiscal year);	**Appendix I:** • Housing Innovations Chart A2
Description of any new public housing units added during the year by development (specifying bedroom size, type, accessible features, if applicable);	**Appendix I:** • Housing Innovations Chart A3
Number of public housing units removed from the inventory during the year by development specifying the justification for the removal;	**Appendix I:** • Housing Innovations Chart A4
Number of MTW HCV authorized at the end of the Plan year, discuss any changes over 10%;	**Appendix I:** • Housing Innovations Chart A5
Number of non-MTW HCV authorized at the end of the Plan year, discuss any changes over 10%;	**Appendix I:** • Housing Innovations Chart A6
Number of HCV units project-based during the Plan year, including description of each separate project; and	**Appendix I:** • Housing Innovations Chart A7
Overview of other housing managed by the Agency, e.g., tax credit, state-funded, market rate.	**Appendix I:** • Housing Innovations Chart A8
B. Leasing Information - Actual	
Total number of MTW PH units leased in Plan year;	**Appendix I:** • Housing Innovations Chart B1
Total number of non-MTW PH units leased in Plan year;	**Appendix I:** • Housing Innovations Chart B2
Total number of MTW HCV units leased in Plan year;	**Appendix I:** • Housing Innovations Chart B3
Total number of non-MTW HCV units leased in Plan year;	**Appendix I:** • Housing Innovations Chart B4
Description of any issues related to leasing of PH or HCVs; and	**Appendix I:** • Housing Innovations Chart B5

B. Leasing Information – Actual-*continued*	
Number of project-based vouchers committed or in use at the end of the Plan year, describe project where any new vouchers are placed (include only vouchers where Agency has issued a letter of commitment in the Plan year).	**Appendix I:** • Housing Innovations Chart B6
C. Waiting List Information	
Number and characteristics of households on the waiting lists (all housing types) at the end of the plan year; and Description of waiting lists (site-based, communitywide, HCV, merged) and any changes that were made in the past fiscal year.	**Appendix I:** • Housing Innovations Charts C1 & C2
III. Non-MTW Related Housing Authority Information *(Optional)*	
A. List planned vs. actual sources and uses of other HUD or other Federal Funds (excluding HOPE VI); and **B.** Description of non-MTW activities implemented by the Agency.	N/A
IV. Long-term MTW Plan *(Optional)*	
Describe the Agency's long-term vision for the direction of its MTW program, extending through the duration of the MTW Agreement.	N/A
V. Proposed MTW Activities: HUD approval requested	
(provide the listed items below grouped by each MTW activity)	
A. Describe any activities that were proposed in the Plan, approved by HUD, but not implemented, and discuss why these activities were not implemented. (All proposed activities that are granted approval by HUD will be reported on in Section VI as "ongoing activities.")	**Annual Report:** • Re-engineering the Housing Choice Voucher Program Priority
VI. Ongoing MTW Activities: HUD approval previously granted	
(provide the listed items below grouped by each MTW activity)	
A. List activities continued from the prior Plan year(s); specify the Plan Year in which the activity was first identified and implemented;	**Annual Report:** • Priority Activities • Corporate Support
B. Provide detailed information on the impact of the activity and compare against the proposed benchmarks, and metrics to assess outcomes, including if activity is on schedule. For rent reform initiatives, describe the result of any hardship requests. [The Agency will need to develop benchmarks and evaluation metrics for all ongoing MTW activities. For MTW activities that were implemented prior to the execution of this Amended and Restated Agreement, the Agency does not have to provide this information for past years. The Agency will establish the benchmarks	**Appendix H:** • MTW Program Benchmarks • Minimum Rent Policy Impact Analysis • Elderly Income Disregard Policy Impact Analysis

and metrics in the first year that it Reports under this new format.];	
C. If benchmarks were not achieved or if the activity was determined ineffective, provide a narrative explanation of the challenges, and, if possible, identify potential new strategies that might be more effective;	**Appendix H:** • MTW Program Benchmarks
VI. Ongoing MTW Activities: HUD approval previously granted - *continued*	
(provide the listed items below grouped by each MTW activity)	
D. If benchmarks or metrics have been revised; identify any new indicator(s) of activities status and impact (e.g. after 2 years of rent reform only 6 hardship cases);	N/A
E. If data collection methodology has changed, describe original data collection methodology and any revisions to the process or change in data collected;	N/A
F. If a different authorization from Attachment C or D was used than was proposed in the Plan, provide the new authorization and describe why the change was necessary; and **G.** Cite the specific provision(s) of the Act or regulation that is waived under MTW (as detailed in Attachment C or D of this Restated Agreement) that authorized the Agency to make the change, and briefly describe if and how the waived section of the Act or regulation was necessary to achieve the MTW activity With respect to requirements related to statutory or regulatory cites, the following is agreed: Every effort will be made by the Agency to reference the complete and correct statute or regulation application to a particular initiative; However, failure to cite to the correct or entire statute or regulation will not be grounds for disapproval of such initiative in an Annual Plan nor will such failure invalidate the use of the MTW authority necessary to implement and support the initiative.	On November 13, 2008, AHA and HUD executed AHA's Amended and Restated MTW Agreement. On January 16, 2009, AHA and HUD executed a further amendment to the Amended and Restated MTW Agreement (collectively, the "Amended and Restated MTW Agreement"), which clarified and expanded AHA's ability to use MTW Funds outside of Section 9 and Section 8 of the U.S. Housing Act of 1937, as amended ("1937 Act"). The Amended and Restated MTW Agreement re-affirmed, in all material respects, all of the authorizations set forth in Appendix A of the Original MTW Agreement and includes these authorizations in Attachment D. AHA has all of the authorizations needed from HUD under the Amended and Restated MTW Agreement to implement the activities described in AHA's FY 2009 MTW Annual Report.
VII. Sources and Uses of Funding	
A. List planned vs. actual sources (Operating, Capital, and HCV) and uses of MTW Funds (excluding HOPE VI). Provide a narrative description of any major changes from the approved MTW Plan;	**Appendix F:** • Financial Analysis
B. List planned vs. actual sources and uses of State or local funds;	AHA received city funds for public improvements in FY 2009.
C. If applicable, list planned vs. actual sources and uses of the COCC (Central Office Cost Center);	N / A

VII. Sources and Uses of Funding - *continued*	
D. If using a cost allocation or fee-for-service approach that differs from 1937 Act requirements, describe the actual deviations that were made during the Plan year; and	**Annual Report:** • Corporate Support section
E. List or describe planned vs. actual use of single-fund flexibility.	**Annual Report:** • Corporate Support section **Appendix F:** • Financial Analysis
F. Optional - List planned vs. actual reserve balances at the end of the plan year.	N / A
G. Optional - In plan appendix, provide planned vs. actual sources and use by AMP.	N / A
VIII. Administrative	
The Agency will provide the following:	
A. Description of progress on the correction or elimination of observed deficiencies cited in monitoring visits, physical inspections, or other oversight and monitoring mechanisms, if applicable;	**Appendix E:** • Management Information for Owned/ Managed Units and Assisted Units
B. Results of latest Agency-directed evaluations of the demonstration, as applicable;	**Annual Report:** • MTW Benchmarking Study Update Section
C. Performance and Evaluation Report for Capital Fund activities not included in the MTW Block Grant, as an attachment to the Report; and	**Appendix J:** • ARRA Submissions
D. Certification that the Agency has met the three statutory requirements of: 1) assuring that at least 75 percent of the families assisted by the Agency are very low-income families; 2) continuing to assist substantially the same total number of eligible low income families as would have been served had the amounts not been combined; and 3) maintaining a comparable mix of families (by family size) are served, as would have been provided had the amounts not been used under the demonstration.	**Appendix H:** • Certification

Atlanta Housing Authority
FY 2009 Resident Satisfaction Survey
Summary of Results

Property Maintenance					
	Never	1 to 3 times	More than 3 times	No Response	Multiple Responses
1. In the past year, how often did you need assistance from the maintenance staff?					
Number of responses	43	457	205	63	0
Total number of surveys returned	784	784	784	784	784
Percentage	5.5%	58.3%	26.1%	8.0%	0.0%
	Yes	No	Does Not Apply	No Response	Multiple Responses
2. Do maintenance workers complete work orders in one week or less?					
Number of responses	632	83	25	29	6
Total number of surveys returned	784	784	784	784	784
Percentage	80.6%	10.6%	3.2%	3.7%	0.8%
3. Do maintenance workers complete emergency repairs in one day or less?					
Number of responses	574	97	70	31	3
Total number of surveys returned	784	784	784	784	784
Percentage	73.2%	12.4%	8.9%	4.0%	0.4%
4. Do maintenance workers fix your work orders in a single visit?					
Number of responses	568	136	28	36	7
Total number of surveys returned	784	784	784	784	784
Percentage	72.4%	17.3%	3.6%	4.6%	0.9%
5. Do maintenance workers answer your questions?					
Number of responses	613	89	22	39	12
Total number of surveys returned	784	784	784	784	784
Percentage	78.2%	11.4%	2.8%	5.0%	1.5%
6. When you go to the laundry room do the machines work?					
Number of responses	399	265	28	58	25
Total number of surveys returned	784	784	784	784	784
Percentage	50.9%	33.8%	3.6%	7.4%	3.2%
7. Is there trash on the ground or in the streets around the apartments?					
Number of responses	143	5	31	18	4
Total number of surveys returned	784	784	784	784	784
Percentage	18.2%	0.6%	4.0%	2.3%	0.5%

The total of 784 represents the total number of surveys that were returned by residents. The "No Response" category is inclusive of individuals who returned the survey but did not respond to a particular question on the survey. The "Multiple Responses" category is inclusive of individuals who returned the survey and provided multiple responses to a particular question on the survey.

Atlanta Housing Authority
FY 2009 Resident Satisfaction Survey
Summary of Results

Property Management

	Never	1 to 3 times	More than 3 times	No Response	Multiple Responses
8. In the past year, how often did you need assistance from the property management staff?					
Number of responses	142	348	98	38	0
Total number of surveys returned	784	784	784	784	784
Percentage	18.1%	44.4%	12.5%	4.8%	0.0%

	Yes	No	Does Not Apply	No Response	Multiple Responses
9. Do the people in the rent office answer the phone?					
Number of responses	677	37	31	24	3
Total number of surveys returned	784	784	784	784	784
Percentage	86.4%	4.7%	4.0%	3.1%	0.4%
10. When you visit the rent office is someone there to help you?					
Number of responses	718	25	12	18	2
Total number of surveys returned	784	784	784	784	784
Percentage	91.6%	3.2%	1.5%	2.3%	0.3%
11. Do the people in the rent office answer your questions?					
Number of responses	555	39	12	22	4
Total number of surveys returned	784	784	784	784	784
Percentage	70.8%	5.0%	1.5%	2.8%	0.5%

Performance

	Very Good	Good	Average	Poor	No Response	Multiple Responses
12. Overall, how would you describe living in your community?						
Number of responses	217	199	125	31	34	1
Total number of surveys returned	784	784	784	784	784	784
Percentage	27.7%	25.4%	15.9%	4.0%	4.3%	0.1%

	Yes	No	No Response	Multiple Responses
13. Would you recommend your community to a friend?				
Number of responses	419	101	65	0
Total number of surveys returned	784	784	784	784
Percentage	53.4%	12.9%	8.3%	0.0%

Atlanta Housing Authority
FY 2009 Resident Satisfaction Survey
Summary of Results

Resident Services

	Never	1 to 3 times	More than 3 times	No Response	Multiple Responses
14. In the past year, how often did the resident services staff help you?					
Number of responses	154	340	95	41	1
Total number of surveys returned	784	784	784	784	784
Percentage	19.6%	43.4%	12.1%	5.2%	0.1%

	Yes	No	No Response	Multiple Responses
15. Does the resident services staff help you?				
Number of responses	610	135	29	1
Total number of surveys returned	784	784	784	784
Percentage	77.8%	17.2%	3.7%	0.1%
16. Do you know when the resident association meetings are held?				
Number of responses	654	90	30	1
Total number of surveys returned	784	784	784	784
Percentage	83.4%	11.5%	3.8%	0.1%
17. Do you feel the resident association meetings are important?				
Number of responses	593	147	31	4
Total number of surveys returned	784	784	784	784
Percentage	75.6%	18.8%	4.0%	0.5%
18. Do you regularly attend the resident association meetings?				
Number of responses	415	340	18	2
Total number of surveys returned	784	784	784	784
Percentage	52.9%	43.4%	2.3%	0.3%

Safety

19. Do you feel safe inside your apartment?				
Number of responses	678	86	10	1
Total number of surveys returned	784	784	784	784
Percentage	86.5%	11.0%	1.3%	0.1%
20. Do you feel safe in your apartment community?				
Number of responses	659	91	24	1
Total number of surveys returned	784	784	784	784
Percentage	84.1%	11.6%	3.1%	0.1%

Appendix C: DECONCENTRATION AND OCCUPANCY POLICIES

The Atlanta Housing Authority (AHA) continues its commitment to deconcentrate poverty and create healthy mixed-income communities in the City of Atlanta. Through its Guiding Principles, AHA is focused on revolutionizing its programs and strategies to reverse the effects of concentrated poverty and improve outcomes for families. Several of AHA's priorities as outlined in its FY 2009 MTW Annual Report include strategies for deconcentrating poverty:

- Continuing with its strategic revitalization initiatives in partnership with private sector development partners with the goal of creating healthy and economically sustainable, mixed-use, mixed-income communities;
- Repositioning its public housing portfolio under the Quality of Life Initiative while relocating families to healthier, mixed-income communities;
- Using Project Based Rental Assistance as a development tool to offer substantially better housing opportunities by promoting the development of quality affordable housing for families, seniors and persons with disabilities;
- Developing its own system of payment standards inside of its Housing Choice Program enabling eligible families to choose rental housing in low poverty areas and opening up a broader area of affordable housing opportunities within AHA's jurisdiction; and
- Enhancing its market approach for attracting and fostering long-term relationships with landlords, private owners, property management companies, and rental housing industry groups to expand AHA's housing resource network.

Additionally, AHA has developed two policy documents governing its eligibility, occupancy and program administration of its Public Housing and Housing Choice Voucher Programs.

The first is *AHA's Statement of Corporate Policies Governing the Leasing and Residency of Assisted Apartments* (Statement of Corporate Policies – or SCP). AHA's Board of Commissioners amended Revision Four of the SCP on April 30, 2008, after conducting a properly advertised and noticed public hearing on April 15, 2008. The SCP was updated to clarify established policies and revise existing language, as appropriate, to ensure consistency in rent and occupancy policies governing the Public Housing and Housing Choice Voucher Programs.

The second is AHA's *Statement of Policies Governing the Housing Choice Tenant Based Program* (Statement of Housing Choice Policies). AHA's Board of Commissioners also amended Revision Seven of the Statement of Housing Choice Policies on September 3, 2008. Similar to the SCP, the Statement of Housing Choice Policies was updated to clarify established policies and revise existing language to ensure consistency in rent and occupancy policies governing the public housing and Housing Choice Voucher Programs. Additionally, policy language was included with respect to reasonable accommodations which afford persons with disabilities full participation in the Housing Choice Voucher Program and related AHA activities, and added policy language related to the development of special programs.

Both the SCP and Statement of Housing Choice Policies were included in AHA's FY 2010 MTW Plan (CATALYST Implementation Plan) which was submitted to HUD on April15, 2009. AHA received HUD approval on its FY 2010 MTW Annual Plan on August 27, 2009.

Appendix D: Change in Households Served - HOUSEHOLD INCOME AS A PERCENTAGE OF AMI

PROGRAM / COMMUNITY TYPE	< 30% of AMI			30 - 50% of AMI			51 - 80% of AMI			> 80% of AMI			TOTAL		
	June 2008	June 2009	% Chg	June 2008	June 2009	% Chg	June 2008	June 2009	% Chg	June 2008	June 2009	% Chg	June 2008	June 2009	% Chg
Public Housing Assisted															
High-Rise	2,118	1,956	-8%	157	153	-3%	22	23	5%	1	2	100%	2,298	2,134	-7%
Family	1,461	211	-86%	227	35	-85%	29	4	-86%	3	0	-100%	1,720	250	-85%
Mixed-Income	1,077	1,370	27%	532	518	-3%	122	181	48%	0	6		1,731	2,562	48%
PHA Total	**4,656**	**3,537**	**-24%**	**916**	**706**	**-23%**	**173**	**208**	**20%**	**4**	**8**	**100%**	**5,749**	**4,946**	**-14%**
Housing Choice	7,298	7,964	9%	1,840	1,887	3%	240	269	12%	4	7	75%	9,382	10,127	8%
[1]PBRA	684	1,042	--	712	858	--	296	657	--	5	5	--	1,697	2,562	--
PBRA Homeless Demonstration	86	110	--	--	--	--	--	--	--	--	--	--	86	110	--
AHA Total	**12,724**	**12,653**	**-1%**	**3,468**	**3,451**	**0%**	**709**	**1,134**	**60%**	**13**	**20**	**54%**	**16,914**	**17,745**	**5%**

[1] The figures reflected for the PBRA units (and PH units at mixed income communities) represent only those communities that have achieved stabilization and does not include communities in the lease-up phase. Therefore, this data is not indicative of the total universe of units.

Appendix D: Change in Households Served - BEDROOM SIZE PROFILE

PROGRAM / COMMUNITY TYPE	Studio			1 Bedroom			2 Bedrooms			3 Bedrooms			4+ Bedrooms			TOTAL		
	June 2008	June 2009	% Chg	June 2008	June 2009	% Chg	June 2008	June 2009	% Chg	June 2008	June 2009	% Chg	June 2008	June 2009	% Chg	June 2008	June 2009	% Chg
Public Housing Assisted																		
High-Rise	553	481	-13%	1,740	1,647	-5%	5	6	20%	0	0	0%	0	0	0%	2,298	2,134	-7%
Family	16	0	-100%	230	22	-90%	622	133	-79%	498	60	-88%	354	35	-90%	1,720	250	-85%
Mixed-Income	0	0	0%	309	539	74%	925	1,022	10%	446	464	4%	51	50	-2%	1,731	2,075	20%
PHA Total	**569**	**481**	**-15%**	**2,279**	**2,208**	**-3%**	**1,552**	**1,161**	**-25%**	**944**	**524**	**-44%**	**405**	**85**	**-79%**	**5,749**	**4,459**	**-22%**
Housing Choice	0	0	0%	820	1,215	48%	3,531	3,594	2%	3,841	3,972	3%	1,190	1,346	13%	9,382	10,127	8%
[1]PBRA	2	0	-100%	910	1,737	91%	597	619	4%	188	198	5%	0	8		1,697	2,562	51%
PBRA Homeless Demonstration	--	--	--	12	77	542%	66	33	-50%	8	--	--	--	--	--	86	110	28%
AHA Total	**571**	**481**	**-16%**	**4,021**	**5,237**	**30%**	**5,746**	**5,407**	**-6%**	**4,981**	**4,694**	**-6%**	**1,595**	**1,439**	**-10%**	**16,914**	**17,258**	**2%**

[1] The figures reflected for the PBRA units (and PH units at mixed income communities) represent only those communities that have achieved stabilization and does not include communities in the lease-up phase. Therefore, this data is not indicative of the total universe of units.

Appendix D: Change in Household Members Served - FAMILY SIZE PROFILE

PROGRAM/COMMUNITY TYPE	1 Member			2 Members			3 Members			4 Members			5 + Members			TOTAL		
	June 2008	June 2009	% Chg	June 2008	June 2009	% Chg	June 2007	June 2008	% Chg	June 2008	June 2009	% Chg	June 2008	June 2009	% Chg	June 2008	June 2009	% Chg
Public Housing Assisted																		
High-Rise	2,192	2,022	-7.76%	106	112	6%	0	0	0%	0	0	0%	0	0	0%	2,298	2,134	-7%
Family	372	39	-89.52%	360	56	-84%	354	70	-80%	284	42	-85%	350	43	-88%	1,720	250	-85%
Mixed-Income	N /A	N /A	N /A	N /A	N /A	N /A	N /A	N /A	N /A	N /A	N /A	N /A	N /A	N /A	N /A	N /A	N /A	N /A
PHA Total	**2,564**	**2,061**	**-20%**	**466**	**168**	**-64%**	**354**	**70**	**-80%**	**284**	**42**	**-85%**	**350**	**43**	**-88%**	**4,018**	**2,384**	**-41%**
Housing Choice	2,209	2,366	7.11%	1,939	2,108	8.72%	2,014	2,135	6.01%	1,629	1,734	6.45%	1,591	1,784	12.13%	9,382	10,127	7.94%
[1]PBRA	N /A	N /A	N /A	N /A	N /A	N /A	N /A	N /A	N /A	N /A	N /A	N /A	N /A	N /A	N /A	N /A	N /A	N /A
PBRA Homeless Demonstration	N /A	N /A	N /A	N /A	N /A	N /A	N /A	N /A	N /A	N /A	N /A	N /A	N /A	N /A	N /A	N /A	N /A	N /A
AHA Total	**4,773**	**4,427**	**-7%**	**2,405**	**2,276**	**-5%**	**2,368**	**2,205**	**-7%**	**1,913**	**1,776**	**-7%**	**1,941**	**1,827**	**-6%**	**13,400**	**12,511**	**-7%**

Appendix E: Management Information for Owned / Managed Units and Assisted Units at Mixed-Income Communities as of June 30, 2009

Additional Narrative discussion / explanation of differences for Occupancy Rates, Rent Collections, Work Orders, and Inspections are in the MTW Program Benchmarks located in ***Appendix H***: "FY 2009 MTW Annual Report Resolution & Certifications."

Appendix E: Management Information for Owned / Managed Units and Assisted Units at Mixed-Income Communities as of June 30, 2009

E-1 Public Housing Assisted Units – Occupancy Rates			
Program / Community Type	Target	Percentage of Occupancy Level	Difference
Highrise			
Barge Road	98%	100%	2.00%
Cheshire Bridge Road	98%	99.4%	1.40%
Cosby Spear	98%	99.6%	1.60%
East Lake	98%	99.3%	1.30%
Georgia Avenue	98%	100%	2.00%
Hightower Manor	98%	99.2%	1.20%
Juniper and Tenth	98%	98.6%	0.60%
Marian Road	98%	100%	2.00%
Marietta Road	98%	98.4%	0.40%
Palmer House	98%	100%	2.00%
Peachtree Road	98%	100%	2.00%
Piedmont Road	98%	100%	2.00%
Roosevelt House	98%	100%	2.00%
High-Rise Totals	98%	99.6%	1.6%
Family			
Herndon Homes	98%	100%	2%
Hollywood Courts	98%	100%	2%
Martin Street Plaza	98%	98.3%	0%
Thomasville Heights	98%	100%	2%
Westminster	98%	100%	2%
Family Totals	98%	99.7%	1.7%
[1]Mixed-Income			
Ashley CollegeTown	98%	100%	-2.0%
Ashley Courts at Cascade I	98%	97.8%	0.2%
Ashley Courts at Cascade II	98%	87.8%	10.2%
Ashley Courts at Cascade III	98%	79.3%	18.7%
Ashley Terrace at West End	98%	97.1%	0.9%
Atrium at CollegeTown	98%	100%	-2.0%
Capital Gateway I	98%	98.9%	-0.9%
Capital Gateway II	98%	100%	-2.0%
Centennial Place I	98%	98.6%	-0.6%
Centennial Place II	98%	95.7%	2.3%
Centennial Place III	98%	89.2%	8.8%
Centennial Place IV	98%	91.6%	6.4%
Columbia Creste (West Highlands)	98%	93.4%	4.6%
Columbia Estates (West Highlands)	98%	100%	-2.0%
Columbia Commons	98%	85.4%	12.6%
Columbia Grove	98%	94.6%	3.4%

Appendix E: Management Information for Owned / Managed Units and Assisted Units at Mixed-Income Communities as of June 30, 2009

E-1 Public Housing Assisted Units – Occupancy Rates			
Program / Community Type	Target	Percentage of Occupancy Level	Difference
[1]Mixed-Income - *continued*			
Columbia Mechanicsville (Family)	98%	100%	-2.0%
Columbia Mechanicsville (Senior)	98%	100%	-2.0%
Columbia Park Citi (West Highlands)	98%	98.4%	-0.4%
Columbia Village	98%	100%	-2.0%
Magnolia Park I	98%	98.9%	-0.9%
Magnolia Park II	98%	98.6%	-0.6%
Veranda at Auburn Pointe	98%	100%	-2.0%
The Villages at Carver I	98%	97.3%	0.7%
The Villages at Carver II	98%	97.0%	1.0%
The Villages at Carver III	98%	94.4%	3.6%
The Villages at Carver V	98%	92.5%	5.5%
Villages at Castleberry I	98%	100%	-2.0%
Villages at Castleberry II	98%	100%	-2.0%
Villages of East Lake I	98%	97.8%	0.2%
Villages of East Lake II	98%	98.9%	-0.9%
Mixed-Income Totals	98%	96.2%	-1.8%
PHA TOTAL	98%	97.5%	-0.5%

Appendix E: Management Information for Owned / Managed Units and Assisted Units at Mixed-Income Communities as of June 30, 2009

E-2 Public Housing Assisted Units - % Uncollected Rents			
Program / Community Type	Target	Percentage of Rents Uncollected	Difference
High-Rise			
Barge Road	2%	0.1%	-2%
Cheshire Bridge Road	2%	0.0%	-2%
Cosby Spear	2%	0.1%	-2%
East Lake	2%	0.1%	-2%
Georgia Avenue	2%	0.1%	-2%
Hightower Manor	2%	0.0%	-2%
Juniper and Tenth	2%	0.0%	-2%
Marian Road	2%	0.0%	-2%
Marietta Road	2%	0.3%	-2%
Palmer House	2%	0.1%	-2%
Peachtree Road	2%	0.1%	-2%
Piedmont Road	2%	0.0%	-2%
Roosevelt House	2%	0.1%	-2%
High-Rise Totals	2%	0.1%	-1.9%
Family			
Herndon Homes	2%	0.1%	-2%
Hollywood Courts	2%	0.3%	-2%
Martin Street Plaza	2%	0.6%	-1%
Thomasville Heights	2%	0.1%	-2%
Westminster	2%	1.2%	-1%
Family Totals	2%	0.5%	-1.5%
[2]Mixed-Income			
Ashley CollegeTown	2%	0.0%	0.0%
Ashley Courts at Cascade I	2%	5.7%	3.7%
Ashley Courts at Cascade II	2%	12.7%	10.7%
Ashley Courts at Cascade III	2%	2.4%	0.4%
Ashley Terrace at West End	2%	0.0%	0.0%
Atrium at CollegeTown	2%	0.0%	0.0%
Capital Gateway I	2%	0.8%	-1.2%
Capital Gateway II	2%	2.2%	0.2%
Centennial Place I	2%	-0.7%	-2.7%
Centennial Place II	2%	-0.2%	-2.2%
Centennial Place III	2%	-2.5%	-4.5%
Centennial Place IV	2%	-1.8%	-3.8%
Columbia Creste (West Highlands)	2%	0.8%	-1.2%
Columbia Estates (West Highlands)	2%	0.6%	-1.4%
Columbia Commons	2%	2.2%	0.2%

Appendix E: Management Information for Owned / Managed Units and Assisted Units at Mixed-Income Communities as of June 30, 2009

E-2 Public Housing Assisted Units - % Uncollected Rents			
Program / Community Type	Target	Percentage of Rents Uncollected	Difference
Mixed-Income - *continued*			
Columbia Grove	2%	0.5%	-1.5%
Columbia Mechanicsville (Family)	2%	-0.5%	-2.5%
Columbia Mechanicsville (Senior)	2%	5.7%	3.7%
Columbia Park Citi (West Highlands)	2%	12.5%	10.5%
Columbia Village	2%	1.0%	-1.0%
Magnolia Park I	2%	2.3%	0.3%
Magnolia Park II	2%	1.3%	-0.7%
Veranda at Auburn Pointe	2%	28.4%	26.4%
The Villages at Carver I	2%	22.5%	20.5%
The Villages at Carver II	2%	23.8%	21.8%
The Villages at Carver III	2%	18.3%	16.3%
The Villages at Carver V	2%	14.9%	12.9%
Villages at Castleberry I	2%	2.1%	0.1%
Villages at Castleberry II	2%	-0.4%	-2.4%
Villages of East Lake I	2%	4.3%	2.3%
Villages of East Lake II	2%	1.8%	-0.2%
Mixed-Income Totals	2%	5.2%	3.2%
PHA TOTAL	2%	2%	0.0%

Appendix E: Management Information for Owned / Managed Units and Assisted Units at Mixed-Income Communities as of June 30, 2009

E-3 Public Housing Assisted Units - Emergency Work Order Responses			
Program/Community Type	Target	% of Emergency Work Orders Completed or Abated within 24 hours	Difference
High-Rise			
Barge Road	99%	100%	1%
Cheshire Bridge Road	99%	100%	1%
Cosby Spear	99%	100%	1%
East Lake	99%	100%	1%
Georgia Avenue	99%	100%	1%
Hightower Manor	99%	100%	1%
Juniper and Tenth	99%	100%	1%
Marian Road	99%	100%	1%
Marietta Road	99%	100%	1%
Palmer House	99%	100%	1%
Peachtree Road	99%	100%	1%
Piedmont Road	99%	100%	1%
Roosevelt House	99%	100%	1%
High-Rise Totals	99%	100%	1%
Family			
Herndon Homes	99%	99.5%	1%
Hollywood Courts	99%	99.5%	1%
Martin Street Plaza	99%	99.5%	1%
Thomasville Heights	99%	99.5%	1%
Westminster	99%	99.5%	1%
Family Totals	99%	99.5%	0.5%
Mixed-Income			
Ashley CollegeTown	100%	100%	0.0%
Ashley Courts at Cascade I	100%	100%	0.0%
Ashley Courts at Cascade II	100%	100%	0.0%
Ashley Courts at Cascade III	100%	100%	0.0%
Ashley Terrace at West End	100%	100%	0.0%
Atrium at CollegeTown	100%	N /A	N /A
Capital Gateway I	100%	100%	0.0%
Capital Gateway II	100%	100%	0.0%
Centennial Place I	100%	100%	0.0%
Centennial Place II	100%	100%	0.0%
Centennial Place III	100%	100%	0.0%
Centennial Place IV	100%	100%	0.0%
Columbia Creste (West Highlands)	100%	88.7%	-11.3%
Columbia Estates (West Highlands)	100%	100%	0.0%
Columbia Commons	100%	100%	0.0%

Appendix E: Management Information for Owned / Managed Units and Assisted Units at Mixed-Income Communities as of June 30, 2009

E-3 Public Housing Assisted Units - Emergency Work Order Responses			
Program/Community Type	Target	% of Emergency Work Orders Completed or Abated within 24 hours	Difference
Mixed-Income - *continued*			
Columbia Grove	100%	100%	0.0%
Columbia Mechanicsville (Family)	100%	100%	0.0%
Columbia Mechanicsville (Senior)	100%	100%	0.0%
Columbia Park Citi (West Highlands)	100%	100%	0.0%
Columbia Village	100%	100%	0.0%
Magnolia Park I	100%	100%	0.0%
Magnolia Park II	100%	100%	0.0%
Veranda at Auburn Pointe	100%	100%	0.0%
The Villages at Carver I	100%	100%	0.0%
The Villages at Carver II	100%	100%	0.0%
The Villages at Carver III	100%	100%	0.0%
The Villages at Carver V	100%	100%	0.0%
Villages at Castleberry I	100%	100%	0.0%
Villages at Castleberry II	100%	100%	0.0%
Villages of East Lake I	100%	100%	0.0%
Villages of East Lake II	100%	100%	0.0%
Mixed-Income Totals	100%	99.6%	-0.4%
PHA TOTAL	99%	99.7%	0.7%

Appendix E: Management Information for Owned / Managed Units and Assisted Units at Mixed-Income Communities as of June 30, 2009

E-4 Public Housing Assisted Units - Routine Work Order Responses			
Program / Community Type	Target	Average Number of Days to Complete Routine Work Orders	Difference
High-Rise			
Barge Road	7	1.0	-6.0
Cheshire Bridge Road	7	1.0	-6.0
Cosby Spear	7	1.0	-6.0
East Lake	7	1.0	-6.0
Georgia Avenue	7	2.2	-4.8
Hightower Manor	7	1.3	-5.7
Juniper and Tenth	7	1.4	-5.6
Marian Road	7	1.8	-5.2
Marietta Road	7	1.5	-5.5
Palmer House	7	1.0	-6.0
Peachtree Road	7	1.0	-6.0
Piedmont Road	7	1.2	-5.8
Roosevelt House	7	1.2	-5.8
High-Rise Totals	7	1.3	-5.7
Family			
Herndon Homes	7	1.4	-5.6
Hollywood Courts	7	1.3	-5.7
Martin Street Plaza	7	2.8	-4.2
Thomasville Heights	7	1.0	-6.0
Westminster	7	1.5	-5.5
Family Totals	7	1.6	-5.4
Mixed-Income			
Ashley CollegeTown	7	1.00	-6.00
Ashley Courts at Cascade I	7	1.00	-6.00
Ashley Courts at Cascade II	7	1.00	-6.00
Ashley Courts at Cascade III	7	1.00	-6.00
Ashley Terrace at West End	7	1.00	-6.00
Atrium at CollegeTown	7	1.00	-6.00
Capital Gateway I	7	0.98	-6.02
Capital Gateway II	7	0.97	-6.03
Centennial Place I	7	1.00	-6.00
Centennial Place II	7	1.00	-6.00
Centennial Place III	7	1.00	-6.00
Centennial Place IV	7	1.00	-6.00
Columbia Creste (West Highlands)	7	0.98	-6.02
Columbia Estates (West Highlands)	7	1.00	-6.00
Columbia Commons	7	1.00	-6.00

Appendix E: Management Information for Owned / Managed Units and Assisted Units at Mixed-Income Communities as of June 30, 2009

E-4 Public Housing Assisted Units - Routine Work Order Responses			
Program / Community Type	Target	Average Number of Days to Complete Routine Work Orders	Difference
Mixed-Income-*continued*			
Columbia Grove	7	1.00	-6.00
Columbia Mechanicsville (Family)	7	1.00	-6.00
Columbia Mechanicsville (Senior)	7	1.00	-6.00
Columbia Park Citi (West Highlands)	7	1.00	-6.00
Columbia Village	7	1.00	-6.00
Magnolia Park I	7	1.00	-6.00
Magnolia Park II	7	1.00	-6.00
Veranda at Auburn Pointe	7	1.00	-6.00
The Villages at Carver I	7	0.94	-6.06
The Villages at Carver II	7	0.87	-6.13
The Villages at Carver III	7	0.94	-6.06
The Villages at Carver V	7	0.89	-6.12
Villages at Castleberry I	7	1.00	-6.00
Villages at Castleberry II	7	0.96	-6.05
Villages of East Lake I	7	0.90	-6.10
Villages of East Lake II	7	1.00	-6.00
Mixed-Income Totals	7	0.98	-6.02
PHA TOTAL	7	1.1	-5.9

Inspections

Inspection Strategy: Each AHA Affordable Community and the Owner Entity Interest of the mixed-income communities through their respective property management agents are required to inspect 10 percent of the public housing assisted units at each property monthly. At year end, each site's agent is required to certify that 100 percent of all units, buildings, and common areas have been inspected and work orders have been completed to address deficiencies. AHA exceeded the 1.4 percent benchmark for quality control inspections of the units at all AHA-owned public housing assisted communities on an annual basis.

Target Projections for Planned Inspections: AHA anticipates completing 100 percent of its planned inspections of Section 9 units for FY 2010.

Integrated Inspection System –Supplemented to the required UPCS+ inspections for each property, AHA continued its enhanced integrated inspection process for AHA-owned Affordable Communities. For all the inspections listed below, the PMCOs are notified of any deficiencies discovered and they report back to AHA to confirm the deficiencies have been corrected in a timely manner. The integrated inspection system includes the following types of inspections:

1. **Enhanced Uniform Physical Conditions Standards (UPCS) and Real Estate Assessment Center (REAC) inspection:** AHA properties were evaluated through REAC inspections as well UPCS+ inspections during FY 2009. The results of the UPCS+ and REAC inspections continue to highlight the obsolescence of the family properties, which are being demolished under the AHA's Quality of Life Initiative.

2. **Major System Inspections:** Each high-rise property was inspected at least once during FY09 to monitor the operational status of major building systems and confirm routine preventative maintenance has been performed with positive results.

3. **Asset Risk Control Inspections:** On an annual basis the asset risk inspections is an unannounced review of site readiness including security systems, emergency systems, path of travel and other areas of potential risk in a community.

4. **Elevator Inspections:** Elevator inspections involve examining the current condition of elevators as well as evaluating performance and the level of preventative maintenance. Elevator inspections were conducted at every property twice during FY09. After the initial inspections, a second inspection was conducted to validate the correction of any deficiencies. This process ensures that elevators meet quality standards for maximized operational efficiency, which result in fewer safety risks, malfunctions, and resident complaints.

5. **Security Compliance Assessment:** AHA modified the scope and frequency of its community safety inspections and completed over 30 inspections across all properties during FY09. The inspections focused on the assessment, including: visible signs of community decay, operational site lighting, operational access control systems, video surveillance, video call down systems, maintenance of banned lists, and quality of guard force. As with AHA's other inspections, the findings were reported to the PMCOs for their corrective actions. Ongoing challenges include: keeping unregistered, illegally parked cars off the properties as well as maintaining operations status of the gates, site lighting and surveillance equipment.

6. **Rental Integrity Monitoring (RIM) Review:** This review focused on review of resident file documentation that pertains to the verification of income and deductible expenses and the calculation of rent. AHA inspected every longer term hold property once during the year.

7. **Procurement and Labor Compliance Review:** The intent of this review was to evaluate PMCO compliance with their corporate sourcing strategy and appropriate federal regulations. A team from the AHA Acquisition Management Services Department performed these reviews by checking a sample of the operational and capital improvement contract files for each PMCO. This review was conducted once for each PMCO during FY09.

8. **Accounting Review:** Fiscal accountability is one of AHA's top priorities. Each PMCO was reviewed once a quarter with reviews covering the 11 functional areas critical to the PMCO and property based. Functional areas include: Tenant Accounts Receivables and Tenant Ledgers, Allowance for Doubtful Accounts, Prepaid Expenses, Accounts Payable, Accrued Payroll & Payroll Related Liabilities, Prepaid Rents & Deferred Revenue, Security Deposit Liability, Petty Cash, Cash Handling, Bad Debt Write-offs & Collections, and Revenue & Expenses.

Appendix E: Management Information for Owned / Managed Units and Assisted Units at Mixed-Income Communities as of June 30, 2009

E-5 Public Housing Assisted Units - Unit and Common Areas Inspections			
Program / Community Type	Target	Percentage of Units and Common Areas Inspected	Difference
High-Rise			
Barge Road	100%	100%	0%
Cheshire Bridge Road	100%	100%	0%
Cosby Spear	100%	100%	0%
East Lake	100%	100%	0%
Georgia Avenue	100%	100%	0%
Hightower Manor	100%	100%	0%
Juniper and Tenth	100%	100%	0%
Marian Road	100%	100%	0%
Marietta Road	100%	100%	0%
Palmer House	100%	100%	0%
Peachtree Road	100%	100%	0%
Piedmont Road	100%	100%	0%
Roosevelt House	100%	100%	0%
High-Rise Totals	100%	100%	0%
Family			
Herndon Homes	100%	100%	0%
Hollywood Courts	100%	100%	0%
Martin Street Plaza	100%	100%	0%
Thomasville Heights	100%	100%	0%
Westminster	100%	100%	0%
Family Totals	100%	100%	0%
Mixed-Income			
Ashley CollegeTown	100%	100%	0%
Ashley Courts at Cascade I	100%	100%	0%
Ashley Courts at Cascade II	100%	100%	0%
Ashley Courts at Cascade III	100%	100%	0%
Ashley Terrace at West End	100%	100%	0%
Atrium at CollegeTown	100%	100%	0%
Capital Gateway I	100%	100%	0%
Capital Gateway II	100%	100%	0%
Centennial Place I	100%	100%	0%
Centennial Place II	100%	100%	0%
Centennial Place III	100%	100%	0%
Centennial Place IV	100%	100%	0%
Columbia Creste (West Highlands)	100%	100%	0%
Columbia Estates (West Highlands)	100%	100%	0%
Columbia Commons	100%	100%	0%

Appendix E: Management Information for Owned / Managed Units and Assisted Units at Mixed-Income Communities as of June 30, 2009

E-5 Public Housing Assisted Units - Unit and Common Areas Inspections			
Program / Community Type	Target	Percentage of Units and Common Areas Inspected	Difference
Mixed-Income - *continued*			
Columbia Grove	100%	100%	0%
Columbia Mechanicsville (Family)	100%	100%	0%
Columbia Mechanicsville (Senior)	100%	100%	0%
Columbia Park Citi (West Highlands)	100%	100%	0%
Columbia Village	100%	100%	0%
Magnolia Park I	100%	100%	0%
Magnolia Park II	100%	100%	0%
Veranda at Auburn Pointe	100%	100%	0%
The Villages at Carver I	100%	100%	0%
The Villages at Carver II	100%	100%	0%
The Villages at Carver III	100%	100%	0%
The Villages at Carver V	100%	100%	0%
Villages at Castleberry I	100%	100%	0%
Villages at Castleberry II	100%	100%	0%
Villages of East Lake I	100%	100%	0%
Villages of East Lake II	100%	100%	0%
Mixed-Income Totals	100%	100%	0%
PHA TOTAL	100%	100%	0%

Security

AHA continued to address crime and safety in the communities through collaborative strategies with its private development partners, PMCOs, local law enforcement, and residents. With the Quality of Life Initiative and demolition of the family properties, AHA has greatly reduced the number of crimes taking place within the portfolio. AHA aggressively combated crime by:

(1) Vacating and demolishing obsolete family communities where concentrated poverty has been a haven for perpetrators of crime,

(2) Dedicating over $5.95 million during FY 2009 to maintain the security presence of off-duty police and security officers at properties,

(3) Collaborating with the Atlanta Police Department to identify strategies to deter crime and enhance safety and security at AHA-owned properties and AHA-sponsored mixed-income communities,

(4) Continuing utilization of enhanced criminal screening standards and processes and strict lease enforcement, and

(5) Completing the necessary preventive maintenance and repairs to ensure security equipment remains operational on a routine basis.

Atlanta Housing Authority (AHA)
Revised FY2009 Board Budget[1] vs. Actual Results (unaudited)
Overview

As shown below, AHA used $13.9 million less of its MTW Cash Reserves and Program Income than budgeted for FY2009. The Variance Analysis beginning on page five provides explanations for line item variances of 10% and $500,000 between the Revised Board Budget and Actual Results.

Description	Revised FY2009 Budget	FY2009 Actual Results[2]	Variance	Page Reference
Net Assets before Capital Grants Revenue **(Revenue less Expenses)**	($8,602,802)	($1,781,993)	**$6,820,809**	page 2
Use of MTW Cash Reserves **(Used for Cash Expenditures Not Resulting in a Change in Net Assets)**	($25,462,116)	($22,502,441)	**$2,959,675**	page 4
Total Use of MTW Cash Reserves	($34,064,918)	($24,284,434)	$9,780,484	
Use of Program Income **(Other Funding Sources)**	($7,807,043)	($3,708,363)	**$4,098,680**	page 4
Total Use of MTW Cash Reserves and Program Income	($41,871,961)	($27,992,797),	**$13,879,164**	
Total Capital Grants Revenue	$26,755,305	$26,929,864	**$174,559**	page 3

[1] As approved by AHA's Board of Commissioners on May 27, 2009.

[2] Since certain Non-Cash Expenditures and City-Funded Public Improvements have no impact on AHA's cash reserves, they have been excluded from this schedule.

Atlanta Housing Authority

Revised FY2009 Board Budget vs. Actual Results (unaudited)

Variance Criteria: *The threshold used in the Variance Analysis for comparing differences between Board Budget and Actual Results is 10% and $500,000.*

Operating

	Revised FY2009 Budget	*FY2009 Actuals*	*Variance*	*% Variance*
Revenue:				
Housing Choice Operating Subsidy	$171,985,609	$174,039,469	$2,053,860	1.2%
Tenant Dwelling Revenue	10,094,626	9,946,947	(147,679)	-1.5%
Low Income Operating Subsidy	22,300,949	24,980,891	2,679,942	12.0%
Capital Fund Program Used for Operations	12,170,342	6,273,980	(5,896,362)	-48.4%
ARRA Grant Used for Demolition	500,000	-	(500,000)	-100.0%
Development and HOPE VI Grants	17,362,227	11,514,248	(5,847,979)	-33.7%
Development and Transaction Fees	504,087	700,435	196,348	39.0%
Other Revenue	2,664,276	3,389,589	725,313	27.2%
Interest Income	2,208,246	1,842,361	(365,885)	-16.6%
Total Revenue	**$239,790,362**	**$232,687,920**	**($7,102,441)**	**-3.0%**
Expenses:				
Housing Assistance Payments	$124,869,293	$124,829,729	$39,564	0.0%
Administrative	46,864,740	45,880,743	983,997	2.1%
Resident Services including Relocation	19,910,800	17,780,873	2,129,927	10.7%
Utilities for AHA-Owned Properties	9,641,072	9,455,681	185,391	1.9%
Ordinary Maintenance and Operation	12,614,651	11,585,359	1,029,292	8.2%
Protective Services	5,713,133	5,184,390	528,743	9.3%
General Expenses	5,651,379	4,992,960	658,419	11.7%
Extraordinary Maintenance	2,168,819	2,061,706	107,113	4.9%
Extraordinary Sitework and Remediation	9,604,999	7,590,221	2,014,778	21.0%
Demolition Expenses	11,002,412	4,776,430	6,225,982	56.6%
Interest Expense	351,866	331,821	20,045	5.7%
Total Expenses	**$248,393,164**	**$234,469,913**	**$13,923,251**	**5.6%**
Increase/(Decrease) in Net Assets before Capital Grants Revenue and Non-Cash Expenditures	**($8,602,802)**	**($1,781,993)**	**$6,820,809**	**79.3%**

Atlanta Housing Authority

Revised FY2009 Board Budget vs. Actual Results (unaudited)

Variance Criteria: *The threshold used in the Variance Analysis for comparing differences between Board Budget and Actual Results is 10% and $500,000.*

		Revised FY2009 Budget	FY2009 Actuals	Variance	% Variance
	Increase/(Decrease) in Net Assets before Capital Grants Revenue and Non-Cash Expenditures	**($8,602,802)**	**($1,781,993)**	**$6,820,809**	**79.3%**
Capital	**Capital Grant Revenue**				
	Modernization of AHA-Owned Properties	$5,841,959	$4,948,674	($893,285)	-15.3%
	Developer Loans for Revitalization	14,998,122	13,563,770	(1,434,352)	-9.6%
	Homeownership Subsidy	560,000	578,434	18,434	3.3%
	Site Improvements for Revitalization	4,183,508	2,074,942	(2,108,566)	-50.4%
	Site Work for Revitalization	-		-	
	Site Acquisitions	-	5,392,329	5,392,329	100.0%
	Public Improvement Advances - Grant Funded	371,715	371,715	-	0.0%
	Non-dwelling Structures	800,000	-	(800,000)	-100.0%
	Total Capital Grants Revenue	**$26,755,305**	**$26,929,864**	**$174,559**	**0.7%**
	Total Increase/(Decrease) in Net Assets before Non-Cash Expenditures	**$18,152,503**	**$25,147,872**	**$6,995,369**	**38.5%**
Non-Cash	**Reconciliation to Change in Net Assets*:**				
	Capital Asset Write-Off (Loss on Capital Asset Disposition)		(23,779,910)		
	Depreciation & Amortization Expense		(7,435,239)		
	Valuation Loss and Bad Debt Expense		(3,895,166)		
	Change in Net Assets		**($9,962,443)**		

**Since Non-Cash Expenditures have no impact on AHA's cash reserves, they have been excluded from the Variance Analysis.*

Atlanta Housing Authority

Revised FY2009 Board Budget vs. Actual Results (unaudited)

Variance Criteria: *The threshold used in the Variance Analysis for comparing differences between Board Budget and Actual Results is 10% and $500,000.*

		Revised FY2009 Budget	FY2009 Actuals	Variance	% Variance
	Cash Expenditures Not Resulting in a Change in Net Assets				
	MTW Cash Reserves:				
Reserves	Secured Line of Credit Pay Off	$10,906,077	$10,906,077	-	0.0%
Reserves	Amortization of Debt	728,300	728,288	12	0.0%
Reserves	Modernization of AHA-Owned Properties	3,308,908	4,994,071	(1,685,163)	-50.9%
Reserves	Other Loans	4,544,673	4,340,165	204,508	4.5%
Reserves	Public Improvement Advances (Bridge Loans)**	(1,378,802)	(2,186,205)	807,403	-58.6%
Reserves	Acquisitions	5,356,270	1,615,349	3,740,921	69.8%
Reserves	Site Improvements	978,027	950,321	27,706	2.8%
Reserves	Predevelopment Loans (Advances)	1,018,663	1,154,375	(135,712)	-13.3%
Reserves	**Total MTW Cash Reserves**	**25,462,116**	**22,502,441**	**2,959,675**	**11.6%**
Reserves	**Program Income (Other Funding Sources):**				
Reserves	Homeownership Subsidy - Perry Program Income	$100,000	$20,000	$80,000	80.0%
Reserves	Site Acquisitions - various funding sources	3,114,570	709,826	2,404,744	77.2%
Reserves	Site Improvements - various funding sources	287,044	37,044	250,000	87.1%
Reserves	Public Improvements Advances - Perry Program Income	4,305,429	2,941,493	1,363,936	31.7%
	Total Program Income (Other Funding Sources)	**$7,807,043**	**$3,708,363**	**$4,098,680**	**52.5%**
	City-Funded Public Improvements:				
City Funds	Water & Sewer Bond Proceeds	$11,162,747	$10,035,060	$1,127,687	10.1%
City Funds	Quality of Life Bond Proceeds	292,477	39,865	252,612	86.4%
City Funds	Livable Center Initiative	123,938	46,717	77,221	62.3%
City Funds	Tax Allocation District Bond Proceeds	971,794	161,963	809,831	83.3%
City Funds	Housing Opportunity Bond Proceeds	1,701,733	592,388	1,109,345	65.2%
	Total City-Funded Public Improvements	**$14,252,688**	**$10,875,993**	**$3,376,695**	**23.7%**
	Total Cash Expenditures Not Resulting in a Change in Net Assets	$47,521,847	$37,086,797	$10,435,050	22.0%

** *Negative actual resulted from reclassification of prior year MTW expenses.*

Atlanta Housing Authority
Revised FY2009 Board Budget vs. Actual Results (unaudited)
Variance Analysis

Realignment of Funding Sources in FY2009

Subsequent to the Board of Commissioners' approval of the Revised FY2009 Board Budget in May 2009, AHA made a strategic decision to realign the funding sources used for various expenses incurred in FY2009 to optimize the use of its Capital grant revenues[3] and preserve its cash reserves. The primary goals of the analysis and realignment were to:

1. Ensure that AHA was meeting all of the eligibility criteria associated with the different sources of funds,
2. Optimize the use of capital funds and insure that the associated obligation and expenditure deadlines were met,
3. Preserve MTW Cash Reserves because AHA uses its MTW Cash Reserves as a revolving working capital line of credit.

AHA made two realignments, which are described below and are identified in the following Variance Analysis within the categories which were affected.

- **Realignment 1.** To ensure that AHA continues to meet the eligibility criteria associated with the different sources of funds in the FY2010 Budget, AHA realigned the source of funding in FY2009 to use MTW Cash Reserves for $2.146 million in operating expenses and $1.972 million in capital expenditures, rather than using the Capital Fund Program (CFP) grant. This realignment resulted in preserving the CFP funds to cover eligible uses in FY2010. Variances impacted by this realignment include ***Capital Funds Program Used for Operations, Capital Grant Revenue, Modernization of AHA-Owned Properties, MTW Cash Reserves*** and ***Modernization of AHA-Owned Properties*** as described further on the following pages.

- **Realignment 2.** To ensure that AHA continues to meet Replacement Housing Factor (RHF) fund obligation and expenditure deadlines and to preserve MTW Cash Reserves, AHA realigned the source of funding in FY2009 to use RHF funds for $5.392 million in acquisition expenditures rather than using $3.176 million in MTW Cash Reserves and $2.216 million in Program Income. Since the RHF revenue was not budgeted, but was used and drawn down in FY2009, variances impacted by this realignment include ***Capital Grant Revenue: Site Acquisitions***, ***MTW Cash Reserves: Acquisitions***, and ***Program Income (Other Funding Sources): Site Acquisition*** as described further on the following pages.

[3] Capital Grants include HUD's Capital Fund Program, Replacement Housing Factor Fund, and HOPE VI funds.

Atlanta Housing Authority
Revised FY2009 Board Budget vs. Actual Results (unaudited)
Variance Analysis

Variance Criteria: *The threshold used in the Variance Analysis for comparing differences between Board Budget and Actual Results is 10% and $500,000.*

Revenues:

- **Low Income Operating Subsidy — $2.680 million greater than budget.** HUD funds AHA on a calendar year basis but does not typically finalize the funding level until after the calendar year begins. HUD provided higher than budgeted subsidy levels for the January–June period, and then adjusted the subsidy for the remainder of the calendar year to bring the total funding in line with the annual Federal funding level.

- **Capital Fund Program Used for Operations[4] — $5.896 million under budget.** Capital Fund Program (CFP) funds of $2.433 million were budgeted for the demolition of Bowen Homes, which will now occur in FY2010. CFP funds totaling $1.317 million were budgeted for extraordinary maintenance and protective services at the QLI properties, but were not needed for this purpose due to relocation progressing ahead of schedule. In addition, CFP funds of $2.146 million were not used in FY2009 and are available for FY2010 as described in Realignment 1.

- **American Recovery and Rehabilitation Act (ARRA) Grant Used for Demolition — $500,000 under budget.** ARRA funds were not used in FY2009 and have been included in the FY2010 budget.

- **Development and HOPE VI Grants[4] — $5.848 million under budget.** This variance is primarily attributable to Development and HOPE VI Grant funds that were unused during FY2009 related to the Grady Homes Revitalization, which includes University Homes, Antoine Graves Highrise, and Antoine Graves Annex. Delays due to permit and mobilization impediments resulted in slower spending rates for the University Homes demolition, and delays occurred due to unanticipated building remediation for Antoine Graves Highrise and Antoine Graves Annex.

- **Other Revenue — $725,313 greater than budget.** This variance is primarily due to an increase in administrative fees earned on the non-MTW vouchers and higher-than-budgeted revenues for Georgia HAP Administrators, Inc.

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[4] Capital Funds Program (CFP), Development and HOPE VI grants, and other multi-year grants are held by HUD (for AHA's account) and are made available to AHA pursuant to a draw-down process on a reimbursement basis. When AHA incurs expenses to be paid for with multi-year grants, AHA's right to be reimbursed by HUD is perfected, and revenue is simultaneously recorded. Therefore, any variance in revenues has an offsetting variance in expenditures resulting in no net impact.

Atlanta Housing Authority
Revised FY2009 Board Budget vs. Actual Results (unaudited)
Variance Analysis

Expenses:

- **Resident Services including Relocation — $2.130 million under budget.** AHA budgeted relocation-related case management expenses for all relocating families, however, expenses were not incurred for families that were terminated from the program, moved without notice, or ported into jurisdictions that were not reasonably close in proximity to AHA's jurisdiction. Additionally, a cost savings resulted when some of the families achieved success sooner than anticipated. The variance was also a result of completing relocations ahead of schedule, which reduced AHA staffing levels necessary to administer the relocation process.

- **General expense — $658,419 under budget.** This variance is primarily due to a reduction in contingent reserves for workers' compensation and other contingent liabilities.

- **Extraordinary Sitework and Remediation — $2.015 million under budget.** This variance is primarily a result of extraordinary sitework that was delayed due to inclement weather and lower environmental remediation expenses associated with the Grady Homes Revitalization.

- **Demolition expenses — $6.226 million under budget.** This variance was due to demolition expenses budgeted for the following, which will now occur in FY2010: Bowen Homes; other QLI properties using ARRA grant funds; University Homes, which was delayed due to permit and mobilization impediments; and Antoine Graves Highrise and Antoine Graves Annex, which were delayed due to unanticipated building remediation.

Capital Grant Revenue[4]:

- **Modernization of AHA-Owned Properties — $893,285 under budget.** This variance represents unused CFP funds resulting from the use of $1.972 million in MTW Reserves in lieu of CFP funding as described in Realignment 1. This variance was partially offset by additional life and safety improvements completed at the longer-term hold communities.

- **Site Improvements for Revitalization — $2.109 million under budget.** This variance is primarily a result of delays in completing the remedial sitework related to the Grady Homes Revitalization due to inclement weather and environmental issues; delays in the Harris Phase V closing, and expensing certain expenditures such as extraordinary sitework and remediation for Harris Phase V.

- **Site Acquisitions — $5.392 million greater than budget.** As described in Realignment 2, AHA used Replacement Housing Factor (RHF) funds for site acquisitions in lieu of cash reserves in support of the Perry Homes, Grady Homes and Harris Homes Revitalizations.

- **Non-dwelling Structures — $800,000 under budget.** This variance is related to the construction of the Dunbar Community Center, which will now occur in FY2010. The construction of the community center is in support of the McDaniel Glenn Revitalization.

[4] Capital Funds Program (CFP), Development and HOPE VI grants, and other multi-year grants are held by HUD (for AHA's account) and are made available to AHA pursuant to a draw-down process on a reimbursement basis. When AHA incurs expenses to be paid for with multi-year grants, AHA's right to be reimbursed by HUD is perfected, and revenue is simultaneously recorded. Therefore, any variance in revenues has an offsetting variance in expenditures resulting in no net impact.

Atlanta Housing Authority

Revised FY2009 Board Budget vs. Actual Results (unaudited)
Variance Analysis

MTW Cash Reserves:

- **Modernization of AHA-Owned Properties — $1.685 million greater than budget.** This variance results primarily from the use of MTW Reserves in lieu of CFP funding as described in Realignment 1.
- **Public Improvement Advances (Bridge Loans) — $807,403 under budget.** AHA realigned certain multi-year development budgets in order to meet grant deadlines, which affected how the related expenses were charged in the current year. AHA made more adjustments than contemplated, resulting in a variance during the period.
- **Acquisitions — $3.741 million under budget.** As described in Realignment 2, AHA used $3.176 million in Replacement Housing Factor (RHF) funds for site acquisitions in lieu of MTW cash reserves in support of the Grady Homes and Harris Homes Revitalizations. In addition, the 180 Elm Street acquisition made in support of the Grady Homes Revitalization was budgeted in FY2009 but closed in FY2010.

Program Income (Other Funding Sources):

- **Site Acquisitions — $2.405 million under budget.** As described in Realignment 2, AHA used $2.216 million in RHF funds for site acquisitions in lieu of Program Income in support of the Perry Homes Revitalization.
- **Public Improvement Advances — Perry Program Income — $1.364 million under budget.** This variance primarily relates to delays in completing the public improvement work supporting the construction of single family homes associated with the Perry Homes Revitalization. Rock and other unsuitable materials were discovered, which had to be removed before the public improvement work continued.

City-Funded Public Improvements:

- **Water & Sewer Bond Proceeds — $1.128 million under budget.** Public improvement work associated with the Grady Homes Revitalization was delayed until the developer could obtain the necessary design approvals required from the City of Atlanta.
- **Tax Allocation District Bond Proceeds — $809,831 under budget**. Public improvement work associated with the Capitol Homes Revitalization was completed under budget in FY2009.
- **Housing Opportunity Bond Proceeds — $1.109 million under budget**. Public improvement work associated with the Harris Homes Revitalization has been put on hold until environmental investigation of the subsurface is complete. Construction will resume in FY2010, once the problem has been mitigated.

Property	DESCRIPTION	7/1/08 Budget	6/30/09 Budget	Paid Through 6/30/09
Barge Road	Unit Remodeling UFAS Upgrades	308,000.00	431,769.08	431,769.08
	UFAS Community Kitchen	0.00	9,150.90	9,150.90
	Barge Road Elevator Modernization	330,000.00	339,374.20	298,991.27
	Barge Road Boiler Replacement	132,000.00	161,388.70	161,388.70
	Life Safety Upgrades Survey	0.00	2,805.00	2,805.00
	Life Safety Upgrades	192,500.00	265,477.08	250,442.89
	Barge Road Total	**962,500.00**	**1,209,964.96**	**1,154,547.84**
Hightower Manor	Generator Replacement	55,000.00	70,620.00	55,725.60
	Plumbing Upgrades	19,800.00	0.00	0.00
	Hot Water Tank	0.00	87,892.63	87,892.63
	Life Safety Upgrades Survey	0.00	3,135.00	3,135.00
	Mechanical Room Insulation Abatement	0.00	4,246.00	4,246.00
	Life Safety Upgrades	192,500.00	166,701.21	160,358.62
	Hightower Manor Total	**267,300.00**	**332,594.84**	**311,357.85**
Juniper and 10th	Unit Remodeling UFAS Upgrades	352,000.00	502,494.02	502,494.02
	Community Room HVAC	11,000.00	0.00	0.00
	Fire Alarm Upgrade	0.00	76,935.10	76,935.10
	Life Safety Upgrades Survey	0.00	4,015.00	4,015.00
	Life Safety Upgrades	192,500.00	149,058.65	141,474.18
	Juniper and 10th Total	**555,500.00**	**732,502.77**	**724,918.30**
Marian Road	Chiller Repair and Service	0.00	28,108.30	28,108.30
	Piping Insulation	93,500.00	21,367.50	21,367.50
	Water Heater Replacement	0.00	7,238.00	7,238.00
	Marian Road Total	**93,500.00**	**56,713.80**	**56,713.80**
Marietta Road	Domestic Water Upgrades	148,500.00	0.00	0.00
	Life Safety Upgrades Survey	0.00	3,355.00	3,355.00
	Life Safety Upgrades	192,500.00	271,434.01	255,301.77
	Marietta Road Total	**341,000.00**	**274,789.01**	**258,656.77**
Westminster	Community Room HVAC	7,700.00	0.00	0.00
	Roof Replacement	0.00	2,420.00	2,420.00
	Basement and Exterior Repair	0.00	17,985.00	17,985.00
	Westminster Total	**7,700.00**	**20,405.00**	**20,405.00**
Cheshire Bridge	Site/Infrastructure - Design	22,000.00	0.00	0.00
	Common Area - Lobby Renovations	110,000.00	0.00	0.00
	Elevators	100,000.00	0.00	0.00
	HVAC Replacement	330,000.00	41,024.50	41,024.50
	Cheshire Bridge Electrical Panel Replacement	0.00	79,867.91	79,867.91
	Cheshire Bridge Appliance Replacement	82,500.00	56,540.73	56,540.73
	Cheshire Bridge Total	**644,500.00**	**177,433.14**	**177,433.14**
Peachtree Road	Roof Repairs	49,500.00	19,745.00	19,745.00
	Peachtree Appliance Replacement	165,000.00	169,802.60	169,802.60
	Exterior Light Pole Removal	0.00	5,390.00	5,390.00
	UFAS Fire Alarm Modification	0.00	17,286.00	17,286.00
	Peachtree Road Total	**214,500.00**	**212,223.60**	**212,223.60**

FY2009 Planned vs. Actual Capital Expenditures

Property	DESCRIPTION	7/1/08 Budget	6/30/09 Budget	Paid Through 6/30/09
Roosevelt House	Roosevelt Water Storage Tank Replacement	27,500.00	10,991.75	10,991.75
	Roosevelt House Total	**27,500.00**	**10,991.75**	**10,991.75**
Cosby Spears	Phase II UFAS Design	0.00	178,272.60	178,272.60
	Common Area Ceramic Tile and Painting	0.00	1,548.14	1,548.14
	Unit & Site Upgrades UFAS	1,743,690.00	1,392,840.77	1,392,840.77
	Multi-Site Shower Valve Replacement	440,000.00	537,432.37	537,432.37
	Emergency Chiller Replacement	0.00	33,414.70	33,414.70
	Cosby Spears Total	**2,183,690.00**	**2,143,508.58**	**2,143,508.58**
Eastlake Highrise	Site/Infrastructure - Exterior Fence	6,600.00	0.00	0.00
	Multi-Site Shower Valve Replacement	247,500.00	296,912.55	296,912.55
	Generator Replacement	0.00	57,153.00	57,153.00
	Eastlake Highrise Total	**254,100.00**	**354,065.55**	**354,065.55**
Georgia Avenue	Site/Infrastructure - Exterior Fence & Lighting	29,150.00	0.00	0.00
	Common Area Ceramic Tile and Painting	0.00	8,501.16	8,501.16
	Multi-Site Shower Valve Replacement	133,650.00	151,181.36	151,181.36
	Georgia Avenue Total	**162,800.00**	**159,682.52**	**159,682.52**
Martin Street Plaza	Plumbing - Disposal Installation	8,250.00	0.00	0.00
	Phase II UFAS Design	0.00	21,939.50	21,939.50
	Martin Street Phase II UFAS	22,000.00	88,773.33	88,773.33
	Martin Street Plaza Total	**30,250.00**	**110,712.83**	**110,712.83**
Piedmont Road	Site/Infrastructure - Exterior Lighting	22,000.00	0.00	0.00
	Elevators - Car Upgrades	22,000.00	0.00	0.00
	Phase II UFAS Design	0.00	71,437.30	71,437.30
	Piedmont Phase II UFAS	1,292,310.00	776,666.87	776,666.87
	Piedmont Boiler Repairs	0.00	15,955.50	15,955.50
	Piedmont Road Total	**1,336,310.00**	**864,059.67**	**864,059.67**
Grand Total		**7,081,150.00**	**6,659,648.02**	**6,559,277.20**

Explanation of Differences: Planned vs. Actual Capital Expenditures

AHA did not have significant differences between planned and actual capital expenditures for FY2009.

Local Asset Management System

AHA followed the Fee for Service system described in its protocol for FY2009. AHA developed and submitted in Appendix T of AHA's FY2010 MTW Annual Plan a Local Asset Management Program which outlines the cost accounting system under which AHA will operate. The Local Asset Management System outlines:

- Project-based Budgeting and Accounting
- Cost Allocation Approach
- Classification of Costs and Cost Objectives
- AHA's Fee for Service
- Explanation of differences between the Local Asset Management System and HUD's Asset Management Requirements.

Adequacy of Reserves or Working Capital

As of June 30, 2009, AHA's overall reserves or working capital (current assets minus current liabilities) exceeded $78.1 million, which includes $18.1 million in MTW fund working capital which will be used for MTW purposes in 2010 and future years. This level is adequate for future operations.

Table 1: Definition of Terms Used in Appendix F

Term	Definition
Capital Expenditures	Capital expenditures are measured according to AHA's accounting treatment for capitalization which includes the purchase, acquisition, or funds outlay for an asset with a life of more than one year, or one that extends the useful life of an asset by more than one year.
Reserves or Working Capital at the end of Fiscal Year	Total Current Assets minus Total Current Liabilities as of 6/30/2009 on a consolidated basis
MTW Reserves or MTW Working Capital at the end of Fiscal Year	Total Current Assets minus Total Current Liabilities as of 6/30/2009 for MTW programs, which include Housing Choice, Low Rent, and CFP funding

Reports of Independent Certified Public Accountants in Accordance with *Government Auditing Standards* and OMB Circular A-133

The Housing Authority of the City of Atlanta, Georgia

Atlanta Housing Authority

For the fiscal year ended June 30, 2008

REPORTS OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS* AND OMB CIRCULAR A-133

THE HOUSING AUTHORITY OF THE CITY OF ATLANTA, GEORGIA

For the fiscal year ended June 30, 2008

C O N T E N T S

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

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Certified Public Accountants

Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Basic Financial Statements Performed in Accordance with *Government Auditing Standards*

Board of Commissioners
The Housing Authority of the City of Atlanta, Georgia

We have audited the basic financial statements of **The Housing Authority of the City of Atlanta, Georgia** as of and for the fiscal year ended June 30, 2008, and have issued our report thereon dated January 27, 2009. 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 Housing Authority of the City of Atlanta, Georgia's** internal control over financial reporting in order to determine 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 Housing Authority of the City of Atlanta, Georgia's** internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of **The Housing Authority of the City of Atlanta, Georgia'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 Housing Authority of the City of Atlanta, Georgia'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 Housing Authority of the City of Atlanta, Georgia's** financial statements that is more than inconsequential will not be prevented or detected by **The Housing Authority of the City of Atlanta, Georgia'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 Housing Authority of the City of Atlanta, Georgia's** internal control.

Our consideration of the 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 the internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we considered to be material weaknesses, as defined above.

Compliance and Other Matters

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

We noted certain matters that we reported to management of **The Housing Authority of the City of Atlanta** in a separate letter dated January 27, 2009.

This report is intended for the information and use of the Board of Commissioners, **The Housing Authority of the City of Atlanta, Georgia's** management 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.

Atlanta, Georgia
January 27, 2009

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

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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
The Housing Authority of the City of Atlanta, Georgia

Compliance

We have audited the compliance of **The Housing Authority of the City of Atlanta, Georgia** ("Authority" or "AHA")**,** 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 fiscal year ended June 30, 2008. **The Housing Authority of the City of Atlanta, Georgia's** major Federal programs are identified in the summary of auditors' 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 **The Housing Authority of the City of Atlanta, Georgia'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 occurred 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 Housing Authority of the City of Atlanta, Georgia'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 of **The Housing Authority of the City of Atlanta, Georgia's** compliance with those requirements.

In our opinion, **The Housing Authority of the City of Atlanta, Georgia** complied, in all material respects, with the requirements referred to above that are applicable to each of its major Federal programs for the fiscal year ended June 30, 2008. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2008-01.

Internal Control over Compliance

The management of **The Housing Authority of the City of Atlanta, Georgia** 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 Housing Authority of the City of Atlanta, Georgia'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 **The Housing Authority of the City of Atlanta, Georgia's** internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we considered to be significant deficiencies.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management of 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. We considered the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item 2008-01 to be a significant deficiency.

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 Housing Authority of the City of Atlanta, Georgia's** internal control. We did not consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs to be a material weakness.

Schedule of Expenditures of Federal Awards

We have audited the combined financial statements of **The Housing Authority of the City of Atlanta, Georgia,** as of and for the fiscal year ended June 30, 2008, and have issued our report thereon dated January 27, 2009. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise **The Housing Authority of the City of Atlanta, Georgia's,** basic financial statements. The accompanying schedule of expenditures of federal awards is presented for the purpose of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures 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.

The Housing Authority of the City of Atlanta, Georgia's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. We did not audit **The Housing Authority of the City of Atlanta's** response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Board of Commissioners, **The Housing Authority of the City of Atlanta, Georgia's** management 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.

Metcalf Davis

Atlanta, Georgia
January 27, 2009

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

SECTION I

SUMMARY OF AUDITOR’S RESULTS

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?	No
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 weaknesses?	Yes
• 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?	Yes

Identification of major programs:

CFDA Number	**Name of Federal Program**
14.850	Public and Indian Housing
14.871	Section 8 Housing Choice Vouchers

Dollar threshold used to distinguish between type A and type B programs:	$ 3,000,000
Auditee qualified as low-risk auditee?	Yes

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

Section II
Financial Statement Findings

There were no financial statement findings for the fiscal year ended June 30, 2008.

SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

Section III
Federal Award Findings and Questioned Costs

2008-01 - Inadequate Monitoring of Owner and Management Agent's Performance of Project Based Voucher Properties – Significant Deficiency

Federal Program

Housing Choice Vouchers - CFDA 14.871

Criteria

As presented in HUD's Annual Contributions Contract and further in its MTW contract with HUD, AHA is accountable to HUD for the property owner and/or management company's performance relating to: waiting list administration; determination of program eligibility; accuracy of family information; calculation of total tenant payment and housing assistance payments; unit and other physical inspections in compliance with housing quality standards; and re-certifications along with the proper adherence to other Federal laws. Subsidy payments received by an ineligible family/tenant is considered a disallowed cost. AHA is required to monitor and perform certain management oversight functions that reduce the risk of noncompliance to a low level even when these program compliance requirements along with adherence to them are transferred to the property owner/management company by virtue of an agreement.

Condition

During 2007 and 2008, AHA management identified certain changes and "enhancements" that they consider necessary to improve operating efficiencies, eliminate duplicate procedures and improve and enhance the long-term viability of the Project Based Voucher (PBV) Program. While implementing these betterments to this program, AHA experienced significant employee turnover and the loss of key managers of this program as well as the loss of key information deemed necessary to assure compliance with housing quality standards and HUD contract provisions. Therefore, AHA was unable to demonstrate and provide evidence that key control activities and monitoring efforts were adequately performed during the audit period.

Context

We selected a sample of five properties or 33 percent, among 15 properties identified by management as active and fully stabilized. These 15 properties were among a portfolio of 33 total properties comprising 2,438 units of which 2,008 units were rented at year end. Housing assistance payments paid to the owners of these units for the year was in excess of $11 million.

AHA performed 15 Site-Based Waiting List/Tenant File Audits and one Rental Integrity Monitoring ("RIM") Review during the period July 1, 2007 through December 31, 2007. The purpose of the reviews is to monitor internal controls and procedures performed by the owner such as (a) waiting list maintenance, (b) determination of family eligibility, (c) verification of family income, (d) unit inspections (e) calculation of tenant share of rent to owner, (f) adherence to other general provisions including but not limited to fair housing, civil rights and prohibition of discrimination in Federally assisted programs. We were advised that, during the year under audit, the records of these reviews were purged by AHA personnel and therefore were not available for our review. Upon further inquiry AHA provided site inspections performed for three of the five properties sampled but they were conducted in the prior year and not the year under audit. Documentation of the results of site visits is necessary to support that designed internal controls are in place and being monitored in a timely manner.

Upon further inquiry we were informed that part of AHA's control environment is to rely on site examinations performed by the Georgia Department of Community Affairs ("DCA"). We obtained four reports of site visits performed by the DCA and noted physical condition findings in all four reports and income verification findings in two of the reports. Two of the site visits were conducted during the year under audit; two of the site visits were conducted after year end. No report had been received on one of these properties as of the date of this report. Only one property's response to the findings was made available to us. However, it should be noted that one property owner's response was not due at the time of the audit fieldwork. Documented follow-up thereof is considered necessary to ascertain adequate monitoring by AHA.

The Effect and Questioned Costs

AHA is accountable to HUD for assuring procedures and processes are in place that are reasonable and necessary to achieve compliance with rules, regulations and other contract provisions of the Section 8 Housing Choice Project Based Voucher program. Total Housing Assistance Payments ("HAP") made to private owners during FY2008 was approximately $11 million dollars. Total questioned costs have not been determined. Reliance on work performed by DCA or other outside entities including private management companies in connection with their compliance testwork may be adequate if combined with oversight and other procedures performed by AHA including but not limited to periodic site visits, tenant file reviews, along with the testing of other administrative requirements.

Cause

Changes in personnel, management, and the restructuring of AHA's oversight procedures attributed to the lack of information available for our review and examination including the loss of documentation supporting AHA testwork. During the year management redirected its monitoring efforts and oversight which resulted in a transfer of direct responsibility for program administration between departments. This transition along with a change in personnel caused an interruption in certain control activities designed to achieve program compliance.

Recommendation

We recommend management strengthen internal controls over compliance with program requirements, laws and other provisions of the Housing Choice Voucher Project Based Program by fully implementing their planned enhancements and should consider creating a position or assign oversight responsibilities to an individual that will monitor the performance of activities performed by Asset Management in conjunction with DCA to ensure that properties are in substantial compliance with program requirements.

Management Response

During the first half of FY2008 AHA's executive team examined the effectiveness of the Project-Based Voucher (PBV) program administered by the Housing Choice division and determined that changes needed to be made in order to align the program with the Project Based Rental Assistance (PBRA) initiative, one of AHA's MTW priority goals. PBRA was moved out of Housing Choice, the PBRA development component was transferred to Real Estate Development and Acquisitions, and the fiduciary oversight and relationship management components was transferred to Asset Management.

During the third quarter of FY2008, Asset Management implemented AHA's new PBRA Agreement, which replaced the PBV HAP contract, and created a payment application invoicing system which would be administered on a purchase order basis separate from Housing Choice's DDI payments system. By the end of FY2008 the majority of PBRA communities were under the new agreement and using the payment application. Asset Management conducted PBRA training sessions for property management staff on March 2, 2008 and April 14, 2008. Physical inspections of PBRA properties will be conducted during FY2009 and on a regular basis thereafter. Asset Management developed management and occupancy on-site file review procedures for PBRA communities and will begin conducting those reviews in FY2009. Such reviews may not be conducted annually depending on the outcomes of DCA audits.

While the audit team raised concerns with respect to internal controls, AHA is developing and refining its compliance procedures, protocols for internal controls and servicing guidelines through Asset Management. The risks for noncompliance are reduced by internal controls that were in place such as desk reviews of HUD 50058 forms to ensure accurate calculation and reporting of subsidy determinations, a more robust review and subsidy approval process under the payment application invoicing system, due diligence tied to a concise review of market studies in establishing contract rents and the institution of an account management framework for managing the day-to-day relationships with property managers and owners. Considering that PBRA has been in the operational phase for a relatively short period of time, AHA is making successful progress in improving processes relating to PBRA administration and internal controls.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The Housing Authority of the City of Atlanta, Georgia

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the fiscal year ended June 30, 2008

Federal Program/Cluster Title	CFDA/Grant Number	Pass Thru Entity I.D. Number	Federal Expenditures
U.S. Department of Housing and Urban Development			
Public and Indian Housing	14.850	N/A	$ 33,987,854
Public Housing Development Program	14.850/GA06P006076	N/A	6,540,362
Housing Choice Vouchers	14.871	N/A	166,494,383
Public Housing Capital Funds and Replacement Housing Factor Programs	14.872	N/A	15,698,002
Demolition and revitalization of Severely Distressed Public Housing (HOPE VI)	14.866	N/A	20,031,046
Total direct programs			242,751,647
Pass through from City of Atlanta			
Community Development Block Grant	14.218	58-6000511	24,917
Total U.S. Department of Housing and Urban Development			242,776,564
Department of Justice			
Public Safety Partnership and Community Policing Grant	16.710	N/A	178,537
Total Department of Justice			178,537
Total Federal Expenditures			$ 242,955,101

The accompanying notes are an integral part of this schedule.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the fiscal year ended June 30, 2008

NOTE A – SIGNIFICANT ACCOUNTING POLICIES FOR FEDERAL AWARD EXPENDITURES

The Schedule of Expenditures of Federal Awards included herein represents all of the Federal grant awards of The Housing Authority of the City of Atlanta, Georgia ("AHA") over which AHA exercised direct operating control for the fiscal year ended June 30, 2008. Under the Moving to Work Agreement ("MTW Agreement"), the Low Rent and Public Housing, Housing Choice Voucher Program, Capital Fund and Development Fund Program are funded as a "block grant" with funds fully fungible; and are allowed to be spent for any MTW eligible activity as provided in the MTW Agreement and MTW Business Plan as amended.

During the fiscal year ended June 30, 2008, a portion of the Housing Choice Voucher Program funds were expended with other Federal programs as allowed. These expenditures were subjected to the compliance requirements of the Federal program where they were spent and those compliance requirements contained in AHA's MTW Agreement and MTW Business Plan, as amended.

NOTE B – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting and reflects expenses incurred by AHA during its fiscal year ended June 30, 2008.

NOTE C – SCOPE OF AUDIT PURSUANT TO OMB CIRCULAR A-133

All Federal grant operations of AHA are included in the scope of the Office of Management and Budget ("OMB") Circular A-133 audit (the "Single Audit").

For fiscal year ended June 30, 2008, major programs were selected using a risk-based approach to determine which Federal programs are major programs. This risk-based approach includes consideration of current and prior year audit experience, oversight by Federal agencies, inherent risk over the program, professional judgment and other criteria contained in the Federal guidelines. Audit coverage applying to AHA as a low risk auditee requires at least 25 percent of the total Federal awards is examined. Actual coverage for the fiscal year ended June 30, 2008 is approximately 83 percent.

The Housing Authority of the City of Atlanta, Georgia

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the fiscal year ended June 30, 2008

NOTE D – SUMMARY OF MAJOR PROGRAM EXPENDITURES

The following schedule represents the MTW Fund Transfers from Housing Choice Vouchers Program to Public Housing for the fiscal year ended June 30, 2008.

Summary of Major Program expenditures:

CFDA Number	Name of Federal Program	Grant Expenditures	MTW Fund Transfers	Total Program Expenditures
14.850	Public and Indian Housing	$ 33,987,854	$ 28,661,609	$ 62,649,463
14.871	Housing Choice Vouchers	166,494,383	(28,661,609)	137,832,774
		$ 200,482,237	$ -	$ 200,482,237

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

Summary Schedule of Prior Audit Findings and Questioned Costs

The prior audit report for the fiscal year ended June 30, 2007 contained one audit finding. The status of this finding is as follows:

Finding 2007-1

There was a lack of compliance with certain rules and regulations and respective policies and procedures required to be performed when relocating families from public housing communities planned and approved for demolition.

Status

AHA has implemented their corrective action plan including revising its Relocation Operations Manual, has strengthened its' internal control environment, implemented file checklists and quality control procedures requiring 100% review of each processed relocation file. These changes were noted to have been implemented at various times throughout the year. This finding is considered closed.

A Comprehensive Annual Financial Report and Report of Independent Certified Public Accountants

The Housing Authority of the City of Atlanta, Georgia

Atlanta Housing Authority

For the fiscal years ended June 30, 2008 and 2007

A COMPREHENSIVE ANNUAL FINANCIAL REPORT AND REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

THE HOUSING AUTHORITY OF THE CITY OF ATLANTA, GEORGIA

For the fiscal years ended June 30, 2008 and 2007

Prepared by Atlanta Housing Authority
Finance Department

CONTENTS

C O N T E N T S - Continued

INTRODUCTORY SECTION

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January 27, 2009

Board of Commissioners
The Housing Authority of the City of Atlanta, Georgia

We are pleased to present the Comprehensive Annual Financial Report for the fiscal year ended June 30, 2008 (FY2008) of The Housing Authority of the City of Atlanta, Georgia (AHA or the Authority).

The information presented in this report is the responsibility of the management of AHA. To the best of our knowledge and belief, the information as presented is accurate in all material respects, is presented in a manner designed to fairly state the financial position and the results of operations of the Authority, and includes all necessary disclosures to enable the reader to gain a complete understanding of AHA's financial position.

The U.S. Department of Housing and Urban Development (HUD) requires that each local housing authority publish, within nine months of the close of its fiscal year, a complete set of financial statements prepared in accordance with generally accepted accounting principles (GAAP), consistently applied, and audited by a firm of independent certified public accountants. Metcalf Davis, hired by AHA to audit its FY2008 financial statements, issued an unqualified opinion on the financial statements of the Authority for the fiscal years ended June 30, 2008 and 2007, indicating that the Authority's financial statements are fairly presented in conformity with GAAP. The independent auditor's report is included as the first component of the financial section of this report.

The independent audit of the financial statements of the Authority is part of a broader, Federally mandated "Single Audit," designed to meet the special needs of Federal grantor agencies. The standards governing Single Audit engagements require an independent auditor to report not only on the fair presentation of the financial statements, but also on the Authority's internal controls and compliance with Federal Program requirements.

The basic financial statements for AHA's single enterprise fund consist of Combined Statements of Net Assets, Combined Statements of Revenues, Expenses and Changes in Net Assets, and Combined Statements of Cash Flows. Notes to the Basic Financial Statements are an integral part of the financial statements.

The Housing Authority of the City of Atlanta, Georgia

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AHA has created several affiliate entities to implement and execute a number of our program activities and initiatives. The financial statements of these affiliates are included in AHA's financial statements as blended component units. AHA has one affiliate that is not a component unit, but is considered a related entity. As such, the financial statements for this entity have been excluded from the Authority's financial statements. See Note A of the Notes to the Basic Financial Statements for further details.

GAAP also requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent public accountants.

AHA's MISSION

To provide quality affordable housing for the betterment of our community

AHA, a public body corporate and politic created under the Housing Authorities Laws of the State of Georgia, is a diversified real estate company with a public mission and purpose. AHA meets its mission by deploying its assets to facilitate affordable housing opportunities for low-income, elderly and disabled households in the City of Atlanta. AHA has broad corporate powers including, but not limited to, the power to acquire, manage, own, operate, develop and renovate housing, invest and lend money, create for-profit and not-for-profit entities, administer vouchers, issue bonds for affordable housing purposes and develop commercial, retail and market rate properties that benefit affordable housing. Many of AHA's programs are funded, in part, and regulated by HUD under the provisions of the U.S. Housing Act of 1937, as amended, as modified by AHA's Moving to Work Agreement dated September 23, 2003, as amended and restated effective as of November 13, 2008 and as further amended effective as of January 16, 2009 (MTW Agreement).

Under the Housing Authorities Laws, the governing body of AHA is the Board of Commissioners, whose members are appointed by the Mayor of the City of Atlanta. The Board of Commissioners hires the President and Chief Executive Officer, who, in turn, hires the staff of the Authority. The current President and Chief Executive Officer is Renée Lewis Glover, who was hired on September 1, 1994.

Under Ms. Glover's leadership, AHA chartered a new course and embarked on an important and ambitious vision: to transform its delivery of affordable housing by ending the practice of concentrating low income families and abandoning the traditional 100% public housing model through implementing its comprehensive and strategic revitalization program (Revitalization Program). Under AHA's Revitalization Program, public housing-assisted households are relocated to housing of their choice, primarily to private housing (using Housing Choice vouchers to close the gap for the cost of rent and utilities) or to other AHA-owned public housing developments. The distressed and obsolete housing projects are demolished and the sites remediated and prepared for development; and through partnerships with excellent private sector developers, market rate quality mixed-use, mixed-income communities are developed. AHA's Revitalization Program is designed to create communities where Atlanta's families, from every socio-economic status, can live, learn, work and play, as they pursue their version of the American dream. AHA believes that every person has unlimited human potential and promise, but the quality of his or her living environment impacts the outcome.

AHA's VISION
Healthy Mixed-Income Communities

The Revitalization Program is governed by five guiding principles:

1. End the practice of concentrating low-income families in distressed and isolated neighborhoods.
2. Develop communities through public/private partnerships using public and private sources of funding, using market principles.
3. Create mixed-income communities with the goal of creating market rate communities with a seamless affordable component.
4. Create healthy communities using a holistic and comprehensive approach to ensure long-term marketability and sustainability and to support excellent outcomes for families, especially children, with emphasis on excellent, high performing neighborhood schools and excellent quality of life amenities, such as first-class retail and green space.
5. Residents should be supported with adequate resources to assist them to achieve their life goals, focusing on self-sufficiency and educational advancement of the children. Expectations and standards for personal responsibility should be benchmarked for success.

Since 1994, AHA has been able to successfully deconcentrate poverty through implementing its Revitalization Program. The Revitalization Program requires that AHA leverage its public housing development funds, its land, and its operating subsidies to facilitate the availability of quality affordable housing opportunities in mixed-use, mixed-income communities throughout the City of Atlanta. Since 1994, by partnering with excellent private sector developers, leveraging private sources of financing and using market principles, AHA has sponsored the creation of 15 mixed-use, mixed-income communities, leveraging over $300 million in HOPE VI and other public housing development funds, resulting in total financial investment of over $4 billion. As a result, neighborhoods throughout the City of Atlanta have been transformed to healthy economically integrated communities with great neighborhood schools and other wonderful quality of life amenities. The real estate and human development outcomes have been outstanding – healthier economically integrated, amenity-rich communities, increasing real estate values, dramatically lower rates of crime, improved student and school performance and substantially higher participation in the workforce by the assisted-households.

Having moved from troubled agency status in 1994 to high performer status in 1999 and sustained that status thereafter, AHA applied for and received a Moving to Work (MTW) designation in 2001. After protracted negotiations with HUD, AHA executed its MTW Agreement with HUD on September 23, 2003, effective as of July 1, 2003. AHA's MTW Agreement provides substantial statutory and regulatory relief under the U.S. Housing Act of 1937, as amended. AHA's program design for implementing its MTW Agreement leverages the guiding principles, the lessons learned and best practices from AHA's Revitalization Program.

Under AHA's MTW Agreement, AHA has the statutory and regulatory flexibility to implement local solutions to address local challenges in providing affordable housing opportunities. The MTW Agreement allows AHA to combine multiple types of HUD funding: Housing Choice Voucher budget authority, Low-Income Operating Subsidy and Capital Fund Program grants into a single fund to be used for MTW eligible activities as set forth in AHA's MTW Agreement and Business Plan, as amended. AHA's MTW Agreement was effective as of July 1, 2003 through June 30, 2010. On November 13, 2008 AHA and HUD signed an amended and restated agreement which extends the term of AHA's MTW Agreement until June 30, 2018. AHA's MTW Agreement was further amended effective as of January 16, 2009. HUD may further extend AHA's MTW Agreement for additional ten-year periods, subject to AHA meeting certain agreed-upon conditions. As AHA concludes its fifth year under its MTW Agreement period, it continues to make substantial strides in achieving its vision.

Consistent with AHA's guiding principles, its Business Plan sets forth three **primary goals.**

1. Developing quality living environments in mixed-income communities;
2. Enhancing AHA's economic viability and sustainability; and
3. Increasing self-sufficiency, financial independence and successful outcomes for families by leveraging AHA's human development and support services investments.

In 2004, AHA submitted our first MTW Business Plan to HUD. AHA refers to its comprehensive Business Plan as "CATALYST." AHA's Business Plan and its subsequent annual implementation plans set forth AHA's goals and objectives.

AHA's goals and objectives for FY2008 were aligned around the six **major priorities** of the Plan which are highlighted below:

1. **Quality of Life Initiative (QLI) –** In response to the deteriorating conditions in AHA's distressed and obsolete public housing projects and the escalating rates of crime in these projects and the need to facilitate assisted-households in moving from such detrimental conditions, AHA designed and implemented in Fiscal Year 2007 a program called the "Quality of Life Initiative" (QLI). QLI empowers families in 10 distressed and obsolete family developments and two distressed and obsolete senior high-rise developments to relocate to privately owned housing, using Housing Choice vouchers. The affected families are supported with 27 months of individualized coaching, counseling and human development services to insure the families adjust in their new neighborhoods and achieve their goals of achieving financial independence and self-sufficiency. After the families are relocated, the projects are demolished. Subject to market and financial conditions, AHA intends to solicit the private sector development and investor community for proposals to develop additional mixed-use, mixed-income communities. When relocation is completed on or about June 30, 2010, AHA will no longer own or operate any large family public housing projects, thereby ending the era of warehousing low-income families in distressed and obsolete developments in isolated and depressed areas. AHA will continue to own 11 senior high-rise buildings and two small family public housing-assisted communities, all of which are well located in economically integrated neighborhoods.

The remaining developments will continue to be comprehensively managed by professional private management companies in accordance with AHA's goals, objectives and financial resources. AHA will use its MTW relief to develop creative and innovative ways to reposition these properties with the goal of substantially improved quality of life, with increased emphasis on supportive services for elderly and disabled persons.

2. **Revitalization Program** – AHA and its private sector development partners will continue implementing AHA's strategic Revitalization Program in accordance with the HUD-approved Revitalization Plans for each revitalization community.

3. **Human Development –** AHA will continue to invest in, facilitate and provide linkages for AHA-assisted families to human services providers to ensure healthy outcomes with the goals of economically independent families, educated children, and self-sufficient elderly and persons with disabilities.

4. **Project Based Rental Assistance (PBRA) as a Development Tool –** AHA will expand its PBRA program, contracting with owners of private apartment communities to provide quality housing opportunities in healthy mixed income communities. PBRA provides a ten-year renewable stream of rent subsidy that closes the affordability gap for households who earn between the minimum wage and 60% of the metropolitan area median income. Through a competitive process, AHA solicits private developers and owners interested in reserving a percentage of their multi-family rental units for at least ten years.

5. **Asset Management** – AHA will continue to develop and evolve its systems, processes, procedures and human resources to create comprehensive and integrated asset management capacity, with an emphasis on external business relationship management and technology-oriented solutions.

6. **Re-engineering the Housing Choice Voucher Program –** AHA will continue to enhance the Housing Choice Voucher Program including redesigning business systems, implementing technology solutions, improving customer service delivery, human resources development, and refining participant and landlord policies and procedures. Using its statutory and regulatory relief under our MTW Agreement, AHA is also making innovative operational changes to the Housing Choice Program so that the households who elect tenant-based vouchers as their affordable housing resource can use the vouchers in lower poverty, opportunity-enriched neighborhoods throughout the City of Atlanta, while continuing to pay no more than 30% of their adjusted income towards rent and utilities.

RESULTS AS OF JUNE 30, 2008

Revitalization Program—Since 1994, AHA has sponsored the creation of 15 mixed-use, mixed-income communities leveraging over $300 million of public housing development funds, AHA land and operating subsidies resulting in over $4 billion of new investment in once distressed and economically disinvested neighborhoods.

PBRA as a Development Tool. AHA's strategy of working with private partners to deliver affordable housing resources includes converting a significant portion of its tenant-based vouchers to PBRA with the goals of (a) facilitating housing opportunities for families in healthy mixed-income communities; (b) facilitating the development of housing for the elderly; and (c) facilitating the development of supportive services housing for persons with disabilities and other transitional housing. Piloted in FY2003, AHA began using PBRA as a development tool to increase the supply of affordable units in privately owned developments. Since FY2003, AHA has entered into commitments for over 3,000 units in mixed-income rental communities.

QLI. During FY2008, HUD approved the demolition applications for Englewood Manor, Jonesboro North, Jonesboro South, Leila Valley, U-Rescue Villa and Bowen Homes. The relocation of approximately 702 households was completed in FY2008. The demolition applications for the remaining QLI properties: Bankhead Courts, Thomasville Heights, Hollywood Courts, Herndon Homes, Palmer House and Roosevelt House were submitted in FY2008 and were approved in FY2009. AHA expects that relocation from such developments will be completed by June 30, 2010. AHA intends to demolish the distressed, obsolete properties and solicit mixed-use, mixed-income development proposals for the individual properties.

Economic Viability and Sustainability. AHA's financial position is strong as a result of the effective implementation of its Revitalization Program, QLI Initiative and other Business Plan Initiatives. By intentionally changing the composition and mix of its portfolio and demolishing its distressed and obsolete public housing, AHA has substantially reduced the operating and capital costs associated with managing these properties. Since 1994, AHA's annual capital fund program award has decreased from $26.4 million to $14.1 million and its annual public housing operating subsidy award has decreased from $39.8 million to $33.7 million. Consequently, AHA has applied for and received Housing Choice vouchers to support the relocation of affected assisted-households and to replace a portion of the demolished housing units that are otherwise not replaced through the development of mixed-income communities. Using its MTW relief, AHA also has been able to leverage our Housing Choice voucher funding through innovative and creative partnerships and relationships with private sector developers and owners (PBRA and other) to create additional mixed-income housing opportunities. The financial impacts of the Revitalization Program, QLI, and other Business Plan Initiatives are more fully discussed in the Management's Discussion and Analysis (MD&A) which follows.

Human Development Policies and Investments. The move from traditional public housing-assisted developments to apartments and single-family homes owned by private owners provides both challenges and opportunities to affected households. To facilitate this transition, AHA has developed an extensive support program. AHA funds 27 months of case management to support the households through their transition. Case management includes coaching, counseling and human development services to connect families with mainstream society and accomplish the following objectives: (a) successful resettlement in privately-owned housing; (b) achieving economic independence; and (c) achieving family success.

The flexibility of MTW has allowed AHA to implement higher expectations and standards of responsibility for AHA-assisted households. Using the statutory and regulatory relief under its MTW Agreement, AHA adopted policies, effective November 2004, requiring AHA-assisted families to (a) work as a condition of receiving subsidy and (b) pay a minimum of $125 toward their cost for rent and utilities. Such policy changes have had positive financial impacts on AHA and the families.

AHA's work program policy requires that i) at least one non-elderly, non-disabled adult family member maintains continuous full-time employment for 30 hours a week, and ii) all other non-elderly, non-disabled adults maintain full-time employment or participate in a combination of school, job training, or part-time employment as a condition of the family receiving or maintaining subsidy assistance. Families on fixed incomes, where all members are elderly and/or disabled, are exempt from the minimum rent, and continue to pay rent and utilities based on 30% of their adjusted gross incomes. Following full implementation of the new standards, the average annual income among non-elderly, and non-disabled, AHA-assisted families increased. Because rent is based on 30% of adjusted income, AHA's share of the cost of providing affordable housing in these families decreased as a result of the higher resident income. More importantly, families served under the MTW program, are faring better in terms of employability, increased wages and connectivity to resources and opportunities that promote family success. As of June 30, 2008, in excess of 71% of AHA-assisted households were in compliance with the work program requirement.

Awards and Acknowledgement

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Authority for its Comprehensive Annual Financial Report (CAFR) for the fiscal years ended June 30, 2006 and June 30, 2007. A certificate of achievement is valid for one year. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the Authority also received the GFOA's Distinguished Budget Presentation Award for its comprehensive budget for fiscal years 2006 and 2007. In order to qualify for the Distinguished Budget Presentation Award, the Authority's budget document was judged proficient as a policy document, a financial plan, an operations guide and a communications device.

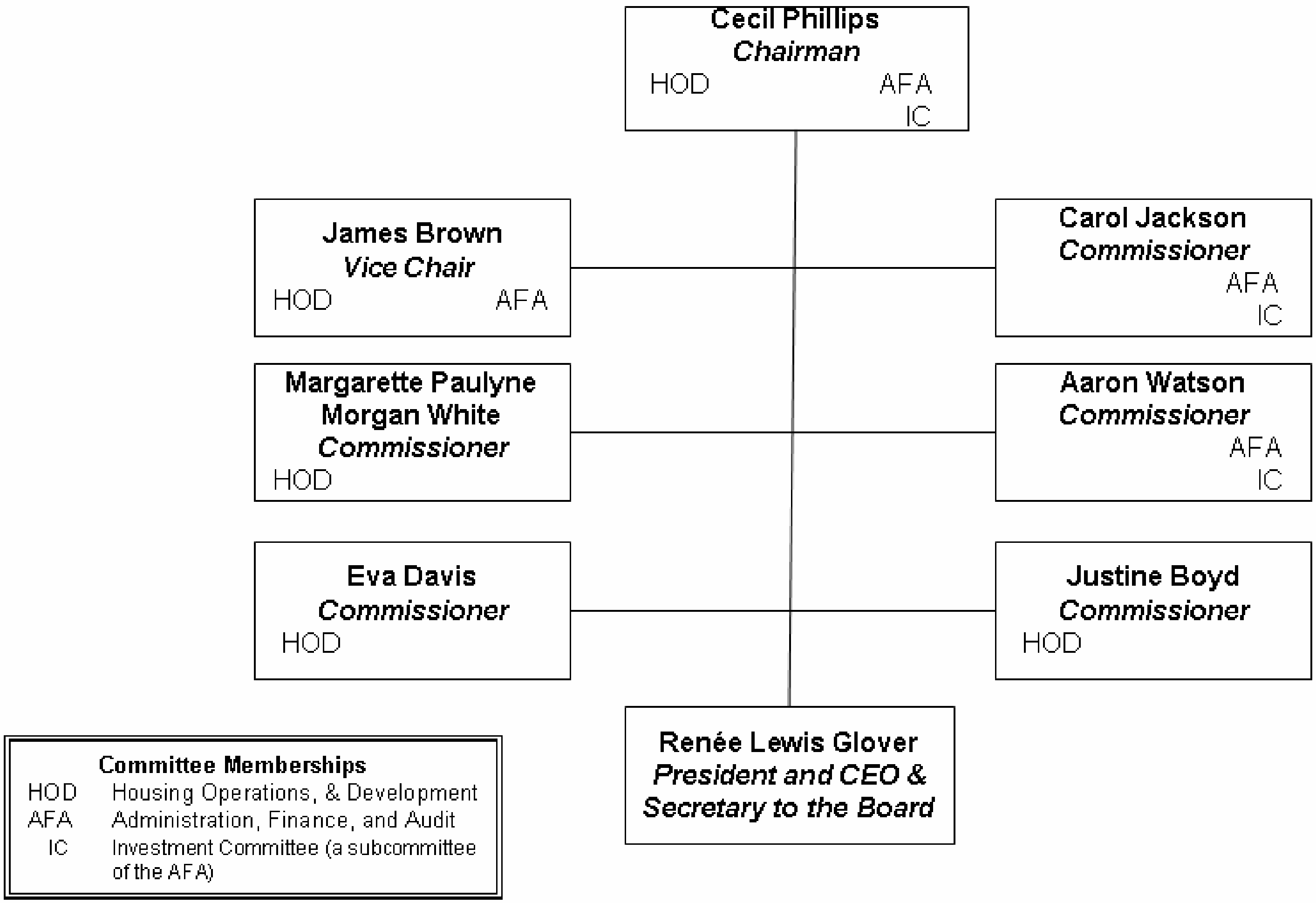
We wish to express our appreciation to all of the individuals who contributed to the preparation of this Report.

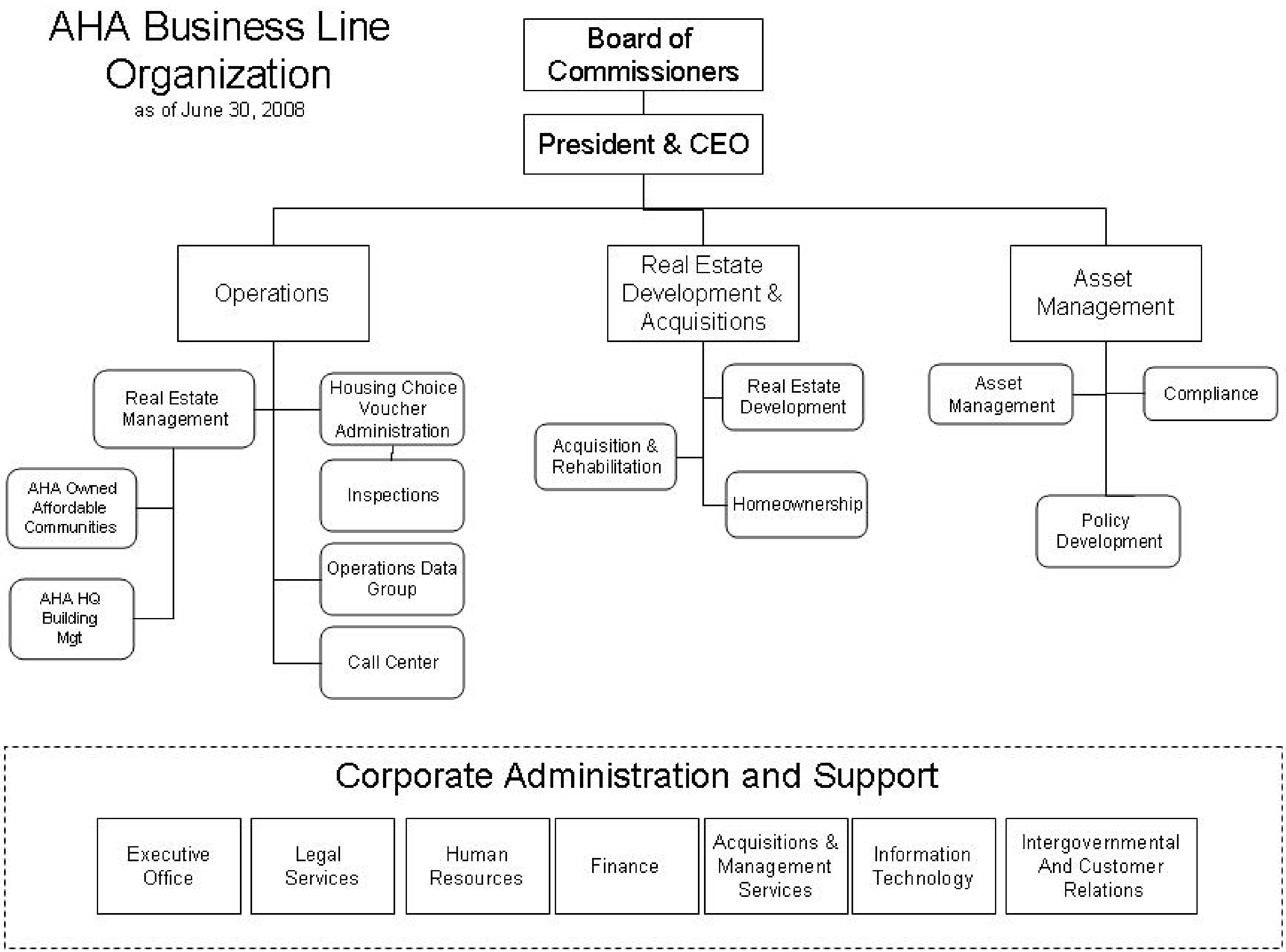
Sincerely,

Renée Lewis Glover
President and Chief Executive Officer

Stephen D. Nolan, CPA
Chief Financial Officer

AHA's Board of Commissioners




AHA Business Line Organization
as of June 30, 2008
Board of Commissioners
President & CEO
Operations
Real Estate Development & Acquisitions
Asset Management
Real Estate Management
Housing Choice Voucher Administration
AHA Owned Affordable Communities
Inspections
AHA HQ Building Mgt
Operations Data Group
Call Center
Real Estate Development
Acquisition & Rehabilitation
Homeownership
Asset Management
Compliance
Policy Development
Corporate Administration and Support
Executive Office
Legal Services
Human Resources
Finance
Acquisitions & Management Services
Information Technology
Intergovernmental And Customer Relations

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Atlanta Housing Authority
Georgia

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2007

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

President

Executive Director

FINANCIAL SECTION

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Certified Public Accountants

Independent Auditors' Report

Board of Commissioners
The Housing Authority of the City of Atlanta, Georgia

We have audited the accompanying basic financial statements of **The Housing Authority of the City of Atlanta, Georgia,** as of and for the fiscal years ended June 30, 2008 and 2007, as listed in the table of contents. These basic financial statements are the responsibility of **The Housing Authority of the City of Atlanta, Georgia's** management. Our responsibility is to express opinions on these basic financial statements based on our audits.

We conducted our audits 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 audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide 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 Housing Authority of the City of Atlanta, Georgia** as of and for the fiscal years ended June 30, 2008 and 2007 and the changes in financial position and cash flows for the years 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 January 27, 2009, on our consideration of **The Housing Authority of the City of Atlanta, Georgia's** internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal controls over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal controls 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 read in conjunction with this report in considering and assessing the results of our audits.

Management's Discussion and Analysis on pages 19 through 32 and the Schedule of Pension Funding Progress on page 74 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. 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 audits were conducted for the purpose of forming an opinion on the basic financial statements of **The Housing Authority of the City of Atlanta, Georgia** taken as a whole. The accompanying Schedule of Expenditures of Federal Awards and notes thereto are presented for purposes of additional analysis as required by the United States Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organizations and is not a required part of the basic financial statements. The Financial Data Schedules and notes thereto, the Reconciliation of Advances, Costs and Budget – Certain HUD programs and Hope VI Grant Program Cost Certification Schedules, listed as other supplementary information in the table of contents are required by the United States Department of Housing and Urban Development and are presented for purposes of additional analysis and are not a required part of the basic financial statements of **The Housing Authority of the City of Atlanta, Georgia**. The Schedule of Expenditures of Federal Awards, the Financial Data Schedules, the Reconciliation of Advances, Costs and Budget – Certain HUD programs and Hope VI Grant Program Cost Certification Schedules 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.

The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Metcalf Davis

Atlanta, Georgia
January 27, 2009

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis (MD&A) of AHA's performance for the fiscal years (FY) ended June 30, 2008, and 2007, is presented as a supplement to the accompanying year-end financial statements. The information presented in this discussion should be read in conjunction with the financial statements and the notes thereto, and additional information furnished in the transmittal letter and supplementary information.

BACKGROUND AND CONTEXT

Strategies

AHA's Revitalization Program (as described in the Transmittal Letter), Quality of Life Initiative (QLI) and the statutory and regulatory relief afforded by AHA's MTW Agreement have had a dramatically positive impact on AHA's financial position. As a result of these programs and statutory and regulatory relief, the composition and mix of AHA's portfolio have intentionally changed. As AHA has demolished its distressed and obsolete public housing, it has applied for and received Housing Choice Vouchers to support the relocation of affected households and to replace a significant portion of the demolished housing units that are not otherwise replaced through the Revitalization Program. Under our MTW Agreement, AHA has been able to leverage our Housing Choice Voucher funds through innovative and creative partnerships and relationships with private sector developers and owners to create additional mixed-income communities and to reposition AHA to be a more nimble and strategic provider of affordable housing in healthier mixed-income communities. From 1994 (when AHA initiated its Revitalization Program) through the fiscal year ended June 30, 2008, (i) AHA's Housing Choice Voucher funds have grown approximately 400 percent; (ii) AHA has demolished approximately 10,000 distressed and obsolete public housing units; (iii) AHA's annual public housing subsidy award has decreased from $39.8 million to $33.7 million; and AHA's annual Capital Fund Program Award has decreased from $26.4 million to $14.1 million. Tenant Dwelling Revenue has also continued to decrease. Notwithstanding the significant decrease in Public Housing Program related revenues, AHA expects that Housing Choice Voucher funds and Other Revenue will outpace the decline in these revenue sources resulting from the demolition of AHA-owned public housing projects as AHA is awarded additional Housing Choice Voucher funds relating to the relocation of affected households.

Faced with the continuing deterioration of its obsolete public housing projects; escalating crime associated with concentrated poverty; the costs of managing and repairing these obsolete housing projects outpacing the associated revenues; and an increasing demand by AHA-assisted households and Atlanta citizens for better living conditions, AHA accelerated the pace of implementing its strategic plan to end concentrating low-income households in distressed and obsolete housing projects through QLI.

As of June 30, 2008, relocation of affected households from the Phase I QLI properties - Leila Valley, Jonesboro South, Jonesboro North, U-Rescue Villa and Englewood Manor had been successfully completed and demolition was substantially complete; one of the Phase II QLI properties - Bowen Homes was approved by HUD for demolition and relocation was well underway. The demolition applications for Bankhead Courts, Hollywood Courts, Thomasville Heights, Herndon Homes, Palmer House and Roosevelt House were subsequently approved by HUD in FY2009. Relocation at all properties (except Palmer House and Roosevelt House) commenced in the first quarter in FY2009. General relocation at Palmer House and Roosevelt House will commence in May 2009. By June 30, 2010, AHA will have closed the door on concentrating households in obsolete, distressed and dysfunctional large family public housing projects.

By June 30, 2010, AHA will own 11 senior high-rise buildings and two small family public housing-assisted developments – Martin Street Plaza (60 units) and Westminster Apartments (32 units), all of which are located in economically integrated neighborhoods. Each of these communities will continue to be owned by AHA and comprehensively managed by professional private management companies in accordance with AHA's goals, objectives and financial resources. During the next three years, AHA intends to use the authority under its MTW Agreement to reposition these properties with the goal of substantially improved quality of life for its residents, with increased emphasis on supportive services for elderly and disabled persons.

As of June 30, 2008, AHA served approximately 20,000 households in a broad array of opportunity-enhancing and amenity-rich housing options.

Accounting Treatment

AHA receives revenues from HUD including Low Income Operating Subsidy for public housing assisted-units, Housing Choice Voucher funds and Capital Funds. AHA earns Tenant Dwelling Revenue from AHA-owned public housing developments. AHA also receives and/or competes for multi-year grants including Development grants, HOPE VI grants and Replacement Housing Factor (RHF) grants, but these grants do not contribute to the revenue of AHA until costs under the grant are incurred, at which time AHA's right to reimbursement from HUD is perfected. AHA also receives and/or competes for funds or grants from other local and state governmental agencies, which are held and expended exclusively for the purposes set forth in the grants and/or Intergovernmental Agreements. Most of the funding is from the City of Atlanta and related entities and comes from various special purpose bonds (e.g. water and sewer) to pay for public improvements in the public right-of-way that support AHA's Revitalization Program and the City of Atlanta's infrastructure improvements plan. These funds are held by AHA for the City of Atlanta's account and do not increase AHA's Net Assets.

In connection with its Revitalization Program, AHA also earns income from development and other fees and participation in net cash flow from the various mixed-income rental communities. AHA also earns fees as a participating member of Georgia HAP Administrators, Inc. (Georgia HAP) and for services rendered as a subcontractor to Georgia HAP. Georgia HAP earns fees from HUD for contract administration services for HUD-funded project-based Section 8 properties in the States of Georgia and Illinois. Such revenues are not contractually restricted by HUD or restricted by HUD regulations and may be used by AHA consistent with and subject to the limitations of its charter.

When the Authority receives Low Income Operating Subsidy or Housing Choice Voucher funds from HUD, such funds are booked by AHA as Operating Revenue upon receipt from HUD. For Capital Funds and Development Grants and other multi-year grants, such funds under those grants are held by HUD (for AHA's account) and are made available to AHA pursuant to a draw-down process on a reimbursement basis. When AHA completes capital work to be paid for with multi-year grants, AHA's right to be reimbursed by HUD is perfected, and AHA books the funds as Non-Operating Revenue. A portion of the Capital Fund and other multi-year grants may be used by AHA for operating costs. Such funds are made available to the Authority pursuant to a draw-down process on a reimbursement basis and are booked as Operating Revenue when AHA incurs the expense as described above. The unexpended portions of the grants held by HUD for AHA's account remain available to AHA in future years, subject to the terms of the Grant Agreements and other agreements with HUD.

The Development grants, HOPE VI grants and RHF grants are used to pay pre-development and development related costs to advance AHA's Revitalization Program. A portion of these grants leverage private funds raised by AHA's private sector development partners in order to develop the rental phases of mixed-income communities. AHA loans these funds to private/public partnerships, in which an affiliate of AHA's private development partner is the managing general partner, to cover the cost of the AHA-assisted units in mixed-income communities. The amount of development grants drawn down by AHA for these purposes in any given fiscal year is driven and influenced by the conditions in the real estate and financial markets. Similarly, the amount of development and other fees earned by AHA in any given fiscal year is affected by those markets. To support the various Master Plans for the individual properties under the Revitalization Program, AHA will sell land to its private sector development partners and/or other home builders or commercial developers to support the development and sale of single family homes and/or commercial and retail development. AHA earns income from the net sales proceeds from these transactions and such income is booked as Non-Operating Revenues. The entrepreneurial income earned in connection with AHA's Revitalization Program is treated as program income and is subject to various HUD restrictions until the various Grant Agreements are closed out. Therefore, AHA may use such program income for low income housing purposes, subject to HUD conditions and the terms and limitations of its charter. AHA has determined that in addition to those restrictions it will use such program income to advance its Revitalization Program and to earn income from non-HUD sources.

AHA negotiated and entered into a Moving to Work Agreement with HUD in September 2003, effective as of July 1, 2003 through June 30, 2010. On November 13, 2008, AHA and HUD executed an Amended and Restated MTW Agreement, which among other things, extended the term of the Agreement to June 30, 2018. On January 16, 2009, AHA and HUD further amended the Amended and Restated MTW Agreement to clarify the use of MTW Funds. The Moving to Work Agreement, as Amended and Restated and further amended, is referred to herein as the (MTW Agreement). The MTW Agreement provides AHA with substantial statutory and regulatory relief under the U.S. Housing Act of 1937, amended, to implement local solutions to address local challenges in providing affordable housing opportunities to low-income families. The MTW Agreement allows AHA to combine multiple types of HUD funding: Housing Choice Voucher funds, low-income operating subsidy and Capital Fund grants into a single fund (herein, MTW Funds) to be used for MTW eligible activities as provided in the MTW Agreement and AHA's Business Plan, as amended. The MTW Agreement provides that HUD may further extend AHA's MTW Agreement for additional ten-year periods, subject to AHA meeting certain agreed-upon conditions. Notwithstanding AHA's authority to use MTW Funds across program lines, it still must account for and report the use of the individual funds by program.

FINANCIAL HIGHLIGHTS

FY2008 vs. FY2007

- Total Revenues increased in FY2008 over FY2007 by $45.0 million primarily due to an increase in Housing Choice Voucher funds received from HUD to cover the relocation costs (rent and utilities) for the households affected by AHA's Revitalization Program and QLI, who were scheduled to relocate during the fiscal year. Upon HUD's approval of the demolition application, AHA may apply for relocation funding for each household affected by such demolition. AHA also received a one-time adjustment of $24.3 million from HUD for calendar year 2008 due to a funding award that had been delayed as part of the Federal Fiscal Year (FFY) 2008 Federal Appropriations.

- Total Operating Expenses, before depreciation and amortization, for FY2008 as compared to FY2007, excluding General and Administrative Expenses, increased $5.3 million as a result of higher Housing Assistance Payment (HAP) expenses for AHA-assisted-units (Section 8 and Section 9) in mixed-income communities and for tenant-based vouchers, for increased security costs at AHA-owned properties undergoing relocation and relocation expenses incurred related to the ongoing implementation of QLI.

- Non-Operating Expenses for FY2008 as compared to FY2007 increased by $54.2 million primarily as the result of (i) the write-off of the net book value of public housing developments approved by HUD for demolition during FY2008, (ii) demolition and extraordinary site work expenses relating to the QLI properties and properties undergoing revitalization; and (iii) valuation allowance and bad debt expenses on related development project notes receivable.

- General and Administrative Expenses for FY2008 increased by $19.4 million as compared to FY2007 primarily due to a $12 million contribution (representing a $9.3 million increase) to AHA's Defined Benefits Plan for the purpose of funding a cash-out of vested and terminated employees under that Plan; and by another $7 million relating to an increase in the number of AHA employees and increased consultant costs to support the re-engineering of the Housing Choice Voucher Program and implementation of QLI.

- AHA's overall financial position remained constant from year to year as reflected in the non-material change in Net Assets for FY2008 versus FY2007.

FY2007 vs. FY2006

- Operating Revenues decreased by $1.8 million primarily due to decreases in Low Income Operating Subsidy and Tenant Dwelling Revenue resulting from relocation and demolition activities related to AHA's Revitalization Program. Non-Operating Revenues increased by $7.9 million in FY2007 compared to FY2006 primarily due to an increase in reimbursements under the multi-year grants used for capitalized expenditures and pre-development and development activity relating to AHA's Revitalization Program.

- Total Operating Expenses, before depreciation and amortization, decreased $9.5 million for FY2007 as compared to FY2006 primarily due to a decrease in HAP expenses. Non-operating expenses increased $10.8 million for FY2007 over FY2006 primarily due to the write-off of the net book value of $4.6 million relating to McDaniel Glenn, and a valuation allowance of $2.6 million relating to Related Development Project Notes Receivable. AHA also made a $4 million contribution of Carver HOPE VI grant funds ($1.8 million) and ACoRA funds ($2.2 million) for the construction of the Villages at Carver YMCA by the YMCA Metropolitan Chapter.

- AHA's overall financial position improved $4.8 million from FY2006 to FY2007 as reflected in the Change in Net Assets.

CONDENSED COMBINED STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS

	FY2008	FY2007	FY2006
Operating Revenues			
Operating subsidies	$ 226,048,696	$ 174,261,326	$ 175,078,599
Tenant dwelling revenue	14,472,567	17,282,562	18,405,002
Other revenue	5,306,275	6,561,773	6,437,735
Total operating revenues	245,827,538	198,105,661	199,921,336
Operating Expenses			
Housing assistance payments (HAP)	87,870,509	84,812,490	96,382,051
Property operations - utilities, maintenance, protective services	33,452,784	35,945,331	36,212,934
Resident services, including relocation	12,176,401	7,422,976	5,445,229
General and administrative	64,960,230	45,515,856	45,126,076
Total operating expenses	198,459,924	173,696,653	183,166,290
Net operating income before depreciation	47,367,614	24,409,008	16,755,046
Depreciation and amortization	11,611,915	13,841,139	13,906,235
Net operating income	35,755,699	10,567,869	2,848,811
Non-operating Revenue/(Expenses)			
Interest and investment income	5,458,724	5,722,435	6,197,582
Gain on sale of capital assets	2,533,256	421,431	1,179,361
Capital asset write-down	(28,148,332)	(5,721,395)	(632,200)
Demolition and extraordinary sitework	(18,980,331)	(5,008,566)	(5,937,886)
Other revitalization expenditures	(1,815,878)	(4,030,000)	-
Valuation allowance and bad debt expenses on notes receivable	(22,722,390)	(2,569,048)	-
Interest expense	(866,836)	(957,866)	(900,881)
	(64,541,787)	(12,143,009)	(94,024)
Multiyear grants used for capitalized expenditures	26,269,317	30,864,741	21,686,827
Total non-operating revenue/(expenses)	(38,272,470)	18,721,732	21,592,803
Change in Net Assets	**(2,516,771)**	**29,289,601**	**24,441,614**
Net Assets - beginning of year	369,975,194	340,685,593	316,243,949
Net Assets - end of year	**$ 367,458,423**	**$ 369,975,194**	**$ 340,685,563**

The *Condensed Combined Statements of Revenues, Expenses, and Changes in Net Assets* present the revenues and expenses of the current and previous fiscal years. Revenues less Expenses results in the change in Net Assets generated for the respective fiscal years.

OPERATING REVENUES

FY2008 vs. FY2007

Total Operating Revenues for FY2008 increased $47.7 million over FY2007 primarily due to an increase in Housing Choice Voucher funds received from HUD for the QLI-affected and revitalization households scheduled to relocate during FY2008 and a one-time adjustment from HUD for calendar year 2008 due to a funding award that had been delayed as part of the Federal FY2008 Federal Appropriations.

Operating Subsidies and Tenant Dwelling Revenue. AHA's QLI and Revitalization Programs have had a significant impact on operating subsidies as reflected in the $25.0 million increase in Housing Choice Voucher funds relating to households affected by AHA's Revitalization Program and QLI projected to relocate during the fiscal year. AHA also received a one-time adjustment of $24.3 million from HUD for calendar year 2008 due to a funding award that had been delayed as part of the Federal FY2008 Federal Appropriations. Tenant Dwelling Revenue decreased by $2.8 million as households relocated from AHA-owned housing projects as part to the QLI Initiative and the Revitalization Program.

Other Revenue. AHA earned $5.3 million in FY2008 as compared to the $6.6 million in FY2007 from development and other fees and participation in net cash flows from the mixed-income rental properties in connection with its Revitalization Program. Further information can be found in Note S to the financial statements on these transactions.

AHA also earned fee income of $1.7 million in FY2008 and $1.6 million FY2007, respectively, from Georgia HAP.

FY2007 vs. FY2006

Operating Revenues decreased by $1.8 million primarily due to decreases in Low Income Operating Subsidy and Tenant Dwelling Revenue resulting from relocation and demolition activities related to AHA's Revitalization Program.

NON-OPERATING REVENUES

FY2008 vs. FY2007

Non-Operating Revenues decreased $2.7 million in FY2008 as compared to FY2007 primarily due to a decrease in reimbursements from multi-year Capital and Development grants as a result of delayed financial closings in light of the softening Atlanta real estate market and declining financial market conditions.

In addition to AHA's Revitalization Program, AHA used Capital Fund grants to fund modernization expenditures at AHA-owned properties. AHA continues to focus on the quality, curb appeal, health and safety, security, and sustainability of its 11 longer-term viable senior high-rise buildings and two smaller family properties. Notwithstanding the overall decrease in Multi-year Grants Used for Capital Expenditures, reimbursements from Capital Funds increased from $6.2 million in FY2007 to $9.0 million in FY2008 primarily due to AHA's increased investment in retro-fitting units in AHA-owned longer-term viable senior high-rise properties for mobility-impaired households in compliance with its Voluntary Compliance Agreement with HUD.

To advance the Centennial Place Master Plan, AHA sold land to an affiliate of its private sector development partner to support a mixed-used project, where a portion of the single family homes will be sold to qualified low-income households. AHA recognized a $2.5 million gain on sale of land in FY2008 from this transaction. See Note S to the financial statements.

FY2007 vs. FY2006

Non-Operating Revenues increased by $7.9 million in FY2007 compared to FY2006 primarily due to an increase in reimbursements under the multi-year grants used for capitalized expenditures and pre-development and development activity relating to AHA's Revitalization Program. AHA contributed $4.0 million to the YMCA Metropolitan Chapter for the development and construction of the Villages of Carver YMCA. A $2.2 million ACoRA grant was awarded to AHA, as a sub-grantee, by a City of Atlanta-instrumentality and $1.8 million was drawn from the Carver HOPE VI Revitalization Grant. The Villages of Carver YMCA was a $17 million project developed by the YMCA Metropolitan Chapter in support of the Master Plan for the revitalization of Carver Homes.

OPERATING EXPENSES

FY2008 vs. FY2007

Total Operating Expenses, before depreciation and amortization, including General and Administrative Expenses, increased $24.8 million primarily due to QLI related activities; the re-engineering of the Housing Choice Voucher Program; a $12 million contribution to AHA's Defined Benefits Plan to support the cash-out of vested and terminated employees under that Plan; and higher HAP for AHA-assisted units (both Section 8 and Section 9) in mixed-income communities and for tenant – based vouchers; increased security costs at AHA-owned properties undergoing relocation; and relocation expenses incurred with respect to QLI.

HAP Expenses. Total HAP expenses increased $3.1 million. HAP expenses include the rental subsidy and utilities paid for Housing Choice tenant-based vouchers, Project Based Rental Assistance (PBRA), and operating subsidy for public housing-assisted units paid to Owner-Entities of mixed-income communities. In FY2008, the number of vouchers being utilized increased. Most of the QLI- affected households use tenant-based Housing Choice Vouchers to relocate to private housing. AHA also continued to utilize PBRA as a development tool to continue to expand the available supply of high quality units for low-income families in mixed-income communities.

In response to higher than projected operating costs associated with AHA-assisted units in mixed-income communities, higher expectations and requirements for investment returns from financial investors in an ever-tightening economy, and in order to protect AHA's investment, AHA and a number of the Owner-Entities of rental phases of mixed-income communities agreed to revise the budget and increase the amount of operating subsidy for the AHA-assisted units in each such phase, effective as of January 1, 2008. During FY2008 and FY2007, AHA provided subsidy (adjusted as described above) in the amount of $5.4 million and $2.8 million, respectively. AHA expects to complete this process with the remaining Owner Entities during FY2009.

Property Operations including Utilities, Maintenance, and Protective Services. The cost of operating AHA's public housing communities was impacted by QLI and the Revitalization Program. Utilities, maintenance, and other property operation expenses decreased by $3.2 million as the households relocated from U-Rescue Villas, Englewood Manor, Jonesboro North, Jonesboro South and Leila Valley (Phase I QLI properties) and from University Homes, Antoine Graves, Graves Annex, and MLK Tower, all of which properties are being revitalized under AHA's Revitalization Program. Security costs, however, increased by approximately $0.7 million to support the ongoing relocation activities.

Resident Services, including Relocation Expenses. Resident services, including relocation expenses increased by $4.8 million in FY2008 as compared to FY2007 due to higher levels of staffing, case management, and relocation expenses in support of the affected households relocating from QLI properties and AHA-owned properties undergoing revitalization. AHA continued to invest in human development and supportive services for affected residents provided by professional human services firms. During FY2008, 2,255 households were being supported with these services. Human development and supportive services are provided for at least 27 months to assist each of the affected households with their transition to a new community and to meet their goals of financial independence and self-sufficiency.

FY2007 vs. FY2006

Operating Expenses, before depreciation and amortization, decreased $9.5 million for FY2007 as compared to FY2006 primarily due to a decrease in HAP expenses. HAP expenses declined due to ported vouchers being absorbed by other local housing authorities by the end of the 2007 fiscal year, attrition of families from the Housing Choice Program during FY2007, and the effect of participant households earning more income and paying a larger percentage of the total rent for the assisted-unit as a result of the work requirement.

NON-OPERATING EXPENSES

FY2008 vs. FY2007

Total Non-Operating Expenses increased by $54.2 million primarily as a result of the activities described below.

- **Write-Down of Capital Assets**. AHA wrote off $28.1 million in aggregate net book value for the QLI properties (U-Rescue Villas, Englewood Manor, Jonesboro North and South, Leila Valley and Bowen Homes) and properties undergoing revitalization (University Homes, Graves, Antoine Graves Annex, MLK Tower and John O. Chiles main building). AHA writes off the net book value of properties upon receiving approval from HUD for the demolition of the property. In the case of John O. Chiles main building, the write-off was triggered when ownership to the improvements was transferred to the Owner-Entity for tax credit purposes.

- **Demolition and Extraordinary Site Work**. Demolition expenses increased $8.8 million in FY2008 compared to FY2007 due to demolition-related expenses for U-Rescue Villas, Englewood Manor, Jonesboro North, Jonesboro South and Leila Valley. Extraordinary site work increased $5.1 million as work was executed at properties undergoing revitalization.

- **Valuation Allowance and Bad Debt Expense on Related Development Project Notes Receivable**. AHA increased its impairment valuation allowance and recognized bad debt expenses on notes receivable of $22.7 million for FY2008. AHA holds subordinated notes receivable of Related Development Project Partnerships incurred in connection with the development of various rental phases of AHA-sponsored mixed-income communities. The interest and principal are payable primarily from net cash flow, net project proceeds or condemnation proceeds generated from the rental phases owned by such Partnerships. In FY2008, four related development project notes receivable were fully reserved and one partially reserved in the amount of $18.7 million. The notes receivable relating to Summerdale Commons I and II, totaling $4.0 million, were written-off as bad debt expense following bankruptcy of the Owner-Entities and foreclosure of the affected properties. (See Notes A13, A14, D, N and S to the financial statements).

FY2007 vs. FY2006

Non-operating expenses increased $10.8 million for FY2007 over FY2006 primarily due to the write-off of the net book value of $4.6 million relating to HUD approval of the demolition application for McDaniel Glenn, and an adjustment to the valuation allowance relating to Related Development Project Notes Receivable. Valuation allowance on Related Development Project Notes Receivable increased by $2.6 million in FY2007 related to reserving against unsecured third position notes receivable with Related Development Project Partnerships. Also, AHA made a $4 million contribution of Carver HOPE VI grant funds ($1.8 million) and ACoRA funds ($2.2 million) for the development and construction of the Villages at Carver YMCA by the YMCA Metropolitan Chapter.

CONDENSED COMBINED STATEMENTS OF NET ASSETS

	FY2008	FY2007	FY2006
ASSETS:			
Total current assets	$ 151,259,506	$ 131,255,864	$ 126,531,976
Related project notes receivable, net of valuation allowance	123,102,703	125,644,170	111,739,378
Capital assets, net of accumulated depreciation	130,334,865	144,758,303	151,499,170
Other noncurrent assets	27,948,711	15,119,569	7,950,434
Total Assets	**$ 432,645,785**	**$ 416,777,906**	**$ 397,720,958**
LIABILITIES:			
Total current liabilities	$ 58,743,359	$ 39,195,882	$ 47,897,072
Long-term debt, net of current portion	4,310,832	5,039,120	5,739,213
Other noncurrent liabilities	2,133,171	2,567,710	3,399,080
Total Liabilities	**$ 65,187,362**	**$ 46,802,712**	**$ 57,035,365**
NET ASSETS:			
Invested in capital assets, net of related debt	$ 125,295,746	$ 139,019,090	$ 145,109,703
Restricted	202,481,912	202,084,151	165,869,954
Unrestricted	39,680,765	28,871,953	29,705,936
Total Net Assets	**$ 367,458,423**	**$ 369,975,194**	**$ 340,685,593**
Total Liabilities and Net Assets	**$ 432,645,785**	**$ 416,777,906**	**$ 397,720,958**

The *Combined Statements of Net Assets* provide detail about the assets of AHA, as well as its outstanding liabilities. The difference between assets and liabilities is reported as Net Assets. The net asset presentation further details the components of net assets into restricted or unrestricted. See the Notes to the financial statements.

TOTAL ASSETS

FY2008 vs. FY2007

Total Assets at June 30, 2008 increased $15.9 million. Total Current Assets at June 30, 2008 increased $20.0 million primarily from increased Housing Choice Voucher funds.

SUMMARY OF CAPITAL ASSETS, NET OF ACCUMULATED DEPRECIATION

	FY2008	FY2007	FY2006
Land	$ 36,809,231	$ 31,955,670	$ 29,975,963
Land improvements	16,116,811	16,957,849	16,650,691
Buildings and improvements	188,067,337	255,476,970	267,478,172
Equipment	15,421,844	16,046,583	14,861,009
Modernization in process	11,171,524	5,503,151	5,041,573
Total Capital Assets, gross	**$ 267,586,747**	**$ 325,940,223**	**$ 334,007,408**
Less, accumulated depreciation	(137,251,882)	(181,181,920)	(172,684,302)
Less, assets held for sale	-	-	(9,823,936)
Capital assets, net	**$ 130,334,865**	**$ 144,758,303**	**$ 151,499,170**

Capital assets, net of accumulated depreciation decreased by $14.4 million at June 30, 2008 compared to June 30, 2007. AHA wrote-off the net book value of six QLI properties and five properties undergoing revitalization.

AHA continues to focus on the quality of the product and curb appeal, health and safety, community security, and sustaining the longer-term viability of the senior high-rises, Martin Street Plaza and Westminster. Capital expenditures for these and other improvements are primarily represented in Modernization in process, referenced in the chart above.

Capital assets are further discussed in Note A16 and Note E of the financial statements.

FY2007 vs. FY2006

Total Assets increased $19.1 million primarily due to a $13.9 million increase in Related Development Project Notes Receivable (See Notes A13, A14, D, N and S to the financial statements), and a $7.2 million increase in other noncurrent assets primarily relating to a $4.8 million bond payment fund for a scheduled mandatory redemption of bonds issued in connection with the development of Villages of Carver Phase V, and public improvement receivables reclassified as long-term. These increases were partially offset by a $6.7 million decrease in capital assets (net of accumulated depreciation) from the write-off of the net book value of properties which were approved by HUD for demolition.

TOTAL LIABILITIES

FY2008 vs. FY2007

Total liabilities increased $18.4 million. Total current liabilities increased due to higher balances in public improvement funds, accrued remediation expenses, and accounts payable balances. The liabilities for public improvement funds held by AHA represent cash granted to AHA by the City of Atlanta for public improvement infrastructure work to be performed by AHA's private development partners in the public right-of-way to support development activity at various revitalization sites under the Revitalization Program. As the cash is used to pay for completed work, AHA reduces this liability. During FY2008, AHA accrued environmental remediation expenses for work to be completed in FY2009 at two of its properties undergoing revitalization. (See Notes G, H and I to the financial statements).

Long-term debt, net of current portion decreased $0.7 million. (See Note K to the financial statements).

FY2007 vs. FY2006

The $10.2 million decrease in total liabilities at June 30, 2007 was related primarily to an $8.7 million decrease in current liabilities resulting from a settlement of litigation claims associated with lead-based paint and a $2.0 million payment to satisfy accrued liabilities under AHA's Defined Benefits Plan.

TOTAL NET ASSETS (EQUITY)

	FY2008	FY2007	FY2006
Invested in capital assets, net of related debt	$ 125,295,746	$ 139,019,090	$ 145,109,703
Restricted for HUD funded programs	69,717,789	63,608,116	45,239,573
Restricted - related development project notes receivable	123,969,175	130,357,010	109,180,865
Restricted - related development partnership operating reserves	8,794,948	8,119,025	7,495,559
Other restricted	-	-	3,953,957
Unrestricted	39,680,765	28,871,953	29,705,936
Total Net Assets	**$ 367,458,423**	**$ 369,975,194**	**$ 340,685,593**

FY2008 vs. FY2007

Total Net Assets decreased $2.5 million at June 30, 2008, as compared to June 30, 2007, as a result of implementing plans and activities under AHA's Business Plan, as amended. This reduction in net assets was in accordance with the Board approved FY2008 Budget. The following explains the characterization of AHA's Net Assets.

Net Assets invested in capital assets, net of related debt includes land, building, improvements and equipment, less the related debt outstanding to acquire those assets. AHA uses these assets primarily to provide affordable housing to qualified income eligible families. Although AHA's investment in its capital assets is reported net of debt, the assets generally represent land and buildings that carry a restricted use and cannot be used to liquidate liabilities. Net assets invested in capital assets, net of related debt decreased $13.7 million primarily due to the write-off of the net book value of properties as explained previously in the Total Assets section.

Net Assets restricted for HUD funded programs primarily represents assets held to implement activities and strategies under AHA's Business Plan, as amended.

Net Assets restricted for related development project notes receivable include predevelopment advances and construction and permanent loans related to the mixed-income communities. Although AHA's related development project notes receivable comprise a part of the net assets, they should not be considered available to liquidate liabilities due to the long-term, contingent nature of these notes receivable. Net Assets restricted for related development project notes receivable decreased due to a valuation allowance expense and bad debt expense (See Notes A13, A14, C, D, N and S to the financial statements).

Net Assets restricted for related development partnership operating reserves are held for the purpose of covering any operating subsidy shortfalls for the AHA-assisted units in the various mixed-income rental communities owned by separate Owner-Entities under certain specified conditions.

Unrestricted Net Assets represent the cumulative effect of AHA's entrepreneurial activities. One of AHA's goals is to reduce its dependency on HUD for financial resources. The balance at June FY2008 includes amounts AHA earned from developer fees, transaction fees, and other fees associated with its role as a co-developer, ground lessor, and sponsor of mixed-income communities. Approximately $17.3 million of the unrestricted net assets is associated with these activities. Also, a portion of AHA's unrestricted net assets, approximately $16.6 million, resulted from the sales proceeds of real estate sold over the past several years, primarily associated with AHA's strategic Revitalization Program to further home ownership, retail, and commercial development. AHA is a member of Georgia HAP Administrators, Inc. a consortium of ten Georgia housing authorities and the State of Georgia Department of Community Affairs created to provide contract administration services for HUD's project-based Section 8 and FHA-insured portfolio. The unrestricted net asset balance includes approximately $4.9 million from AHA's net cumulative fees from Georgia HAP Administrators.

More detailed information regarding net assets is presented in Note V to the financial statements.

FY2007 vs. FY2006

Total Net Assets at June 30, 2007 increased $29.3 million. Net assets invested in capital assets, net of related debt was $139.0 million in FY2007, as compared to $145.1 million in FY2006. Net assets restricted for HUD funded programs of $63.6 million compares with $45.2 million in FY2006. Net assets restricted for related development project notes receivable included $130.4 million as compared with $109.2 million in FY2006.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Anticipated Impact from CATALYST Initiatives

AHA anticipates higher operating subsidy funding under the Housing Choice Program because AHA has applied for and received awards of Housing Choice Vouchers for the QLI and Revitalization Program properties to support the relocation of affected households. Public Housing Program funds (Low Income Operating Subsidy and Capital Funds) and Tenant Dwelling Revenue from AHA-owned properties will continue to decrease with the demolition of public housing units at the QLI-properties and properties undergoing revitalization. The funding from HUD for Low Income Operating Subsidy for public housing assisted-units and Capital Funds uses a formula driven calculation for annual subsidy awards and is primarily tied to the number and age of public housing-assisted units. AHA anticipates an increase in Replacement

Housing Factor funds which may only be used for the development of low income housing. In addition, Low Income Operating Subsidy for public housing assisted-units, Housing Choice Voucher funds face uncertainty as to the level of Congressional Appropriations and Federal budget priorities in the current unstable and depressed economic environment.

Local Market Issues

Despite current turmoil in the financial and credit markets, AHA will continue to implement its strategic plans. AHA expects that national and local market conditions will delay the development schedule for AHA's Revitalization Program as the number of financial investors has diminished. Market conditions will also influence the mix of rental and for-sale units in the mixed-use, mixed-income communities.

The mortgage foreclosure rate in the Atlanta metropolitan area is among the highest in the nation. This may have an adverse affect on AHA's Housing Choice voucher holders as increasing numbers of tenants will be forced to relocate from homes undergoing foreclosure. AHA has refined its due diligence process and implemented programs to assist the families affected by such foreclosures.

Utility rates in the City of Atlanta have continued to increase. In July 2008, the utility rates for water and sewer increased 27.5 percent. This increase impacts AHA's expenses for both its Public Housing and Housing Choice Programs.

CONTACTING AHA'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of AHA's finances and to demonstrate AHA's accountability for the assets it manages to interested persons, including citizens of our local jurisdiction, creditors and other interested parties. If you have questions about this report or wish to request additional financial information, contact the Chief Financial Officer at The Housing Authority of the City of Atlanta, Georgia, 230 John Wesley Dobbs Ave., N.E., Atlanta, Georgia 30303, telephone number 404-892-4700.

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BASIC FINANCIAL STATEMENTS

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The Housing Authority of the City of Atlanta, Georgia

COMBINED STATEMENTS OF NET ASSETS

June 30,

	2008	2007
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents		
Unrestricted	$ 75,540,401	$ 57,943,906
Restricted	38,800,006	25,502,993
	114,340,407	83,446,899
Receivables, net of allowance	22,117,440	32,506,086
Investments, restricted	13,024,046	14,969,633
Prepaid expenses	1,777,613	333,246
Total current assets	151,259,506	131,255,864
NONCURRENT ASSETS		
Related development project notes receivable, net of valuation allowance	123,102,703	125,644,170
Capital assets, net of accumulated depreciation	130,334,865	144,758,303
Investments, restricted	13,668,312	12,860,328
Other assets, net of accumulated amortization and allowances	14,280,399	2,259,241
	281,386,279	285,522,042
	$ 432,645,785	$ 416,777,906
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	$ 11,912,802	$ 7,462,134
Accrued liabilities	13,486,057	6,876,858
Other current liabilities	21,710,135	13,250,720
Line of credit	10,906,077	10,906,077
Current portion of long-term debt	728,288	700,093
Total current liabilities	58,743,359	39,195,882
NONCURRENT LIABILITIES		
Long-term debt, net of current portion	4,310,832	5,039,120
Other noncurrent liabilities	2,133,171	2,567,710
Total noncurrent liabilities	6,444,003	7,606,830
Total liabilities	65,187,362	46,802,712
CONTINGENCIES		
NET ASSETS		
Invested in capital assets, net of related debt	125,295,746	139,019,090
Restricted for:		
HUD funded programs	69,717,789	63,608,116
Related development projects	123,969,175	130,357,010
Related development partnership operating reserves	8,794,948	8,119,025
Unrestricted	39,680,765	28,871,953
Total net assets	367,458,423	369,975,194
TOTAL LIABILITIES AND NET ASSETS	$ 432,645,785	$ 416,777,906

The accompanying notes are an integral part of these statements.

The Housing Authority of the City of Atlanta, Georgia

COMBINED STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

Year ended June 30,

	2008	2007
Operating revenues		
Operating subsidies	$ 226,048,696	$ 174,261,326
Tenant dwelling revenue	14,472,567	17,282,562
Other revenue	5,306,275	6,561,773
	245,827,538	198,105,661
Operating expenses		
Housing assistance payments	87,870,509	84,812,490
Administrative	46,029,271	36,427,974
Resident services, including relocation	12,176,401	7,422,976
Utilities	12,523,805	15,367,163
Ordinary maintenance and operation	14,278,827	14,662,047
Protective services	6,650,152	5,916,121
General expenses	18,930,959	9,087,882
Total operating expense before depreciation	198,459,924	173,696,653
Net operating income before depreciation	47,367,614	24,409,008
Depreciation and amortization expense	11,611,915	13,841,139
Net operating income	35,755,699	10,567,869
Non-operating revenue/(expense)		
Interest and investment income	5,458,724	5,722,435
Gain on sale of capital assets	2,533,256	421,431
Capital asset write-down	(28,148,332)	(5,721,395)
Demolition expenses	(10,965,014)	(2,123,059)
Other revitalization expenditures	(1,815,878)	(4,030,000)
Extraordinary sitework and maintenance	(8,015,317)	(2,885,507)
Bad debt expense on notes receivable	(3,986,000)	-
Valuation allowance on related development project notes receivable	(18,736,390)	(2,569,048)
Interest expense	(866,836)	(957,866)
Net non-operating revenue/(expense)	(64,541,787)	(12,143,009)
Multi-year grants used for capitalized expenditures	26,269,317	30,864,741
Change in net assets	(2,516,771)	29,289,601
Net assets - beginning	369,975,194	340,685,593
Net assets - ending	$ 367,458,423	$ 369,975,194

The accompanying notes are an integral part of these statements.

The Housing Authority of the City of Atlanta, Georgia

COMBINED STATEMENTS OF CASH FLOWS

Year ended June 30,

	2008	2007
Increase (Decrease) in Cash and Cash Equivalents		
Cash flows from operating activities		
Operating subsidies	$ 226,422,032	$ 177,858,559
Receipts from residents	13,719,243	16,356,050
Payments to landlords	(87,870,509)	(84,812,490)
Payments to suppliers	(76,357,430)	(71,037,245)
Payments for employees	(31,526,274)	(21,312,207)
Other receipts (payments)	18,786,121	(6,135,781)
Net cash provided by operating activities	63,173,183	10,916,886
Cash flows from noncapital financing activities		
Proceeds from borrowings	-	11,010,577
Repayments of amounts borrowed	-	(104,500)
Public improvement receivables	17,008,496	(7,627,985)
Net cash provided by noncapital financing activities	17,008,496	3,278,092
Cash flows from capital and related financing activities		
Multi-year grants used for capital expenditures	19,988,427	26,100,435
Proceeds from sale of capital assets	2,756,232	11,756,612
Purchase and modernization of capital assets	(25,534,502)	(14,302,632)
Demolition expenses	(10,965,014)	(2,123,059)
Extraordinary maintenance	(8,015,317)	(2,885,507)
Related development project notes receivable and other grants receivable	(32,846,777)	(17,729,709)
Payments under capital debt	(1,267,547)	(11,459,909)
Net cash used in capital and related financing activities	(55,884,498)	(10,643,769)
Cash flows from investing activities		
Purchase of investments	1,137,603	(16,249,689)
Investment income	893,084	593,711
Interest and dividends	4,565,640	5,128,724
Net cash provided by (used in) investing activities	6,596,327	(10,527,254)
Net increase (decrease) in cash and cash equivalents	30,893,508	(6,976,045)
Cash and cash equivalents at beginning of the year	83,446,899	90,422,944
Cash and cash equivalents at end of the year	$ 114,340,407	$ 83,446,899

Continued...

The Housing Authority of the City of Atlanta, Georgia

COMBINED STATEMENTS OF CASH FLOWS - Continued

Year ended June 30,

	2008	2007
Reconciliation of Excess Operating Income to Net Cash Provided by (used In) Operating Activities		
Excess operating revenues over operating expenses	$ 35,755,699	$ 10,567,869
Adjustments to reconcile revenues in excess of expenses to net cash used in operating activities		
Depreciation and amortization expense	11,611,915	13,841,139
Provision for bad debts	547,127	874,454
Change in assets and liabilities		
Decrease (increase) in receivables	1,096,908	(1,446,388)
Increase in prepaid assets	(1,991,493)	(834,558)
Increase (decrease) in accounts payable and accrued liabilities	8,699,333	(8,869,114)
Increase in deferred revenue and public improvements	7,888,233	10,644,405
Decrease in other noncurrent liabilities	(434,539)	(13,860,921)
	27,417,484	349,017
Net cash provided by operating activities	$ 63,173,183	$ 10,916,886

The accompanying notes are an integral part of these statements.

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

1. Organization

The Housing Authority of the City of Atlanta, Georgia (AHA) is a public body corporate and politic created under the Housing Authorities laws of the State of Georgia, and is a diversified real estate company specializing in affordable housing. The primary purpose of AHA is to facilitate affordable housing opportunities for low-income, elderly and disabled families in the City of Atlanta. AHA has broad corporate powers including, but not limited to, the power to acquire, manage, own, operate, develop and renovate housing, invest and lend money, create for-profit and not-for-profit entities, administer vouchers, issue bonds for affordable housing purposes and develop commercial, retail and market rate properties that benefit affordable housing. Many of AHA's programs are funded and regulated by the U.S. Department of Housing and Urban Development (HUD) under the provisions of the U.S. Housing Act of 1937, as amended, as modified by the MTW Agreement as described below.

The governing body of AHA is its Board of Commissioners which is comprised of seven members appointed by the Mayor of the City of Atlanta; five members serve five-year staggered terms and two resident members serve one-year terms. The Board appoints the President and Chief Executive Officer to operate the business of AHA. AHA is not considered a component unit of the City, as the Board independently oversees AHA's operations. AHA is considered a related entity of the City of Atlanta.

AHA executed its Moving to Work Agreement with HUD on September 25, 2003. Moving to Work (MTW) is a demonstration program established by Congress, and administered by HUD, permitting participating public housing authorities to explore more effective and efficient methods of delivering affordable housing and supportive services in their localities. The MTW Agreement constitutes AHA's statutory and regulatory framework with HUD. This framework is documented in AHA's initial MTW Agreement, effective July 1, 2003, and the Amended and Restated MTW Agreement, effective November 13, 2008 and as further amended effective as of January 16, 2009, that extends AHA's MTW Agreement to June 30, 2018. The MTW Agreement may be further extended in 2018 by HUD, subject to AHA meeting agreed upon benchmarks. Under the terms of the MTW Agreement, AHA has been provided significant statutory and regulatory relief including, but not limited to, the operation of AHA's Housing Choice Voucher Program and the Low Rent (Public Housing) Program. The MTW Agreement authorizes AHA to combine Section 9 Operating Subsidy, and Capital Funds (including Development and Replacement Housing Factor Funds) and MTW Section 8 Housing Choice Voucher funds (collectively, MTW Funds) into a single fund for MTW eligible activities as provided in AHA's MTW Agreement and Business Plan, as amended. All references to sections in this Note A are to specific sections in the U.S. Housing Act of 1937, as amended, and as modified by AHA's MTW Agreement. See Note T for further details on the MTW Agreement and its impact on AHA's financials.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

2. Reporting Entity

In determining how to define the reporting entity, management has considered all potential component units to AHA. The decision to include a component unit in the reporting entity was made by applying the criteria set forth in Sections 2100 and 2600 of the "Codification of Governmental Accounting and Financial Reporting Standards and Statement No. 14 of the Governmental Accounting Standards Board, The Financial Reporting Entity." This criteria requires the entity to consider factors such as a) manifestation of financial responsibility and financial accountability, b) appointment of a voting majority of the Board, c) imposition of will, d) financial benefit to or burden on a primary organization, e) financial accountability as a result of fiscal dependency, f) potential for dual inclusion and g) organizations included in the reporting entity although the primary organization is not financially accountable. All of the following component units were determined to be blended component units versus discretely presented units after it was determined that criteria a) through e) applies to each of the component units blended into the accompanying financial statements.

To manage its business and financial affairs more effectively, AHA has several affiliates to support its various product lines and ventures. While AHA, the parent entity, manages Federal programs, the following affiliates support the various functions necessary to meet AHA's mission of providing quality affordable housing for the betterment of the community. The reporting entity includes the following blended component units:

a. Atlanta Housing Development Corporation (AHDC) is a Georgia not-for-profit organization, organized solely to serve as an "instrumentality" of AHA for the purpose of issuing tax exempt bonds for operation and development of low-income housing pursuant to Section 11(b) of the Housing Act of 1937, as amended (42 U.S.C. Section 1437i).

b. Atlanta Affordable Housing for the Future, Inc. (AAHFI) is a Georgia 501(c)(3) corporation created at the direction of the AHA Board of Commissioners in order to facilitate the revitalization of AHA-owned distressed public housing communities. AAHFI participates in the revitalization of AHA communities by holding limited partnership interests in the general partner entities of the various public/private partnerships that own the mixed-income, multi-family rental communities.

c. Special Housing and Homeownership, Inc. (SHHI) is a Georgia 501(c)(3) corporation created to develop, maintain and implement programs to assist low-income individuals in achieving the goal of homeownership.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

d. 230 John Wesley Dobbs Boulevard Ventures, Inc. (JWD) is a Georgia 501(c)(3) corporation created at the direction of the AHA Board of Commissioners in order to lessen the burdens of government by acquiring and holding title to real property and improvements, and by providing such real property and improvement to government agencies and tax exempt organizations at cost.

e. Renaissance Affordable Housing, Inc. (RAH) is a Georgia 501(c)(3) not-for-profit corporation created at the direction of the AHA Board of Commissioners in order to enhance the ability of AHA to reach its goals and objectives, including participating in the acquisition and development of certain properties to support the overall revitalization program at or near AHA communities or other appropriate locations in metropolitan Atlanta. RAH is the sole member of Renaissance Gates, LLC, a Georgia limited liability company that acquired Gates Park Crossing Apartments, an apartment community consisting of approximately 16.89 acres containing 332 apartment units, in fiscal year 2003. In fiscal year 2007, Gates Park Crossing Apartments was sold to an independent third party.

f. Westside Affordable Housing, Inc. (WAH) is a Georgia 501(c)(3) not-for-profit corporation and was created at the direction of the AHA Board of Commissioners in order to enhance the ability of AHA to reach its goals and objectives, including participating in the acquisition and development of certain properties to support the overall revitalization program at or near AHA communities or other appropriate locations in metropolitan Atlanta. WAH is the sole member of Carver Leasing Facility, LLC, Centennial Place Holdings, LLC, Harris Holdings I, LLC, Pryor Road Corridor, LLC, Westside Pryor Courts, LLC, Westside Joyland, LLC, Pryor Road Corridor I, LLC, and Westside Revitalization Acquisitions, LLC, all of which are Georgia limited liability companies. WAH has an ownership interest in Harris Redevelopment, LLC, Centennial Park North, LLC and Centennial Park East, LLC and Carver Homeownership I, LLC.

g. Strategic Resource Development Corporation, Inc. (SRDC) is a Georgia 501(c)(3) not-for-profit corporation created at the direction of the AHA Board of Commissioners to solicit and accept charitable donations to fund AHA initiatives.

h. Atlanta Housing Investment Company, Inc., (AHICI) is a for-profit corporation created at the direction of the AHA Board of Commissioners in order to assist AHA in its revitalization efforts at or near AHA communities or other appropriate locations in metropolitan Atlanta. AHICI will participate in revitalizations by holding partnership and financial interests in various transactions. AHICI is currently a Class A Special Limited Partner in Columbia Senior Residences at Edgewood, L.P. Columbia Senior Residences at Edgewood, L.P. is the Owner-Entity for Columbia Senior Residences at Edgewood. This is a transaction involving a loan from AHA and Project Based Rental Assistance (PBRA).

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

AHA has one affiliate that is not a component unit. The affiliate is considered a related entity to AHA and a component unit of the City of Atlanta.

Atlanta Housing Opportunity, Inc. (AHOI) is a Georgia nonprofit corporation created at the direction of the AHA Board of Commissioners in order to facilitate the Housing Opportunity Bond Program established by the City of Atlanta. The activities of the nonprofit corporation are limited to participation in the Housing Opportunity Program. Since the City of Atlanta is financially accountable, responsible for the debt, imposes its will, and appoints the board, the financial activity of AHOI is not included in AHA's financial statements. See further disclosure in Note R.

3. Basis of Presentation and Accounting

The financial statements of AHA have been prepared in accordance with generally accepted accounting principles (GAAP) of the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. AHA and its component units maintain their accounts substantially in accordance with the chart of accounts prescribed by HUD and are organized utilizing the Fund Accounting model. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. AHA's operations are reported in a single Enterprise Fund. Enterprise Funds account for those operations financed and operated in a manner similar to private business or where AHA has decided that determination of revenues earned, costs incurred and net revenue over expenses is necessary for management accountability. The financial statements represent the consolidated results of AHA. All significant inter-company balances and transactions have been eliminated. Enterprise Funds are proprietary funds used to account for business activities of special purpose governments for which a housing authority qualifies under GASB 34. Proprietary funds apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds include the cost of providing services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

4. Budgets

Annually, AHA submits a Comprehensive Operating and Capital budget to the Board of Commissioners for approval. This annual budget is prepared on a basis consistent with generally accepted accounting principles for each major operating program and is used as a management tool throughout the accounting cycle. The budget is used by management and various program supervisors to evaluate interim activity and is used to plan, control and evaluate proprietary fund spending. The capital projects budget is adopted on a work-item basis. Other revitalization and development project budgets are adopted on a project-length basis. Budgets are not required for financial statement presentation.

5. Inter-company and Inter-fund Receivables and Payables

Inter-fund receivables/payables are the result of the use of a central fund as the common paymaster for shared costs of AHA. All inter-company and inter-fund balances net to zero in consolidation and hence, are eliminated for presentation purposes in the combined statements of net assets which aggregates all programs into the single Enterprise Fund. Cash settlements are made periodically.

6. Investments

Investments are recorded at fair value. Investments consist of items specifically approved for public housing agencies by HUD. AHA requires all uninsured funds on deposit be collateralized in accordance with HUD requirements and in AHA's name if held by a third party.

7. Inventories

AHA maintains no inventory of expendable items. All supplies are expensed when purchased. Supplies on hand are nominal.

8. Prepaid Expenses

Payments made to vendors for goods or services that will benefit periods beyond the fiscal year end are recorded as prepaid expenses. Prepaid expenses at June 30, 2007 consist primarily of prepaid insurance premiums and service contracts. At June 30, 2008, the balance also included prepaid housing assistance payments.

9. Restricted Assets

Certain assets may be classified as restricted assets on the combined statement of net assets because their use is restricted by time or specific purpose.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

10. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that may affect the reported amounts. Accounting estimates for such items as depreciation, valuation of related development project notes receivable including the realization of accrued interest, other operating receivables and contingent liabilities are all reflected in AHA's financial statements and disclosed in the notes to financial statements.

11. Risk Management

AHA is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and injuries to employees. AHA carries commercial insurance and certain reserves deemed sufficient to meet current requirements.

12. Fair Value of Financial Instruments

The carrying amount of AHA's financial instruments at June 30, 2008 and 2007, including cash, investments, accounts receivable, notes receivable, accounts payable and long-term debt closely approximates fair value due to the relatively short maturity of these instruments.

13. Related Development Project Notes Receivable

A significant portion of the related development project notes receivable represents loans to related party Owner-Entities, as further described in Notes C, D and S. AHA subordinated mortgage loans to Owner-Entities in conjunction with financing arrangements related to the development of mixed-income, multi-family rental communities, in most cases, on land owned by AHA. Such loans are interest-bearing and are payable from cash flow from the property owned by each respective Owner-Entity. Such loans are typically funded from Development, HOPE VI, and Capital fund grants, representing a significant portion of the construction costs associated with the AHA-assisted component of the mixed-income rental property. Because interest and principal on these loans are subordinated and are contingent on cash flow from the property, interest income recognition does not occur until payments are received or are reasonably expected to be received. AHA also earns developer and other fees associated with the development project. Developer fees are recorded at the time of the financial closing for the public and private funds for a particular phase of the development. Any portion of these fees that are contingent on cash flow where the owner is not otherwise required to pay by a certain date is not recorded until such fee is received or is reasonably expected to be received.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

14. Valuation Allowance on Related Development Project Notes Receivable

Related Project Notes Receivables are evaluated by management in accordance with FASB No. 118, *"Accounting by Creditors for Impairment of a Loan – Income Recognition and Disclosures" (an amendment of FASB No. 114).* AHA adjusts the valuation allowance when appropriate. See further disclosure Notes D and S.

15. Allowance for Doubtful Accounts

AHA has established an allowance for doubtful accounts based on the greater of receivables from vacated tenants or tenant accounts receivable older than 60 days. A general allowance has also been established for other development related accounts receivable.

16. Capital assets

Capital assets include land, buildings, equipment and modernization in process for improvements to land and buildings. Capital assets are defined by AHA as assets with an initial cost of more than $2,500 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or improved. Donated capital assets are recorded at estimated fair market value at the date of donation. Improvements, interest during the construction period, and other modernization activities, are recorded as "modernization in progress" until they are completed and placed in service.

The costs of normal maintenance and repairs that do not add to the value of the asset or extend the useful life of the asset are expensed as incurred to operations. Extraordinary maintenance and repairs are expensed as non-operating items. Demolition costs that are incurred are also expensed as non-operating items. Land preparation, soil remediation and other site improvements that do not add value are also expensed as reported as non-operating items.

Depreciation is calculated using the straight line method and the useful lives of buildings and equipment for purposes of computing depreciation are as follows:

Buildings	20-40 years
Building improvements	10-30 years
Building equipment	10-15 years
Land improvements	15 years
Equipment	5-10 years

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Long-lived assets are reviewed annually for impairment under the provisions and in accordance with GASB No. 42, *"Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries."*

AHA is the owner of several paintings of historical significance. These works of art were commissioned in the 1940s by AHA at minimal cost and management estimates a value of $550,000; however, the value of these works of art has not been recorded. These paintings are protected, cared for and preserved for future uses which include educational purposes and exhibition to the public.

17. Compensated Absences

Compensated absences are those absences for which employees will be paid, such as vacation. A liability for compensated absences that are attributable to services already rendered is accrued as employees earn the right to receive the benefits. The current portion recognized represents the amount estimated to be taken in the ensuing year.

18. Self-insurance and Litigation Losses

AHA recognizes estimated losses related to self-insured workers' compensation claims and litigation claims in the period in which the occasion giving rise to the loss occurred when the loss is probable and reasonably estimable.

19. Revenues and Expenses

AHA defines its operating revenues as income derived from a) tenant dwelling revenue, b) other revenue, and c) operating subsidies received from HUD. When Capital Funds are used for operations, AHA recognizes operating revenue at the time such costs are incurred. AHA's operating expenses are costs incurred in the operation and administration of its program activities. In connection with its Revitalization Program, AHA also earns income from development and other fees and participation in net cash flow from the various mixed-income rental communities.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

The definition above is consistent with the treatment of individual transactions in the cash flow statements. In the cash flow statements, operating and non-operating transactions are separately reported. Non-operating transactions include all non-resident activities and are categorized on the cash flow statements as cash flows from capital and related financing activities or investing activities. Non-operating revenues include interest and investment income, reimbursements under multi-year grants used for capitalized expenditures, received from HUD for modernization, revitalization and other development activities; and gain from the sale of capital assets. Non-operating expenses include interest expense, the write-off of the net book value of assets approved by HUD for demolition, demolition expenses, bad debt expenses relating to the write-off of related development project on notes receivable, impairment allowances on related development project notes receivable, and other extraordinary expenses.

20. Change in Presentation

Certain reclassifications have been made to the prior year's financial statements to conform to the current year's presentation. (See also Notes C and F).

NOTE B – CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents consist principally of cash in checking accounts and money market accounts and other investments maturing within three months or less of the date acquired. They are stated at cost, which approximates market value. All uninsured funds on deposit are Federal Treasury accounts or are fully collateralized in accordance with guidance recommended by HUD for collateral held by third parties in AHA's name. HUD recommends housing authorities to invest excess HUD funds in obligations of the United States, certificates of deposit or any other federally insured investments.

At June 30, 2008 and 2007, cash and temporary cash investments consisted of deposits with financial institutions either fully collateralized by FDIC insurance and/or collateralized by securities held by a third party in AHA's name and in government securities. The FDIC coverage limits of $100,000 per institution were temporarily increased to $250,000 effective October 3, 2008 to December 31, 2009.

NOTE B – CASH, CASH EQUIVALENTS AND INVESTMENTS – Continued

Cash and investments at June 30, 2008 consist of the following:

	Fair value	Collateral held by third party	U.S. backed securities and treasury obligations
Demand deposits	$ 114,340,407	$ 114,340,407	$ -
U.S. treasury instruments	26,692,358	-	26,692,358
Total in banks	$ 141,032,765	$ 114,340,407	$ 26,692,358

Cash and investments at June 30, 2007 consist of the following:

	Fair value	Collateral held by third party	U.S. backed securities and treasury obligations
Demand deposits	$ 83,446,899	$ 83,446,899	$ -
U.S. treasury instruments	27,829,961	-	27,829,961
Total in banks	$ 111,276,860	$ 83,446,899	$ 27,829,961

NOTE C – RECEIVABLES

Receivables at June 30, 2008 and 2007 consist of the following:

	2008	2007
U.S. Department of HUD	$ 14,222,913	$ 6,879,487
Predevelopment advances (Note S)	773,000	3,816,319
Dwelling rents (net of allowance of $86,790 for 2008 and $131,735 for 2007)	111,591	210,566
Public improvement receivables[1]	3,432,548	20,441,049
Other developer fees receivable	480,089	368,166
Other receivables	3,097,299	790,499
	$ 22,117,440	$ 32,506,086

[1]Public improvement receivables related to the Perry Homes and Grady Homes Revitalizations were reclassified from current receivables to long-term receivables at June 30, 2008. (See Note F).

NOTE D – RELATED DEVELOPMENT PROJECT NOTES RECEIVABLE

Related development project notes receivable at June 30, 2008 and 2007 consist of the following:

	2008	2007
Related development project notes receivable (net of valuation allowance of $30,099,328 for 2008 and $11,362,938 for 2007)	$ 118,190,953	$ 121,799,389
Developer fees (net of allowance of $500,000 for 2008 and 2007)	4,584,893	3,844,781
Predevelopment advances (Note S)	131,857	-
Other notes receivable	195,000	-
	$ 123,102,703	$ 125,644,170

NOTE D – RELATED DEVELOPMENT PROJECT NOTES RECEIVABLE – Continued

During the construction period, AHA makes subordinated loans to Owner-Entities of each rental phase of the mixed-income communities (i.e., loans to related development project partnerships). These subordinated loans are provided at the financial closing as AHA's share of the development budget for AHA assisted-units in each rental phase during the construction period as construction loans. Such loans are typically funded from Development, HOPE VI and/or Capital fund grants. Permanent subordinated financing (AHA's subordinated permanent loan) is then put in place to repay AHA's subordinated construction loan after certain conditions are met. The permanent loans are payable from net cash flow from the individual phase of mixed-income residential rental development and are amortized over periods up to 55 years at interest rates ranging from zero percent to 7.99 percent, as agreed to by AHA and individual Owner-Entities for each phase, and as approved by HUD.

At June 30, 2008, management evaluated the loan balances in accordance with FASB No. 118, *"Accounting by Creditors for Impairment of a Loan – Income Recognition and Disclosures" (an amendment of FASB No. 114)* and determined that an increase of $18,122,110 was appropriate pertaining to the related development project notes receivable. This increase in the valuation allowance primarily relates to two entities that recognized asset impairment write-downs in their December 31, 2007 audited financial statements, and three entities that were issued going concern opinions in their December 31, 2007 audited financial statements. This allowance also reflects the contingent nature of the repayment of the related development project notes receivables which are payable from net cash flow, net project proceeds or condemnation proceeds, to the extent such proceeds are available as estimated. The respective notes and loan agreements provide that these loans will be repaid by the Owner-Entity to AHA from net cash flow, net project proceeds or condemnation proceeds for such phases, to the extent such amounts are available. See Note A, Item 13 "Related Development Project Notes Receivable" relating to the interest income recognition policy on these notes. See the Schedule of Related Party and Partnership Investment Transactions in Note S which presents the loan balances, initial investment, and impairment valuation allowance recorded.

Summerdale Commons I and II were foreclosed on and the entire principal balances totaling $3,986,000 were written off to bad debt expense in FY2008.

NOTE E – CAPITAL ASSETS

Changes in capital assets consist of the following at June 30, 2008:

	Balance at June 30, 2007	Additions	Deletions	Balance at June 30, 2008
Land	$ 31,955,670	$ 4,853,561	$ -	$ 36,809,231
Land improvements	16,957,849	747,048	(1,588,086)	16,116,811
Buildings and improvements	255,476,970	10,783,480	(78,193,113)	188,067,337
Equipment	16,046,583	3,177,376	(3,802,115)	15,421,844
Modernization in process	5,503,151	5,973,037	(304,664)	11,171,524
	325,940,223	25,534,502	(83,887,978)	267,586,747
Less, accumulated depreciation				
Land improvements	(5,241,799)	(1,065,383)	261,455	(6,045,727)
Buildings and improvements	(163,254,047)	(8,408,935)	51,013,840	(120,649,142)
Equipment	(12,686,074)	(2,111,413)	4,240,474	(10,557,013)
	(181,181,920)	(11,585,731)	55,515,769	(137,251,882)
Total Capital Assets, Net	$ 144,758,303	$ 13,948,771	$ (28,372,209)	$ 130,334,865

In 1994, AHA determined to cease concentrating low-income families in obsolete and distressed public housing projects thereby substantially improving the living environment of the households it serves. As a result of this determination, AHA's capital assets have declined as the net book value of public housing developments are written off upon approval by HUD of the demolition applications related to such developments.

In FY2008, Capital assets, net of accumulated depreciation, decreased primarily due to the net book value write-off of the following properties: Antoine Graves, Graves Annex, John O. Chiles, and University Homes.

NOTE E – CAPITAL ASSETS – Continued

In addition, the net book value of six QLI properties (Leila Valley, Jonesboro North and South, U-Rescue Villa, Englewood Manor, and Bowen Homes) was written off as the demolition applications were approved by HUD. The net book value of the remaining six QLI properties (Bankhead Courts, Hollywood Courts, Herndon Homes, Thomasville Heights, Roosevelt House and Palmer House) is estimated at $23.7 million. All of the demolition applications were approved by HUD in FY2009 and will be written off in that fiscal year.

During FY2008, land increased as a result of the purchase of 28 acres of land to support the revitalization of Harris Homes, University Homes, and Perry Homes.

AHA will continue to focus on the quality of the product and curb appeal, health and safety, community security, and sustaining the viability of the remaining senior high-rises and two small family developments that are not undergoing revitalization. Capital expenditures spent on these properties in FY2008 are represented in "Modernization in process," in the preceding table.

Changes in capital assets consist of the following at June 30, 2007:

	Balance at June 30, 2006	Additions	Deletions	Reclasses/ Transfers	Balance at June 30, 2007
Land	$ 29,975,963	$ 4,371,264	$ (2,393,005)	$ 1,448	$ 31,955,670
Land improvements	16,650,691	915,619	(877,201)	268,740	16,957,849
Buildings and improvements	267,478,172	2,388,816	(18,380,322)	3,990,304	255,476,970
Equipment	14,861,009	1,296,107	(259,366)	148,833	16,046,583
Modernization in process	5,041,573	5,330,828	-	(4,869,250)	5,503,151
	334,007,408	14,302,634	(21,909,894)	(459,925)	325,940,223
Less, accumulated depreciation					
Land improvements	(4,438,596)	(1,094,169)	290,966	-	(5,241,799)
Buildings and improvements	(158,747,011)	(9,430,507)	4,923,471	-	(163,254,047)
Equipment	(9,498,695)	(3,286,184)	98,805	-	(12,686,075)
	(172,684,302)	(13,810,860)	5,313,242	-	(181,181,921)
	161,323,106	491,774	(16,596,652)	(459,925)	144,758,303
Less, asset held for sale	(9,823,936)	-	9,823,936	-	-
	$ 151,499,170	$ 491,774	$ (6,772,716)	$ (459,925)	$ 144,758,303

NOTE F – OTHER LONG-TERM ASSETS

Other long-term assets at June 30, 2008 and 2007 consist of the following:

	2008	2007
Public Improvement receivables[1]	$ 14,183,031	$ 1,371,169
Homeownership down payment assistance notes (net of allowance of $1,215,878 for 2008 and $0 for 2007)	-	765,421
Loan costs, (net of accumulated loan amortization of $107,985 for 2008 and $82,701 for 2007)	97,368	122,651
	$ 14,280,399	$ 2,259,241

[1]Public improvement receivables related to the Perry Homes and Grady Homes Revitalizations were reclassified from current receivables to long-term receivables at June 30, 2008. (See Note C).

NOTE G – ACCOUNTS PAYABLE

Accounts payable at June 30, 2008 and 2007 consist of the following:

	2008	2007
Accounts payable, trade	$ 9,039,845	$ 5,950,320
Contract retention	2,531,817	1,240,795
Other	341,140	271,019
	$ 11,912,802	$ 7,462,134

NOTE H – ACCRUED LIABILITIES

Accrued liabilities at June 30, 2008 and 2007 consist of the following:

	2008	2007
Accrued expenses	$ 9,857,198	$ 4,020,427
U.S. Department of HUD	1,053,110	668,551
Compensated absences	698,140	682,592
Wages	686,267	574,466
Contingencies and uncertainties (Notes M and N)	444,346	508,491
Worker's comp claims (Note M)	350,000	350,000
Interest	396,996	72,331
	$ 13,486,057	$ 6,876,858

NOTE I – OTHER CURRENT LIABILITIES

Other current liabilities at June 30, 2008 and 2007 consist of the following:

	2008	2007
Public improvement funds from the City of Atlanta and related entities	$ 18,879,634	$ 10,913,594
Prepaid construction loan interest	1,425,145	853,963
Other	1,405,356	1,483,163
	$ 21,710,135	$ 13,250,720

NOTE J – LINE OF CREDIT

In FY2007, AHA established a $15 million secured revolving credit line and a $5 million unsecured revolving credit line to facilitate and expedite AHA's strategic Revitalization Program. AHA has provided advances to its development partners so that the construction of public improvement infrastructure may proceed on a timeline consistent with the development schedule. AHA's advances are paid when the City of Atlanta and/or related agencies provides the public improvement funding to AHA. The $15 million secured line is a revolving facility that has initially been used to reimburse the HUD grants used by AHA to advance funds to pay for infrastructure improvements relating to the revitalization of the Perry Homes community. AHA anticipates receiving funds from the Atlanta Development Authority's issuance of Perry Bolton Tax Allocation District (TAD) bonds. The secured line is collateralized by restricted investments. The outstanding balance on the secured line of credit at June 30, 2008 was $10,906,077. The $5 million unsecured line may be used to fund the acquisition of unencumbered land or to pay for infrastructure improvements to land. There was no outstanding balance on the unsecured line at June 30, 2008. Both lines bear interest at a fluctuating rate equal to the BBA LIBOR Daily Floating Rate plus ninety (90) basis points per annum, and mature November 27, 2011. The BBA LIBOR Daily Floating Rate shall mean a fluctuating rate of interest per annum equal to the British Bankers Association LIBOR Rate (BBA LIBOR).

The secured line of credit was repaid subsequent to June 30, 2008 and both lines of credit were terminated on November 7, 2008.

NOTE K – LONG-TERM DEBT

Long-term debt at June 30, 2008 consists of the following:

	Balance at July 1, 2007	Additions	Reductions	Balance at June 30, 2008	Long-term	Current
EPC capital lease	$ 1,315,435	$ -	$ (423,360)	$ 892,075	$ 453,737	$ 438,338
JW Dobbs note payable	4,423,778	-	(276,733)	4,147,045	3,857,095	289,950
	$ 5,739,213	$ -	$ (700,093)	$ 5,039,120	$ 4,310,832	$ 728,288

NOTE K – LONG-TERM DEBT – Continued

Long-term debt at June 30, 2007 consists of the following:

	Balance at July 1, 2006	Additions	Reductions	Balance at June 30, 2007	Long-term	Current
EPC capital lease	$ 1,724,520	$ -	$ (409,085)	$ 1,315,435	$ 892,075	$ 423,360
JW Dobbs note payable	4,688,883	-	(265,105)	4,423,778	4,147,045	276,733
Renaissance Gates notes payable	9,800,000	-	(9,800,000)	-	-	-
	$ 16,213,403	$ -	$ (10,474,190)	$ 5,739,213	$ 5,039,120	$ 700,093

EPC Capital Lease

Energy Performance Contracting is a HUD-sponsored program designed to incent local housing authorities to undertake energy saving improvements at their properties. HUD allows such agencies to freeze their utility funding at an agreed pre-constructed level for 12 years so that the savings from such improvements can be used to finance the cost of the improvements. The Energy Performance Contract (EPC) capital lease consists of an Equipment Lease and Option Agreement which had an original balance of $4,623,000 between a bank and AHA to finance water and energy conservation improvements. Generally, improvements under an Energy Performance Contract result in lower energy consumption that generate in savings in utility expenses. To date, the savings have been sufficient to repay the debt under the capital lease. The note is collateralized by the building improvements and has a net book value of $2,073,669 and $2,685,490 at June 30, 2008 and 2007, respectively. See Note E also. Repayment commenced March 31, 2000. The EPC Capital Lease was refinanced September 19, 2003 with quarterly payments of approximately $115,910 consisting of principal and interest. Final payment is due on June 30, 2010.

J.W. Dobbs Note Payable

The J.W. Dobbs Capital Lease agreements and note payable were refinanced and combined effective September 1, 2004 in the total amount of $5,125,000 requiring monthly payments of $39,193. The payments include principal and interest and are based on a fixed rate of 4.43 percent; a final balloon payment is due September 1, 2014. The note is collateralized by the land and building located at 230 J.W. Dobbs Avenue, which has a net book value of $11,902,356 and $7,693,344 at June 30, 2008 and 2007, respectively.

NOTE K – LONG-TERM DEBT – Continued

Aggregate long-term debt annual note payments scheduled for the next five years and thereafter are as follows:

	Principal	Interest	Total
2009	$ 728,288	$ 205,663	$ 933,951
2010	756,981	176,970	933,951
2011	317,148	153,163	470,311
2012	331,315	138,997	470,312
2013	346,881	123,430	470,311
2014 through 2015	2,558,507	132,028	2,690,535
	$ 5,039,120	$ 930,251	$ 5,969,371

NOTE L – OTHER NONCURRENT LIABILITIES

Other noncurrent liabilities at June 30, 2008 and 2007 consist of the following:

	2008	2007
Resident security deposits	$ 789,354	$ 1,094,526
Deferred rooftop satellite lease revenue	632,914	802,944
Compensated absences	539,393	463,151
Other	171,510	207,089
	$ 2,133,171	$ 2,567,710

NOTE M – CLAIMS PAYABLE

AHA 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 disaster.

Self-Insurance Plan – Workers' Compensation

AHA is self-insured for workers' compensation claims and has an actuarial study completed every three years. The last study completed was as of June 30, 2007. Settled claims have not exceeded purchased commercial insurance coverage in any part of the past five years. There was no reduction in insurance limits in the current fiscal year. AHA purchases commercial insurance to finance other risks of loss and participates in a national medical insurance risk pool along with other housing authorities. The premium amounts are periodically adjusted as necessary to cover current claims and those incurred-but-not-reported. AHA is on a pay-as-you-go basis and shares this cost with their employees.

For its self-insurance plan for workers' compensation, excess insurance has been purchased which limits AHA's liability to $350,000 per occurrence. Benefit payments, under the plan, up to $350,000 are handled by AHA. As of June 30, 2008, the undiscounted aggregate liability under the plan (which includes both actual benefits payable and an estimate of claims that have been incurred-but-not-reported), for losses as of June 30, 2008 was between $371,468 and $454,016. Based upon the actuarial study's 2008 forecast, the estimated total outstanding liability is $412,742 and the corresponding discount reserve liability is $338,444. AHA has recorded $350,000 for the self-insured portion in the financial statements as of June 30, 2008 and 2007.

NOTE M – CLAIMS PAYABLE – Continued

The calculations below, supporting this reserve requirement, are taken from the July 2007 study updated as of June 30, 2008.

Accident period	Ultimate losses	Paid losses	Claim reserves	Discount factor	Reserve at fiscal year end
03/01/99 - 02/29/00	$ 579,000	$ 430,442	$ 148,558	78.2%	$ 116,172
03/01/00 - 02/28/01	98,430	98,430	-	77.4%	-
03/01/01 - 02/28/02	118,403	118,403	-	77.5%	-
03/01/02 - 02/28/03	20,567	20,567	-	78.4%	-
03/01/03 - 02/29/04	130,000	90,928	39,072	79.9%	31,219
03/01/04 - 02/28/05	291,000	208,174	82,826	82.0%	67,917
03/01/05 - 02/28/06	5,128	5,128	-	84.4%	-
03/01/06 - 02/28/07	134,000	29,508	104,492	86.7%	90,595
03/01/07 - 06/30/07	40,000	2,206	37,794	86.1%	32,541
07/01/07 - 06/30/08	113,319	113,319	-	N/A	-
	$ 1,529,847	$ 1,117,105	$ 412,742		$ 338,444

Litigation and Claims

AHA is party to several legal actions arising in the ordinary course of business. These actions are in various stages of the litigation process and their ultimate outcome cannot be determined currently. Accordingly, not all potential liabilities in excess of insurance coverage have been reflected in the accompanying financial statements. While it is the opinion of outside and in-house legal counsel that the ultimate outcome of such litigation would be impossible to predict, the financial statements include estimates of probable liabilities in the amounts of $444,346 and $508,491 as of June 30, 2008 and 2007, respectively.

NOTE N – CONTINGENCIES AND UNCERTAINTIES

Easements, Liens and Other Contractual Obligations

Generally, real property owned by AHA under the public housing program is subject to a HUD declaration of trust and most have various customary easements (e.g., utility, right-of-way, etc.). From time to time, mechanics or other such liens are recorded against AHA owned property. Notwithstanding any such liens, under Georgia law, all real property of AHA is exempt from levy and sale by virtue of execution, other judicial process, or judgment. Additionally, AHA real property that is ground leased to Owner-Entities in connection with mixed-income communities and real property owned by AHA component units are also subject to mortgage liens and other contractual obligations. See Note S.

Valuation of Related Development Project Notes Receivable

The multi-family rental housing market is affected by a number of factors such as mortgage interest rates, supply and demand, changes in neighborhood demography and growth of the metropolitan Atlanta area. Because related development project notes receivable for loans to Owner-Entities of each phase of the mixed-income rental communities are payable from net cash flows from each such phase, local market conditions could impact the value of those receivables as reflected on AHA's books. AHA's strategy is to minimize the impact of periodic adjustments to these notes by monitoring local market conditions and requiring a valuation study be performed every two years by an expert third party financial consultant. The most recent valuation was performed as of June 30, 2008.

Remediation Obligations

Environmental testing at the former Grady Homes identified metals and polycyclic aromatic hydrocarbons (PAHs) in soil and solvents in groundwater. Suspected sources include lead paint, fill material and a petroleum tank (soil) and an off-site dry cleaners (groundwater). At the former University Homes, soil testing identified lead from lead paint. As of June 30, 2008 approximately $4.1 million was accrued related to these environmental remediation contingent liabilities. This amount was based on contractor cost estimates which used conservative assumptions. There is no anticipated recovery. See Note H also.

NOTE O – DEFINED BENEFIT PENSION PLAN

Plan Description

The Housing Authority of the City of Atlanta, Georgia's Retirement Plan is a single-employer non-contributory defined benefit pension plan (the Plan) under a group annuity contract with Massachusetts Mutual Life Insurance Company, an insurance carrier, which maintains custody of Plan assets and administers the Plan in a co-mingled trust and invests all funds through a pooled trust. AHA does not provide a separate audited GAAP basis pension plan report.

Assets of the Plan represent less than one percent of the insurance carrier's total assets. None of the Plan's investments is the property of AHA. The Plan covers all regular full-time employees of AHA who have completed their required months of service and who were employed before January 1, 2008. The Plan provides retirement, disability and death benefits to those participants and their beneficiaries.

AHA made the strategic decision to freeze the Defined Benefit Plan in order to limit AHA's future liability for funding the plan. In lieu thereof, AHA created an enhanced Defined Contribution Plan that incorporates an employer match for all eligible employees (See Note P). AHA was subject to the certain risks arising from actuarial assumptions under the Defined Benefit Plan such as investment returns of the Plan assets and mortality assumptions for the Plan participants. AHA's contributions to the Plan are primarily based on actuarial valuations.

The AHA Board of Commissioners froze the Plan as of December 31, 2007. No employees hired or rehired on or after January 1, 2008, may be added to or accrue additional benefits under the Plan. The Board also froze benefit accruals under the Plan for all current participants, except certain vested employees whose age and service equals 60 and who elected to continue accruals under the Plan (the grandfathered employees).

In 2009, AHA will offer a lump sum cash payment to those plan participants that are no longer employed with AHA, but vested in a retirement benefit. AHA had the available funds to contribute $12 million to the Defined Benefit Plan in FY2008 in order to cover the estimated cost of offering the lump sum benefit. AHA will no longer be liable to fund future retirement benefits for those participants who elect to take their retirement benefit under the lump sum option, thereby further limiting AHA's exposure to the risks associated with actuarial assumptions.

NOTE O – DEFINED BENEFIT PENSION PLAN – Continued

Funding Policy

AHA's funding policy is to contribute an amount equal to or greater than the minimum required contribution. The *Actuarial Standard of Practice* recommends the use of best-estimate range for each assumption, based on past experience, future expectations and application of professional judgment. The recommended contributions were computed as part of the actuarial valuation performed as of January 1, 2008, 2007 and 2006. Beginning June 1996, AHA's contributions were determined under the projected unit credit cost method (pay-related benefit formula). Significant actuarial assumptions used to compute the actuarially determined contribution requirements are the same as those used to compute the net pension obligation (NPO). See multi-year pension trend information presented in the Schedule of Pension Funding Progress immediately following the notes to the financial statements.

Annual Pension Costs and Annual Required Contribution

For the fiscal years ended June 30, 2008, 2007 and 2006, AHA funded pension payments of $12,000,000, $2,700,000, and $4,635,013, respectively, were greater than AHA's annual required contributions, calculated as of January 1, 2008, 2007 and 2006, of $0, $1,703,673, and $1,480,101, respectively using the projected unit credit cost method. The annual required contribution decreased substantially for 2008. This decrease was primarily due to the $12 million contribution made for the 2007 plan year to cover the cost of offering a lump sum payment option to former employees that had vested under the Plan. The Plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payrolls on an open basis. The remaining amortization period at January 1, 2008 is 20 years.

	01/01/08 to 12/31/08	01/01/07 to 12/31/07	01/01/06 to 12/31/06
Net assets available for benefits expressed as a percentage of actuarial accrued liability	84.8%	89.3%	83.9%
Unfunded actuarial accrued liability expressed as a percentage of covered payroll	0%	34%	53%
Actual employer contributions expressed as a percentage of required contribution	100.0%	100.0%	100.0%
Net pension obligation	-	-	-

NOTE O – DEFINED BENEFIT PENSION PLAN – Continued

Supplementary Information – Historical Trend

The items below are based on the January 1, 2008, 2007 and 2006 actuarial valuations:

	2008		2007		2006	
Market value of assets	$ 38,728,718		$39,878,195		$36,301,044	
Accumulated net pension obligations before assumption changes	45,673,452	*	44,672,523	*	34,557,780	**
Effect of assumption changes	-		-		8,714,695	
Accumulated net pension obligations after assumption changes described above	45,673,452	*	44,672,523	*	43,272,475	*
Percentage funded	84.8%		89.3%		83.9%	
Unfunded net pension obligation	6,944,734		4,794,328		6,971,431	
Annual required contribution	-		1,703,673		1,480,101	
Employer contributions	(12,000,000)		(2,700,000)		(4,635,013)	
Unfunded net pension obligations after employer contributions (funding excess)	(5,055,266)		2,094,328		2,336,418	
Annual covered payroll	16,861,217		14,231,021		13,386,176	
Unfunded obligation (funding excess) as percentage of covered payroll	-30.0%		15.0%		18.0%	
Annual required contribution as percentage of covered payroll	0%		12%		11%	
Net pension obligation	-		-		-	
Accrued pension liability	-		-		2,000,000	

* Based on six percent interest

** Based on eight percent interest

NOTE P – DEFERRED COMPENSATION AND DEFINED CONTRIBUTION PLANS

AHA offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457 (the 457 Plan). The 457 Plan, which is available to all full-time employees at their option, permits participants to defer a portion of their salary until future years. Effective February 1, 2008, all eligible employees, except the grandfathered employees, are automatically enrolled in the 457 Plan with a deferral rate of two percent. Employees may change their deferral rates at any time.

In conjunction with changes made to the Defined Benefit Plan, effective February 1, 2008 AHA's Board of Commissioners also approved the creation of the new Defined Contribution Plan under Internal Revenue Code Section 401(a) (the 401(a) Plan) for all eligible employees. The 401(a) Plan provides an employer matching contribution on amounts that employees defer into the 457 Plan, equal to 100% of the first 2% deferred by the participant. Additional matching contributions are made based on the participant's years of service with AHA and additional contributions can be made at the discretion of management. The employer contribution to the 401(a) Plan during FY2008 was $198,260. Amounts from these plans are not available to participants until termination, retirement, death, or unforeseeable emergency. As required by Federal regulations, the funds are held in trust for the exclusive benefit of participants and their beneficiaries. AHA has no ownership of or fiduciary relationship with the Plans. Accordingly, the Plans' assets are not reported in AHA's financial statements.

NOTE Q – LEASES

AHA is party to numerous lease agreements as lessor whereby it receives revenues for tenant dwellings leased in AHA-owned public housing developments. These leases are considered, for accounting purposes, to be operating leases. A majority of the revenue is received from HUD and the remaining revenue is received from the tenant, based on the tenant's adjusted family income. These leases are for a one-year period which may or may not be renewed depending upon tenant eligibility and desire. See Note E for buildings and improvements cost, depreciation, and carrying value information.

AHA is the ground lessor to Owner-Entities of most of the mixed-income, multi-family rental communities, discussed further in Note S, Related Party and Partnership Investment Transactions.

AHA is also a party to several lease agreements, as lessor, whereby it receives revenues for leasing office and retail spaces to various businesses. These revenue leases are considered, for accounting purposes, to be operating leases. Revenues derived from these leases are not significant.

NOTE Q – LEASES – Continued

AHA is party to several operating lease agreements for office equipment used in the normal course of business. The yearly disbursements over the remaining life are estimated to be as follows:

2009	2010	2011	Total
$ 301,676	$ 138,506	$ 99,384	$ 539,566

NOTE R – CONDUIT DEBT

Taxable Mortgage Revenue Refunding Bonds

In order to provide quality low-income housing and to reduce the mortgage costs, six Taxable Mortgage Revenue Refunding bonds were issued on September 25, 1995. While AHA, in prior years, received a fee from the earned savings of the bonds, the bonds do not represent a debt or pledge of faith and credit of AHA and, accordingly, have not been reported in the accompanying financial statements.

Site	2008 Mortgage balances	2007 Mortgage balances
Oakland City	$ 3,791,753	$ 3,801,730
Bedford Pines	1,314,034	1,357,388
Bedford Towers	3,312,661	3,523,843
Grant Park	3,658,556	3,796,124
Capital Towers	1,292,029	1,295,067
Capital Avenue	1,576,368	802,319
Total taxable mortgage revenue refunding bonds	$ 14,945,401	$ 14,576,471

Multi-Family Housing Revenue Bonds

In order to provide a portion of the funds for the construction of three AHA-sponsored mixed-income communities, multi-family housing revenue bonds were issued by AHA, as the conduit issuer, on May 1, 1999, July 1, 1999, and December 7, 2006, respectively. These bonds do not represent the debt or pledge of the full faith and credit of AHA and, accordingly, have not been reported in the accompanying financial statements.

NOTE R – CONDUIT DEBT – Continued

AHA receives issuer fees from the following related partnerships as compensation for its role as issuer:

	2008	2007
John Hope Community Partnership II, L.P.	$ 11,200,000	$ 11,420,000
Carver Redevelopment Partnership V, L.P.	8,100,000	8,100,000
East Lake Redevelopment II, L.P.	12,040,000	12,440,000
Total Multi-Family Housing Revenue Bonds	$ 31,340,000	$ 31,960,000

Taxable Revenue Bonds (Housing Opportunity Program)

Atlanta Housing Opportunity, Inc. (AHOI) is a Georgia nonprofit corporation created by AHA for the sole purpose of facilitating the Housing Opportunity Program for the City of Atlanta. AHOI has no other programs or purpose.

The Urban Residential Finance Authority of the City of Atlanta, Georgia (URFA) is authorized to issue Housing Opportunity Bonds (conduit debt) and loan the proceeds to AHOI, up to a maximum principal amount not to exceed $75 million. URFA issued the first bond series of $35 million Series 2007 A bonds, and loaned the proceeds to AHOI in FY2007. The City of Atlanta has the absolute and unconditional obligation to make the debt payments. In addition to the debt payments, the City of Atlanta will pay the administrative and corporate governance costs of AHOI. URFA serves as the program administrator for the Housing Opportunity Program. The City of Atlanta's program oversight role includes establishing the program, directing the activities and establishing or revising the budget for the Housing Opportunity Program.

NOTE S – RELATED PARTY AND PARTNERSHIP INVESTMENT TRANSACTIONS

AAHFI, one of the component units of AHA, as described in Note A2, owns limited partner interests in either the related development project partnerships (Owner-Entities) or in the general partner of the related development project partnerships of each phase of the mixed-income rental properties. Each of the related development project partnerships for each phase has entered into subordinated mortgage loans, as borrower, with AHA, as lender. The interest and principal are payable primarily from cash flows, net project proceeds or condemnation proceeds generated from the property owned by the Owner-Entity. For most of these development projects, AHA owns the land and has a long-term ground lease for a nominal amount ($10 annually) with the related development partnerships. In some transactions, AHA receives a ground lease payment in an amount calculated to provide an economic return to AHA.

NOTE S – RELATED PARTY AND PARTNERSHIP INVESTMENT TRANSACTIONS – Continued

AHA receives a percentage of net cash flow from the properties to service the debt for the related development project loans, in connection with the related development partnerships transactions. During fiscal years 2008 and 2007, AHA recorded $1,212,644 and $2,710,398, respectively, in interest income from development loans made to Owner-Entities. Additionally, AHA receives developer fees and other fee-based income. AHA recorded $2,029,946 and $2,467,411, during the fiscal years 2008 and 2007, respectively, for developer and other fees.

The Owner-Entities operate under various regulatory and operating agreements with AHA, whereby a required number of units are set aside for public housing-assisted families. There is a commitment in each regulatory and operating agreement whereby AHA is obligated to fund operating costs related to the public housing-assisted apartments on an agreed basis. In response to higher than projected operating costs associated with AHA-assisted units in mixed-income communities, higher expectations and requirements for investment returns from financial investors in an ever-tightening economy, and in order to protect AHA's investments, AHA and a number of Owner-Entities of rental phases of mixed-income communities agreed to revise the budget and increase the amount of operating subsidy for the AHA-assisted units in each such phase, effective as of January 1, 2008. Operating subsidy in the amounts of $5,419,843 and $2,818,029 were expensed in FY2008 and FY2007, respectively.

Pursuant to authority under its MTW Agreement, AHA made subordinated loans for $2,000,000 and $1,200,000 as gap financing for the comprehensive rehabilitation and new construction of the following two properties owned by independent third parties: Campbell Stone Apartments and Columbia Senior Residences at Edgewood, respectively. In connection with these transactions, AHA earned developer and other fees related to the construction and rehabilitation activities. AHA also entered into a ten-year renewable Project Based Rental Assistance agreement with each of the owners of these properties.

In August 2005, AHA, through an affiliate sold a 2.36 acre parcel of land (CP East Property) to Centennial Park East, LLC (CPE) and took back a note for the sale. Westside Affordable Housing, Inc. (WAH) owns a 10% member interest in CPE where WAH participates in distributable cash and equity distributions pursuant to agreed terms with its development partners. In October 2007, AHA approved the refinancing of the CP East Property which resulted in a loan payoff of $2,481,400 to AHA. In FY2008, AHA, through its affiliate WAH, received $350,000 in distributable cash from the sale of the CP East Property to a third party and also received $3,000 which represented its share of the current equity distribution.

NOTE S – RELATED PARTY AND PARTNERSHIP INVESTMENT TRANSACTIONS – Continued

In 2006, AHA sold a parcel consisting of 22.93 acres (Carver Homeownership Property) to Carver Homeownership I, LLC, (CHI) to facilitate homeownership opportunities in the new Villages at Carver community. CHI is an affiliate of AHA with WAH having a 49% membership interest in CHI. The Carver Homeownership Property was simultaneously sold to Villages at Carver Development, LLC. In March 2008, the Carver homeownership land deal was restructured and the Carver Homeownership Property was conveyed by Villages at Carver Development, LLC to MAGCH Development, LLC. CHI entered into an operating agreement for MAGCH Development, LLC with CHI having a 50% membership interest. As part of the restructuring, CHI agreed to release its security deed on the Carver Homeownership Property and in turn received a credit for a $2,158,000 capital contribution in MAGCH Development, LLC. CHI will participate in the net proceeds from the sales of the homes to be developed on the Carver Homeownership Property based on negotiated terms.

The Summerdale Commons I and II loans totaling $3,986,000 were written off to bad debt expense following the bankruptcy of the Owner-Entities and foreclosure of the property (See Notes A13, A14, D, N and S to the financial statements).

Each of the Owner-Entity's financial statements are audited by other certified independent public accounting firms. A summary of certain key transactions between AHA and the Owner-Entities and related parties is as follows and other information is further explained in Notes A, D and N.

NOTE S - RELATED PARTY AND PARTNERSHIP INVESTMENT TRANSACTIONS - Continued

The following is a schedule of related party transactions for June 30, 2008.

Partnership name	Related development project notes receivable	Impaired valuation allowance	Developer fee receivables, net	Other fee receivables
Pre-Development Loans				
Grady Redevelopment, LLC	$ -	$ -	$ -	$ -
Grady Multifamily I, L.P.	-	-	-	-
Grady Multifamily II, L.P.	-	-	-	-
Harris Redevelopment, LLC	-	-	-	-
Construction financing loans				
Capitol Gateway Partnership I, L.P.	10,012,409	-	462,830	3,000
Carver Redevelopment Partnership V, L.P.	1,436,822	-	297,437	-
Columbia at Mechanicsville Apartments, L.P.	4,966,625	-	402,264	2,000
Columbia Senior Residences Apartments at Mechanicsville, L.P.	4,364,883	-	304,979	2,000
Columbia Grove, L.P.	4,303,896	-	338,989	2,000
Centennial Park East, LLC	-	-	-	-
Capitol Gateway Partnership II, L.P.	3,683,257	-	260,692	-
Gates Park Crossing HFOP Apartments, L.P.	673,350	-	-	-
Gates Park Crossing HFS Apartments, L.P.	625,443	-	-	-
Grady Redevelopment Partnership I, L.P.	2,040,389	-	279,277	6,000
Harris Redevelopment Partnership II, L.P.	-	-	-	13,489
Mechanicsville Apartments Phase 3, L.P.	1,000	-	439,600	14,000
Mechanicsville Apartments Phase 4, L.P.	1,000	-	418,757	14,000
Mercy Housing Georgia VI, L.P.	4,253,965	-	269,001	10,000
Permanent financing loans				
Campbell Stone, L.P.	2,000,000	-	244,178	3,000
Carver Redevelopment Partnership I, L.P.	9,074,250	(1,246,250)	-	39,384
Carver Redevelopment Partnership II, L.P.	740,000	-	97,300	16,983
Carver Redevelopment Partnership III, L.P.	8,430,000	-	-	59,112
Carver Redevelopment, LLC	-	-	268,018	-
CCH John Eagan I Homes, L.P.	5,896,000	(5,896,000)	-	-
CCH John Eagan II Homes, L.P.	4,536,000	(4,536,000)	-	-
Columbia Commons, L.P.	3,425,221	(625,221)	-	-
Columbia Creste, L.P.	5,246,290	(346,290)	386,733	14,333
Columbia Estates, L.P.	4,566,413	(816,413)	-	18,750
Columbia Heritage Senior Residences, L.P.	-	-	18,010	-
Columbia Park Citi Residences, L.P.	4,828,164	(253,164)	-	-
Columbia Senior Residences @ Edgewood, L.P.	1,200,000	-	303,748	-
Columbia Village, L.P.	2,250,000	(2,250,000)	-	-
Centennial Park North, LLC	108,000	-	-	-
East Lake Redevelopment II, L.P.	11,903,505	(8,038,000)	-	15,550
East Lake Redevelopment, L.P.	5,824,000	(5,824,000)	-	-
Harris Redevelopment Partnership I, L.P.	7,925,000	-	89,636	42,445
John Hope Community Partnership I, L.P.	4,620,000	-	77,060	97,703
John Hope Community Partnership II, L.P.	7,980,000	-	-	106,340
Kimberly Associates I, L.P.	2,605,000	-	-	-
Kimberly Associates II, L.P.	1,507,000	-	35,143	-
Kimberly Associates III, L.P.	1,305,000	-	91,241	-
Legacy Partnership I, L.P.	3,520,000	-	-	-
Legacy Partnership II, L.P.	3,445,000	-	-	-
Legacy Partnership III, L.P.	3,774,000	-	-	-
Legacy Partnership IV, L.P.	3,920,000	-	-	-
West End Phase III Redevelopment Partnership, L.P.	1,298,400	(267,990)	-	-
Summerdale Partners II, L.P.	-	-	-	-
Summerdale Partners, L.P.	-	-	-	-
Related development fees allowance	-	-	(500,000)	-
	$ 148,290,281	$ (30,099,328)	$ 4,584,893	$ 480,089

Predevelopment advances	Accrued interest (not paid)	Deferred interest income	Current interest income	Development related income	Housing assistance payments	Component Unit	Percent ownership
$ 15,580	$ -	$ -	$ -	$ -	$ -		
403,367	-	-	-	-	-		
44,370	-	-	-	-	-		
441,540	-	-	-	-	-		
-	-	-	-	3,950	231,212	AAHFI	0.005%
-	-	40,972	6,450	4,188	-		
-	-	68,317	196,652	309	-	AAHFI	
-	-	103,306	155,640	2,252	-	AAHFI	
-	149,951	-	49,573	4,076	74,700	AAHFI	0.01%
-	-	-	278,798	-	-	WAHI	10.0000%
-	15,117	155,051	78,002	-	78,835		
-	25,511	-	-	-	-		
-	23,696	-	-	-	-		
-	-	180,670	33,246	372,225	-		
-	-	-	-	6,870	-		
-	-	339,338	26	514,254	-		
-	-	338,802	25	488,697	-		
-	-	198,689	41,649	534,544	-		
-	219,377	-	-	-	-		
-	240,267	-	-	13,128	353,300	AAHFI	0.0001%
-	161,299	-	-	5,661	109,396	AAHFI	0.0025%
-	189,675	-	-	19,704	334,883	AAHFI	0.0001%
-	-	-	-	-	-		
-	235,840	-	-	-	226,183	AAHFI	0.01%
-	139,973	-	-	-	28,451	AAHFI	0.01%
-	217,728	-	-	-	173,619	AAHFI	0.0030%
-	248,068	-	346,290	-	157,398	AAHFI	0.01%
-	290,270	-	-	-	198,403	AAHFI	0.0030%
-	-	-	-	-	-	AAHFI	
-	448,743	-	-	-	122,333	AAHFI	0.0001%
-	17,713	-	-	4,528	-		
-	1,406,615	-	-	-	94,513	AAHFI	0.003%
-	-	-	-	-	-		
-	-	-	-	15,550	524,979	AAHFI	0.067%
-	-	-	-	-	224,587	AAHFI	0.25%
-	197,434	-	-	14,110	-	AAHFI	0.005%
-	234,850	-	-	-	138,113	AAHFI	0.0025%
-	485,450	-	-	25,900	274,344	AAHFI	0.0025%
-	1,065,493	-	-	-	185,228	AAHFI	0.0001%
-	505,059	-	-	-	293,870	AAHFI	0.0025%
-	301,323	-	-	-	142,297	AAHFI	0.0025%
-	2,807,750	-	-	-	338,657	AAHFI	0.067%
-	2,697,786	-	17,390	-	220,208	AAHFI	0.099%
-	1,968,667	-	8,903	-	218,229	AAHFI	0.099%
-	1,485,343	-	-	-	265,220	AAHFI	0.099%
-	406,135	-	-	-	295,409	AAHFI	0.0025%
-	-	-	-	-	52,445	AAHFI	0.0015%
-	-	-	-	-	63,032	AAHFI	0.1500%
-	-	-	-	-	-		
$ 904,857	$ 16,185,133	$ 1,425,145	$ 1,212,644	$ 2,029,946	$ 5,419,843		

NOTE S - RELATED PARTY AND PARTNERSHIP INVESTMENT TRANSACTIONS - Continued

The following is a schedule of related party transactions for June 30, 2007.

Partnership name	Related development project notes receivable	Impaired valuation allowance	Developer fee receivables, net	Other fee receivables
Pre-Development Loans				
Mechanicsville Apartments Phase IV, L.P.	$ -	$ -	$ -	$ -
Mechanicsville Apartments Phase V, L.P.	-	-	-	-
Grady Redevelopment Partnership, L.P.	-	-	-	-
Harris Redevelopment, LLC	-	-	6,619	-
Centennial Marketplace	-	-	-	-
Construction financing loans				
Capitol Gateway Partnership I, L.P.	8,904,167	-	552,181	-
Carver Redevelopment Partnership V, L.P.	1,026,595	-	342,888	-
Columbia Creste, L.P.	4,900,000	-	401,066	-
Columbia at Mechanicsville Apartments, L.P.	1,032,858	-	408,955	-
Columbia Senior Residences Apartments at Mechanicsville, L.P.	1,000	-	309,727	-
Columbia Grove, L.P.	4,303,896	-	336,913	-
Centennial Park East, LLC	7,444	-	-	-
Campbell Stone, L.P.	2,000,000	-	372,569	-
Capitol Gateway Partnership II, L.P.	2,009,975	-	295,354	-
Columbia Edgewood	1,180,000	-	299,220	-
Permanent financing loans				
Carnegie Library, L.P.	-	-	-	
Carver Redevelopment Partnership I, L.P.	9,074,250	(874,250)	26,256	-
Carver Redevelopment Partnership II, L.P.	740,000	-	108,622	-
Carver Redevelopment Partnership III, L.P.	8,430,000	-	39,408	-
Carver Redevelopment, LLC	-	-	268,018	-
CCH John Eagan I Homes, L.P.	5,896,000	-	-	-
CCH John Eagan II Homes, LP	4,536,000	-	-	-
Centennial Park East, LLC		-	-	-
Columbia Commons, L.P.	3,425,221	(625,221)	-	-
Columbia Commons, L.P.		-		-
Columbia Estates, L.P.	4,566,413	(816,413)	18,750	-
Columbia Heritage Senior Residences, L.P.	-	-	328,500	-
Columbia Park Citi Residences, L.P.	4,828,164	(253,164)	-	-
Columbia Village, L.P.	2,250,000	-	-	-
Centennial Park North, LLC	108,000	-	-	-
East Lake Redevelopment II, L.P.	11,903,505	(5,200,000)	-	-
East Lake Redevelopment, L.P.	5,824,000	(3,593,890)	-	-
East Lake Redevelopment, L.P.				-
Harris Redevelopment Partnership I, L.P.	7,925,000	-	216,314	-
John Hope Community Partnership I, L.P.	4,620,000	-	174,763	-
John Hope Community Partnership II, L.P.	7,980,000	-	-	80,440
Kimberly Associates I, L.P.	2,605,000	-	-	-
Kimberly Associates II, L.P.	1,507,000	-	35,143	-
Kimberly Associates III, L.P.	1,305,000	-	91,241	-
Legacy Partnership I, L.P.	3,520,000	-	-	-
Legacy Partnership II, L.P.	3,445,000	-	-	-
Legacy Partnership III, L.P.	3,774,000	-	-	-
Legacy Partnership IV, L.P.	3,920,000	-	-	-
Summerdale Partners II, L.P.	1,778,000	-	-	-
Summerdale Partners, L.P.	2,208,000	-	-	-
West End Phase III Redevelopment Partnership, L.P.	1,298,400	-	-	-
Other loans				
Integral Properties LLC & 172 Vine Street LLC	329,439	-	-	-
Related development fees allowance	-	-	(500,000)	-
	$ 133,162,326	$ (11,362,938)	$ 4,132,507	$ 80,440

Predevelopment advances	Accrued interest (not paid)	Deferred interest income	Current interest income	Development related income	Housing assistance payments	Component Unit
$ 1,160,887	$ -	$ -	$ -	$ -	$ -	-
1,145,910	-	-	-	-	-	-
990,229	-	-	-	11,000	-	-
369,293	-	-	-	26,620	-	-
150,000	-	-	-	-	-	-
-	10,000	-	86,240	89,772	-	AAHFI
-	-	47,422	2,610	539,574	-	
-	319,053	-	-	8,333	-	AAHFI
-	-	264,969	26	564,505	-	AAHFI
-	-	258,945	26	434,627	-	AAHFI
-	-	49,573	180,187	90,579	-	AAHFI
-	-	-	-	-	-	WAHI
-	117,929	-	-	-	-	
-	68	233,054	20,864	404,053	-	
-	-	-	-	-	-	AAHFI
-	-		-	-	-	AAHFI
-	113,221	-	725,647	26,256	155,930	AAHFI
-	119,034	-	-	11,322	17,550	AAHFI
-	105,375	-	-	39,408	130,655	AAHFI
-	-	-	-	65	-	
-	176,880	-	-	-	208,581	AAHFI
-	94,613	-	-	-	176,202	AAHFI
-	-		-	-	-	
-	42,666	-	625,221	-	61,206	AAHFI
-	-		-	-	-	
-	57,194	-	816,413	35,632	-	AAHFI
-	-	-	-	104,170	98,901	AAHFI
-	187,431	-	253,164	-	2,818	AAHFI
-	1,183,312	-	-	-	45,246	AAHFI
-	-	-	-	-	-	
-	-	-	-	-	363,339	AAHFI
-	-	-	-	-	228,412	AAHFI
-						
-	118,184	-	-	28,335	178,100	AAHFI
-	188,650	-	-	-	133,431	AAHFI
-	405,650	-	-	53,160	110,721	AAHFI
-	842,444	-	-	-	32,457	AAHFI
-	414,997	-	-	-	26,037	AAHFI
-	219,894	-	-	-	30,616	AAHFI
-	2,445,636	-	-	-	159,544	AAHFI
-	2,325,631	-	-	-	147,087	AAHFI
-	1,651,494	-	-	-	135,691	AAHFI
-	1,216,206	-	-	-	185,830	AAHFI
-	989,978	-	-	-	67,748	AAHFI
-	1,504,990	-	-	-	77,571	AAHFI
-	306,624	-	-	-	44,356	AAHFI
-	1,908	-	-	-	-	
-	-	-	-	-	-	
$ 3,816,319	$ 15,157,152	$ 853,963	$ 2,710,398	$ 2,467,411	$ 2,818,029	

NOTE T – MOVING TO WORK DEMONSTRATION AGREEMENT

As highlighted in Note A, MTW gives AHA the authority to pursue locally driven policies, procedures and programs with the aim of developing better, more efficient ways to provide housing assistance to low and very low-income families. Under the MTW Agreement, funds from Low Rent (Public Housing) Operating Subsidy (Low Rent), Housing Choice Voucher Program (HCVP) (Section 8) and Capital Fund Program (including Replacement Housing Factor Grants and Development Grants) may be consolidated into one single MTW fund (MTW Funds) to cover expenditures relating to eligible MTW programs and activities. The Agreement provides full fungibility with no differentiation in uses between the funding sources. The MTW program covered existing unobligated Capital Fund Program grant balances at the time of the signing of the MTW Agreement. Accordingly, these balances were also consolidated into the MTW Funds and may be expended on MTW eligible activities as provided in AHA's MTW Agreement and Business Plan where amended. MTW Funds are made available to achieve and maintain adequate operations, maintenance services, reserve funds, capital improvement funds and asset management fees for public housing-assisted units and contract administration fees and rental assistance units leased from private owners under the Housing Choice Voucher Program and other MTW eligible activities.

The financial impact of the MTW Agreement on AHA is in the areas of funding under the Housing Choice Voucher Program, authorizations related to statutory and regulatory relief and revised benchmarks for assessing performance. Under the MTW Agreement calculation, AHA receives full funding for all MTW HCVP vouchers and is not required to return any funds not used for housing assistance voucher payments or earned as related administrative fees.

HUD monitors AHA's work for consistency with its MTW Agreement and Business Plan through the submission of Annual MTW Plans and Reports and related Appendices, MTW Implementation Protocols, and through HUD or monitoring site visits.

In addition, to the traditional monitoring mentioned above, AHA contracted with an independent third-party evaluator to conduct a longitudinal study of the impact of AHA initiatives on families served under its programs.

NOTE U – POST EMPLOYMENT BENEFITS

In addition to the pension benefits described in Note O, AHA provides employees, who elected early retirement under prescribed open windows an opportunity to continue their medical benefits until age 65 at 50 percent of the premium cost. AHA records these expenditures on a pay-as-you-go basis. Annual cost was approximately $35,854 and $42,700 for the fiscal years ended June 30, 2008 and 2007, respectively. AHA in 1995 and 2004, respectively, offered early retirement programs in 1995 and 2004. As of June 30, 2008, 14 employees were receiving these benefits; nine from 1995; and five from 2004.

NOTE V – NET ASSETS

The difference between assets and liabilities is net assets. Net assets are subdivided into three categories: invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. Restricted net assets can be restricted by time and or purpose, temporarily or permanently restricted. Each component of net assets is reported separately on the financial statements.

Invested in capital assets, net of related debt represents the net book value of capital assets, net of outstanding related debt used to acquire those assets.

Restricted net assets are subject to constraints externally imposed by funding agencies or legislation. The amount of restricted net assets is calculated by reducing the carrying value of restricted assets by their related liabilities. AHA's restricted net assets include its related development projects notes receivable from each of the various Owner-Entities of the mixed-income communities and the authority reserves in conjunction with mixed-income transactions. AHA's investment in related projects notes receivable is reported as restricted net assets and should not be considered available to satisfy the Authority's obligations due to long-term, contingent nature of the underlying notes. See Notes D and S.

The unrestricted component of net assets represents that portion remaining after the "invested in capital assets" and "restricted" amounts have been determined. The unrestricted net assets may be used to meet ongoing obligations.

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REQUIRED SUPPLEMENTARY INFORMATION

The Housing Authority of the City of Atlanta, Georgia

SCHEDULE OF PENSION FUNDING PROGRESS

June 30, 2008 and 2007

Actuarial Valuation Date	Acturarial Value of Assets (a)	Acturarial Accrued Liability (b)	Underfunded (Overfunded) AAL (b)-(a)	Funded Ratio (a)/(b)	Covered Payroll (c)	AAL as a % of Covered Payroll [(b)-(a)/(c)]
January 1, 2001	$ 34,742,104	$ 32,681,685	$ (2,060,419)	106.30%	$ 15,425,579	-13.36%
January 1, 2002	33,912,491	29,317,632	(4,594,859)	115.67%	17,043,407	-26.96%
January 1, 2003	32,258,280	29,594,674	(2,663,606)	109.00%	14,592,516	-18.25%
January 1, 2004	33,491,848	30,407,288	(3,084,560)	110.14%	15,699,710	-19.65%
January 1, 2005	34,586,113	34,195,565	(390,548)	101.14%	14,243,999	-2.74%
January 1, 2006	36,301,044	43,272,475	6,971,431	83.89%	13,150,498	53.01%
January 1, 2007	39,878,195	44,672,523	4,794,328	89.30%	14,231,021	33.69%
January 1, 2008	38,728,718	45,673,452	6,944,734	84.79%	16,861,217	41.88%

SCHEDULE OF COMPENSATED ABSENCES

Compensated Absences at June 30, 2008 consist of the following:

	Balance at July 1, 2007	Additions	Reductions	Balance at June 30, 2008	Long-term	Current
Compensated Absences	$ 1,145,743	$ 774,382	$ (682,592)	$ 1,237,533	$ 539,393	$ 698,140

OTHER SUPPLEMENTARY INFORMATION

The Housing Authority of the City of Atlanta, Georgia

FINANCIAL DATA SCHEDULE OF COMBINING BALANCE SHEET ACCOUNTS

June 30, 2008

	Public housing	Housing choice	Revitalization of severely distressed public housing	AHA Corp.
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents				
Unrestricted	$ 1,558,508	$ 53,306,155	$ -	$ 1,096,738
Restricted	-	171,510	19,825,666	500,282
	1,558,508	53,477,665	19,825,666	1,597,020
Receivables, net of allowances	2,025,176	1,149,738	17,355,698	11,276
Short-term investments	1,820,000	-	-	-
Prepaid expenses	175,715	1,410,836	-	186,820
Interprogram - due from	5,947,588	373,881	2,385,727	2,047,519
Total current assets	11,526,987	56,412,120	39,567,091	3,842,635
NONCURRENT ASSETS				
Notes receivables, net of valuation	-	-	131,857	-
Capital assets, net of accumulated depreciation	101,441,867	989,000	1,468,788	1,132,622
Investments, restricted	-	-	-	-
Other non-current assets	-	-	14,183,031	-
Total noncurrent assets	101,441,867	989,000	15,783,676	1,132,622
TOTAL ASSETS	$ 112,968,854	$ 57,401,120	$ 55,350,767	$ 4,975,257
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Account payable	$ 4,440,706	$ 718,336	$ 3,679,617	$ 2,495,346
Accrued liabilities	4,894,873	269,664	5,983,881	1,491,862
Deferred revenue and other credits	111,146	-	19,838,717	-
Line of credit	-	-	-	-
Current portion of long-term debt	438,338	-	-	-
Interprogram - due to	759,993	2,125,429	8,492,335	1,259,048
Total current liabilities	10,645,056	3,113,429	37,994,549	5,246,255
NONCURRENT LIABILITIES				
Long-term debt, net of current	453,737	-	-	-
Other noncurrent liabilities	1,418,935	178,860	-	532,043
Total noncurrent liabilities	1,872,672	178,860	-	532,043
Total liabilities	12,517,728	3,292,289	37,994,549	5,778,298
NET ASSETS				
Invested in capital assets, net of related debts	100,549,792	989,000	1,468,788	1,132,622
Restricted for:				
HUD Funded Programs	(98,667)	53,119,830	15,887,431	-
Related development project partnerships	-	-	-	-
Related development partnership operating reserves	-	-	-	-
Other	-	-	-	-
Unrestricted				
Undesignated	-	-	-	(1,935,663)
Total net assets	100,451,125	54,108,830	17,356,219	(803,041)
TOTAL LIABILITIES AND NET ASSETS	$ 112,968,854	$ 57,401,120	$ 55,350,767	$ 4,975,257

Mark to market	N/C S/R Section 8 programs	Business activities	State/Local programs	Component units	Totals	Eliminations	Total less eliminations
$ 35,710	$ 727,143	$ 15,626,193	$ -	$ 3,189,954	$ 75,540,401	$ -	$ 75,540,401
-	-	17,961,741	340,807	-	38,800,006	-	38,800,006
35,710	727,143	33,587,934	340,807	3,189,954	114,340,407	-	114,340,407
32,188	-	1,466,548	6,667	70,149	22,117,440	-	22,117,440
-	-	11,203,046	-	1,000	13,024,046	-	13,024,046
-	-	-	-	4,242	1,777,613	-	1,777,613
-	-	1,508,827	16,250	2,066,541	14,346,332	(14,346,332)	-
67,898	727,143	47,766,355	363,724	5,331,886	165,605,838	(14,346,332)	151,259,506
-	-	124,160,346	-	108,000	124,400,203	(1,297,500)	123,102,703
-	-	3,700	-	26,356,868	131,392,845	(1,057,980)	130,334,865
-	-	13,668,312	-	-	13,668,312	-	13,668,312
-	-	72,738	-	24,630	14,280,399	-	14,280,399
-	-	137,905,096	-	26,489,498	283,741,759	(2,355,480)	281,386,279
$ 67,898	$ 727,143	$ 185,671,451	$ 363,724	$ 31,821,384	$ 449,347,597	$ (16,701,812)	$ 432,645,785
$ -	$ -	$ 11,648	$ 2,500	$ 564,649	$ 11,912,802	$ -	$ 11,912,802
36,446	(82,053)	107,213	5,681	778,491	13,486,057	-	13,486,057
-	-	1,425,146	217,013	118,113	21,710,135	-	21,710,135
-	-	10,906,077	-	-	10,906,077	-	10,906,077
-	-	-	-	289,950	728,288	-	728,288
-	-	1,567,225	121,447	20,856	14,346,332	(14,346,332)	-
36,446	(82,053)	14,017,309	346,641	1,772,059	73,089,690	(14,346,332)	58,743,359
-	-	-	-	5,154,595	5,608,332	(1,297,500)	4,310,832
-	-	-	3,333	-	2,133,171	-	2,133,171
-	-	-	3,333	5,154,595	7,741,503	(1,297,500)	6,444,003
36,446	(82,053)	14,017,309	349,974	6,926,654	80,831,193	(15,643,832)	65,187,362
-	-	3,700	-	20,912,323	125,056,225	239,520	125,295,746
-	809,196	-	-	-	69,717,790	-	69,717,789
-	-	125,266,675	-	-	125,266,675	(1,297,500)	123,969,175
-	-	8,794,948	-	-	8,794,948	-	8,794,948
-	-	-	-	-	-	-	-
31,452	-	37,588,819	13,750	3,982,407	39,680,765	-	39,680,765
31,452	809,196	171,654,142	13,750	24,894,730	368,516,403	(1,057,980)	367,458,423
$ 67,898	$ 727,143	$ 185,671,451	$ 363,724	$ 31,821,384	$ 449,347,597	$ (16,701,812)	$ 432,645,785

The Housing Authority of the City of Atlanta, Georgia

FINANCIAL DATA SCHEDULE OF COMBINING BALANCE SHEET ACCOUNTS

June 30, 2007

	Public housing	Housing choice	Revitalization of severely distressed public housing	AHA Corp.
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents				
Unrestricted	$ 8,022,330	$ 39,897,264	$ 592,513	$ 214,489
Restricted	-	203,890	11,380,574	485,744
	8,022,330	40,101,154	11,973,087	700,233
Receivables, net of allowances	2,031,753	227,501	25,356,693	12,651
Short-term investments	-	-	-	-
Prepaid expenses	195,894	1,456	-	131,335
Interprogram - due from	7,179,654	235,320	3,687,195	900,310
Total current assets	17,429,631	40,565,431	41,016,975	1,744,529
NONCURRENT ASSETS				
Notes receivables, net of valuation	-	-	-	-
Capital assets, net of accumulated depreciation	125,098,827	-	499,413	1,308,737
Investments, restricted	-	-	-	-
Other non-current assets	-	-	1,371,168	-
Total noncurrent assets	125,098,827	-	1,870,581	1,308,737
TOTAL ASSETS	$ 142,528,458	$ 40,565,431	$ 42,887,556	$ 3,053,266
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Account payable	$ 3,019,920	$ 507,077	$ 2,628,307	$ 1,006,239
Accrued liabilities	2,988,798	99,240	2,348,975	1,342,983
Deferred revenue and other credits	174,219	-	11,964,669	-
Line of credit	-	-	-	-
Current portion of long-term debt	423,360	-	-	-
Interprogram - due to	5,661,199	1,954,478	3,677,425	-
Total current liabilities	12,267,496	2,560,795	20,619,376	2,349,222
NONCURRENT LIABILITIES				
Long-term debt, net of current	892,075	-	-	-
Other noncurrent liabilities	1,897,470	204,962	-	462,079
Total noncurrent liabilities	2,789,545	204,962	-	462,079
Total liabilities	15,057,041	2,765,757	20,619,376	2,811,301
NET ASSETS				
Invested in capital assets, net of related debts	123,783,392	-	499,413	1,308,737
Restricted for:				
HUD Funded Programs	3,688,025	37,799,674	21,768,767	-
Related development project partnerships	-	-	-	-
Related development partnership operating reserves	-	-	-	-
Other	-	-	-	-
Unrestricted				
Undesignated	-	-	-	(1,066,772)
Total net assets	127,471,417	37,799,674	22,268,180	241,965
TOTAL LIABILITIES AND NET ASSETS	$ 142,528,458	$ 40,565,431	$ 42,887,556	$ 3,053,266

Mark to market	N/C S/R Section 8 programs	Business activities	State/Local programs	Component units	Totals	Eliminations	Total less eliminations
$ 78,619	$ 379,920	$ 5,709,723	$ -	$ 3,049,048	$ 57,943,906	$ -	$ 57,943,906
-	-	13,216,011	216,774	-	25,502,993	-	25,502,993
78,619	379,920	18,925,734	216,774	3,049,048	83,446,899	-	83,446,899
(13,386)	-	4,837,762	6,397	46,715	32,506,086	-	32,506,086
-	-	14,969,633	-	-	14,969,633	-	14,969,633
-	-	-	-	4,561	333,246	-	333,246
-	-	1,301,190	20,787	448,715	13,773,171	(13,773,171)	-
65,233	379,920	40,034,319	243,958	3,549,039	145,029,035	(13,773,171)	131,255,864
-	-	129,363,670	-	108,000	129,471,670	(3,827,500)	125,644,170
-	-	4,900	-	18,904,406	145,816,283	(1,057,980)	144,758,303
-	-	12,860,328	-	-	12,860,328	-	12,860,328
-	-	859,448	-	28,625	2,259,241	-	2,259,241
-	-	143,088,346	-	19,041,031	290,407,522	(4,885,480)	285,522,042
$ 65,233	$ 379,920	$ 183,122,665	$ 243,958	$ 22,590,070	$ 435,436,557	$ (18,658,651)	$ 416,777,906
$ 75,217	$ -	$ 29,889	$ -	$ 195,485	$ 7,462,134	$ -	$ 7,462,134
(38,084)	28,270	71,780	-	34,896	6,876,858	-	6,876,858
-	-	856,451	111,667	143,714	13,250,720	-	13,250,720
-	-	10,906,077	-	-	10,906,077	-	10,906,077
-	-	-	-	2,806,733	3,230,093	(2,530,000)	700,093
38,205	-	2,301,116	140,289	459	13,773,171	(13,773,171)	-
75,338	28,270	14,165,313	251,956	3,181,287	55,499,053	(16,303,171)	39,195,882
-	-	-	-	5,444,545	6,336,620	(1,297,500)	5,039,120
-	-	-	3,199	-	2,567,710	-	2,567,710
-	-	-	3,199	5,444,545	8,904,330	(1,297,500)	7,606,830
75,338	28,270	14,165,313	255,155	8,625,832	64,403,383	(17,600,671)	46,802,712
-	-	4,900	-	10,653,128	136,249,570	2,769,520	139,019,090
-	351,650	-	-	-	63,608,116	-	63,608,116
-	-	134,184,510	-	-	134,184,510	(3,827,500)	130,357,010
-	-	8,119,025	-	-	8,119,025	-	8,119,025
-	-	-	-	-	-	-	-
(10,105)	-	26,648,917	(11,197)	3,311,110	28,871,953	-	28,871,953
(10,105)	351,650	168,957,352	(11,197)	13,964,238	371,033,174	(1,057,980)	369,975,194
$ 65,233	$ 379,920	$ 183,122,665	$ 243,958	$ 22,590,070	$ 435,436,557	$ (18,658,651)	$ 416,777,906

The Housing Authority of the City of Atlanta, Georgia

FINANCIAL DATA SCHEDULE OF COMBINING PROGRAM REVENUES, EXPENSES AND CHANGES IN NET ASSET ACCOUNTS

Year ended June 30, 2008

	Public housing	Housing choice	Revitalization of severely distressed public housing	AHA Corp.
REVENUES				
Operating subsidies	$ 38,570,611	$ 176,529,576	$ 10,945,779	$ -
Tenant dwelling revenue	14,472,567	-	-	-
Other revenue	905,280	219,540	-	38,085,388
TOTAL REVENUES	53,948,458	176,749,116	10,945,779	38,085,388
EXPENSES				
Operating expenses				
Housing assistance payments	5,419,841	82,366,103	84,565	-
Administrative	10,642,214	14,604,131	776,892	34,370,106
Resident services	6,052,057	29,023	3,270,915	2,808,156
Utilities	12,156,607	-	-	139,305
Ordinary maintenance and operations	13,068,328	148,910	-	188,317
Protective services	6,299,310	-	-	134,784
General expenses	1,816,921	33,470,833	160,103	14,863,051
Total operating expenses before depreciation and amortization	55,455,278	130,619,000	4,292,475	52,503,719
Net operating income before depreciation and amortization	(1,506,820)	46,130,116	6,653,304	(14,418,331)
Depreciation and amortization expense	10,406,679	-	-	467,423
Net operating income	(11,913,499)	46,130,116	6,653,304	(14,885,754)
NON-OPERATING INCOME/(EXPENSES)				
Interest and investment income	205,738	1,739,726	-	297,378
Gain on sale of capital assets	58,905	-	-	394
Capital asset write-down	(28,148,332)	-	-	-
Demolition expenses	(4,256,801)	-	(6,708,213)	-
Other revitalization expenditures	(600,000)	-	-	-
Extraordinary sitework and maintenance	(2,140,737)	-	(5,862,316)	-
Bad debt expense on notes receivable	-	-	-	-
Valuation allowance on related development project notes receivable	-	-	-	-
Interest expense	(40,279)	-	-	(50,747)
Net non-operating revenue/(expense)	(34,921,506)	1,739,726	(12,570,529)	247,025
Multi-year grants used for capitalized expenditures	8,993,543	-	17,275,774	-
Other financing sources (uses)				
Transfers, net	10,821,177	(31,560,688)	(16,270,512)	13,593,720
Change in net assets	(27,020,293)	16,309,156	(4,911,962)	(1,045,006)
Beginning of year	127,471,417	37,799,674	22,268,180	241,965
End of year	$ 100,451,124	$ 54,108,830	$ 17,356,218	$ (803,041)

Mark to market	N/C S/R Section 8 Programs	Business Activities	State/Local programs	Component Units	Totals	Eliminations	Total less eliminations
$ -	$ 2,730	$ -	$ -	$ -	$ 226,048,696	$ -	$ 226,048,696
-	-	-	-	-	14,472,567	-	14,472,567
59,528	-	3,996,444	49,864	9,372,585	52,688,630	(47,382,355)	5,306,275
59,528	2,730	3,996,444	49,864	9,372,585	293,209,893	(47,382,355)	245,827,538
-	-	-	-	-	87,870,509	-	87,870,509
20,000	-	843,338	8,667	746,277	62,011,626	(15,982,355)	46,029,271
-	-	-	16,250	-	12,176,401	-	12,176,401
-	-	-	-	227,894	12,523,805	-	12,523,805
-	-	-	-	873,273	14,278,827	-	14,278,827
-	-	-	-	216,057	6,650,152	-	6,650,152
-	-	-	-	20,052	50,330,959	(31,400,000)	18,930,959
20,000	-	843,338	24,917	2,083,552	245,842,279	(47,382,355)	198,459,924
39,528	2,730	3,153,106	24,947	7,289,033	47,367,614	-	47,367,614
-	-	22,489	-	715,325	11,611,915	-	11,611,915
39,528	2,730	3,130,617	24,947	6,573,708	35,755,699	-	35,755,699
2,029	19,826	2,471,021	-	723,006	5,458,724	-	5,458,724
-	-	2,473,956	-	-	2,533,256	-	2,533,256
-	-	-	-	-	(28,148,332)	-	(28,148,332)
-	-	-	-	-	(10,965,014)	-	(10,965,014)
-	-	(1,215,878)	-	-	(1,815,878)	-	(1,815,878)
-	-	-	-	(12,264)	(8,015,317)	-	(8,015,317)
-	-	(3,986,000)	-	-	(3,986,000)	-	(3,986,000)
-	-	(18,736,390)	-	-	(18,736,390)	-	(18,736,390)
-	-	(583,253)	-	(192,557)	(866,836)	-	(866,836)
2,029	19,826	(19,576,544)	-	518,185	(64,541,787)	-	(64,541,787)
-	-	-	-	-	26,269,317	-	26,269,317
-	434,989	19,142,716	-	3,838,597	-	-	-
41,557	457,546	2,696,790	24,947	10,930,492	(2,516,771)	-	(2,516,771)
(10,105)	351,650	168,957,352	(11,197)	13,964,238	371,033,174	(1,057,980)	369,975,194
$ 31,452	$ 809,196	$ 171,654,142	$ 13,750	$ 24,894,730	$ 368,516,403	$ (1,057,980)	$ 367,458,423

The Housing Authority of the City of Atlanta, Georgia

FINANCIAL DATA SCHEDULE OF COMBINING PROGRAM REVENUES, EXPENSES AND CHANGES IN NET ASSET ACCOUNTS

Year ended June 30, 2007

	Public housing	Housing choice	Revitalization of severely distressed public housing	KDHAP program	AHA Corp.
REVENUES					
Operating subsidies	$ 34,399,008	$ 126,332,711	$ 8,802,118	$ -	$ -
Tenant dwelling revenue	17,281,713	-	-	-	-
Other revenue	750,477	1,054,374	(3,459)	21,701	25,616,791
TOTAL REVENUES	52,431,198	127,387,085	8,798,659	21,701	25,616,791
EXPENSES					
Operating expenses					
Housing assistance payments	2,818,029	77,046,255	-	-	-
Administrative	13,758,473	23,161,524	3,312,921	923	22,460,782
Resident services	2,136,737	-	3,683,980	-	1,598,090
Utilities	15,023,742	-	-	-	140,561
Ordinary maintenance and operations	13,800,447	124,432	-	-	123,055
Protective services	5,393,922	-	-	-	244,697
General expenses	1,899,430	1,957,980	87,253	-	5,125,312
Total operating expenses before depreciation and amorization	54,830,780	102,290,191	7,084,154	923	29,692,497
Net operating income before depreciation and amortization	(2,399,582)	25,096,894	1,714,505	20,778	(4,075,706)
Depreciation and amortization expense	12,362,415	-	-	-	858,633
Net operating income	(14,761,997)	25,096,894	1,714,505	20,778	(4,934,339)
NON-OPERATING INCOME/(EXPENSES)					
Interest and investment income	394,601	2,043,054	-	2,605	(71,269)
Gain on sale of capital assets	2,548,272	-	155,960	-	-
Capital asset write-down	(5,721,395)	-	-	-	-
Demolition expenses	(318,247)	-	(1,804,812)	-	-
Other revitalization expenditures	-	-	(4,030,000)	-	-
Extraordinary sitework and maintenance	(2,348,168)	-	(275,331)	-	(4,500)
Valuation allowance on related development project notes receivable	-	-	-	-	-
Interest expense	(54,544)	-	-	-	-
Net non-operating revenue/(expense)	(5,499,481)	2,043,054	(5,954,183)	2,605	(75,769)
Multi-year grants used for capitalized expenditures	6,181,334	-	24,683,406	-	-
Other financing sources (uses)					
Transfers, net	18,175,196	(26,451,378)	(14,690,406)	(25,764)	4,154,829
Change in net assets	4,095,052	688,570	5,753,322	(2,381)	(855,279)
Beginning of year	123,376,365	37,111,104	16,514,858	2,381	1,097,244
End of year	$ 127,471,417	$ 37,799,674	$ 22,268,180	$ -	$ 241,965

Mark to market	N/C S/R Section 8 programs	Business activities	State/Local programs	Component units	Totals	Eliminations	Totals
$ -	$ 4,727,489	$ -	$ -	$ -	$ 174,261,326	$ -	$ 174,261,326
-	-	-	-	849	17,282,562	-	17,282,562
74,930	241,452	4,314,086	15,992	1,705,385	33,791,729	(27,229,956)	6,561,773
74,930	4,968,941	4,314,086	15,992	1,706,234	225,335,617	(27,229,956)	198,105,661
-	4,948,206	-	-	-	84,812,490	-	84,812,490
20,000	242,077	500,308	35,182	165,741	63,657,930	(27,229,956)	36,427,974
-	-	3,729	-	440	7,422,976	-	7,422,976
-	-	-	-	202,860	15,367,163	-	15,367,163
-	-	37,500	-	576,614	14,662,047	-	14,662,047
-	-	-	-	277,501	5,916,121	-	5,916,121
-	-	-	-	17,908	9,087,882	-	9,087,882
20,000	5,190,283	541,537	35,182	1,241,064	200,926,609	(27,229,956)	173,696,653
54,930	(221,342)	3,772,549	(19,190)	465,170	24,409,008	-	24,409,008
-	-	13,519	-	606,571	13,841,139	-	13,841,139
54,930	(221,342)	3,759,030	(19,190)	(141,401)	10,567,869	-	10,567,869
3,936	34,873	4,259,401	(1,133,371)	188,604	5,722,435	-	5,722,435
-	-	(2,473,956)	-	191,155	421,431	-	421,431
-	-	-	-	-	(5,721,395)	-	(5,721,395)
-	-	-	-	-	(2,123,059)	-	(2,123,059)
-	-	-	-	-	(4,030,000)	-	(4,030,000)
-	-	-	-	(257,508)	(2,885,507)	-	(2,885,507)
-	-	(2,569,048)	-	-	(2,569,048)	-	(2,569,048)
-	-	(389,818)	-	(513,504)	(957,866)	-	(957,866)
3,936	34,873	(1,173,421)	(1,133,371)	(391,253)	(12,143,009)	-	(12,143,009)
-	-	-	-	-	30,864,741	-	30,864,741
-	(577,197)	15,312,941	(27,749)	4,129,528	-	-	-
58,866	(763,666)	17,898,550	(1,180,308)	3,596,873	29,289,601	-	29,289,601
(68,971)	1,115,316	151,058,802	1,169,111	10,367,365	341,743,575	(1,057,972)	340,685,593
$ (10,105)	$ 351,650	$ 168,957,352	$ (11,197)	$ 13,964,238	$ 371,033,176	$ (1,057,972)	$ 369,975,194

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Combining Program Revenues, Expenditures and Changes in Net Asset Accounts and Schedule of Combining Balance Sheet Accounts have been prepared using the basis of accounting required by HUD's Real Estate Assessment Center and in accordance with the provisions, policies and requirements as contained in the Moving to Work (MTW) Demonstration Agreement. Under MTW, the Low Rent and Public Housing, Housing Choice Voucher Program, Capital Fund and Development Program are funded as a single fund with funds fully fungible.

NOTE B – COMBINING SCHEDULE OF COMPONENT UNITS

AHA's component units are *not-for-profit* entities owned and controlled by AHA and established to assist the Authority with development and other acquisition activities. Under GASB 14 and 34, these entities are presented with AHA's other funds and programs as reported within the Financial Data Schedule. These component units are also blended and reported within the Enterprise Fund. The component units for 2008 are as follows:

	Year ended June 30, 2008						
	JWD	AAHFI	SHHI	RAH	SRDC	WAH	Total Component Units
ASSETS							
Current and other assets	$ 2,141,371	$ 163,386	$ -	$ 166,212	$ -	$ 2,860,917	$ 5,331,886
Capital assets, net	14,497,249	-	-	-	-	11,859,619	26,356,868
Other non-current assets	24,630	-	-	-	-	108,000	132,630
Total assets	$ 16,663,250	$ 163,386	$ -	$ 166,212	$ -	$ 14,828,536	$ 31,821,384
LIABILITIES AND NET ASSETS							
Current and other liabilities	$ 1,623,805	$ 574	$ -	$ 597	$ -	$ 147,083	$ 1,772,059
Long-term debt outstanding	3,857,095	-	-	-	-	1,297,500	5,154,595
Total liabilities	5,480,900	574	-	597	-	1,444,583	6,926,654
Capital assets, net of related debt	10,350,204	-	-	-	-	10,562,119	20,912,323
Restricted				-		-	-
Unrestricted	832,146	162,812	-	165,615	-	2,821,834	3,982,407
Total net assets	11,182,350	162,812	-	165,615	-	13,383,953	24,894,730
Total liabilities and net assets	$ 16,663,250	$ 163,386	$ -	$ 166,212	$ -	$ 14,828,536	$ 31,821,384
Revenues							
Operating revenue	$ 9,332,061	$ -	$ -	$ 40,524	$ -	$ -	$ 9,372,585
Non-operating revenue	35,036	4,174	-	4,301	-	679,495	723,006
Total revenues	9,367,097	4,174	-	44,825	-	679,495	10,095,591
Expenses							
Operating and other expenses	(2,797,676)	-	343	(5,434)	-	(200,931)	(3,003,698)
Operating transfers in	(32,788)	-	(343)	-	-	3,871,728	3,838,597
Change in net assets	6,536,635	4,174	-	39,391	-	4,350,292	10,930,492
Net assets at beginning of year	4,645,715	158,638	-	126,224	-	9,033,661	13,964,238
Net assets at end of year	$ 11,182,350	$ 162,812	$ -	$ 165,615	$ -	$ 13,383,953	$ 24,894,730

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The Housing Authority of the City of Atlanta, Georgia

RECONCILIATION OF ADVANCES, COSTS AND BUDGET
HUD FUNDED PROGRAMS SPECIAL GRANTS AND CAPITAL PROJECTS FUND

Year ended June 30, 2008

		Grant Drawdowns			Expenditures		
Fund	Program	Cumulative as of June 30, 2007	Year ended June 30, 2008	Cumulative as of June 30, 2008	Cumulative as of June 30, 2007	Year ended June 30, 2008	Cumulative as of June 30, 2008
Capital Grants							
3124	Capital Fund Program Year 6	$ 13,083,156	$ 34,751	$ 13,117,907	$ 13,117,907	$ -	$ 13,117,907
3127	Capital Fund Program Year 7	6,231,302	7,588,157	13,819,459	7,967,088	6,013,638	13,980,726
3130	Capital Fund Program Year 8	-	6,397,976	6,397,976	-	7,719,558	7,719,558
3133	Capital Fund Program Year 9	-	-	-	-	-	-
Total Capital Grants		19,314,458	14,020,884	33,335,342	21,084,995	13,733,196	34,818,191
Demo Grants							
5105	HOPE VI - Carver (D)	8,938,953	663,671	9,602,624	8,923,907	796,613	9,720,520
5106	HOPE VI - Harris Demo	3,996,208	258,242	4,254,450	3,939,791	314,659	4,254,450
5167	Grady Homes Demo Grant	4,777,472	-	4,777,472	4,777,472	-	4,777,472
Total Demo Grants		17,712,633	921,913	18,634,546	17,641,170	1,111,272	18,752,442
Development Grants							
5216	DVP - Clark Howell	1,424,163	384,003	1,808,166	1,493,688	6,540,362	8,034,050
Total Development Grants		1,424,163	384,003	1,808,166	1,493,688	6,540,362	8,034,050
HOPE VI Grants							
5101	HOPE VI - Carver Revitalization	32,499,034	301,609	32,800,643	33,381,449	800,773	34,182,222
5102	HOPE VI - Harris Revitalization	16,168,463	3,988,038	20,156,501	18,020,764	4,509,772	22,530,536
5104	HOPE VI - Perry Revitalization	19,963,314	-	19,963,314	19,999,999	-	19,999,999
5108	HOPE VI - Capitol Revitalization	22,290,466	4,330,832	26,621,298	22,821,807	3,501,897	26,323,704
5166	HOPE VI - McDaniel Glen	6,410,987	8,093,849	14,504,836	7,223,650	7,993,495	15,217,145
5168	HOPE VI - Grady Homes	-	2,160,106	2,160,106	757,323	2,113,836	2,871,159
Total HOPE VI Grants		97,332,264	18,874,434	116,206,698	102,204,992	18,919,773	121,124,765
Replacement Housing Factor Grants							
3112	CFP Replacement Housing Factor 2001	5,115,824		5,115,824	5,115,824	-	5,115,824
3116	CFP Replacement Housing Factor 2002	6,450,529		6,450,529	6,450,529	-	6,450,529
3117	CFP Replacement Housing Factor 2003	3,141,856		3,141,856	2,573,038	(132,267)	2,440,771
3120	CFP Replacement Housing Factor 2004	266,000		266,000	266,000	(257,421)	8,579
3122	CFP Replacement Housing Factor 2004-1		333,742	333,742		333,742	333,742
3123	CFP Replacement Housing Factor 2004-2			-		-	-
3125	CFP Replacement Housing Factor 2005-1			-		-	-
3126	CFP Replacement Housing Factor 2005-2			-		-	-
3123	CFP Replacement Housing Factor 2004-2		169,266	169,266		169,266	169,266
3125	CFP Replacement Housing Factor 2005-1		75,857	75,857		75,857	75,857
3126	CFP Replacement Housing Factor 2005-2		808,490	808,490	5,390	1,708,310	1,713,700
3129	CFP Replacement Housing Factor 2006-2		28,121	28,121		67,319	67,319
Total Replacement Housing Factor Grants		14,974,209	1,415,476	16,389,685	14,410,781	1,964,806	16,375,587
Special Grants							
6118	ROSS - 2002	250,000	-	250,000	250,000	-	250,000
6119	ROSS - 2003	257,938	-	257,938	257,938	-	257,938
6120	MTW Technical Assistance Grant	175,000	-	175,000	175,000	-	175,000
Total Special Grants		682,938	-	682,938	682,938	-	682,938
Grand Total		$ 151,440,665	$ 35,616,710	$ 187,057,375	$ 157,518,564	$ 42,269,409	$ 199,787,973

	Budget		Reconciliation of HUD advances			
(Deficiency)/excess of advances as of June 30, 2008	Budget	Budget over costs as of June 30, 2008	HUD AR/AP June 30, 2007	Cash receipts June 30, 2008	Expenditures June 30, 2008	HUD AR/AP June 30, 2008
$ -	$ 13,117,907	$ -	$ 34,752	$ 34,751	$ -	$ 1
(161,267)	14,113,642	294,183	1,735,786	7,588,157	6,013,638	161,267
(1,321,582)	12,846,548	6,448,572	-	6,397,976	7,719,558	1,321,582
-	14,063,331	14,063,331	-	-	-	-
(1,482,849)	54,141,428	20,806,086	1,770,538	14,020,884	13,733,196	1,482,850
(117,896)	9,720,520	117,896	(15,046)	663,671	796,613	117,896
-	4,254,450	-	(56,417)	258,242	314,659	-
-	4,777,472	-	-	-	-	-
(117,896)	18,752,442	117,896	(71,463)	921,913	1,111,272	117,896
(6,225,884)	8,104,743	6,296,578	69,526	384,003	6,540,362	6,225,885
(6,225,884)	8,104,743	6,296,578	69,526	384,003	6,540,362	6,225,885
(1,381,579)	34,669,400	1,868,757	882,416	301,609	800,773	1,381,580
(2,374,035)	35,000,000	14,843,499	1,852,301	3,988,038	4,509,772	2,374,035
(36,685)	20,000,000	36,686	36,685	-	-	36,685
297,594	35,000,000	8,378,702	531,341	4,330,832	3,501,897	(184,393)
(712,309)	20,000,000	5,495,164	812,664	8,093,849	7,993,495	712,310
(711,053)	20,000,000	17,839,894	757,323	2,160,106	2,113,836	876,627
(4,918,067)	164,669,400	48,462,702	4,872,730	18,874,434	18,919,773	5,196,844
-	5,115,824	-	-	-	-	-
-	6,450,529	-	-	-	-	-
701,085	3,432,489	290,633	(568,818)	-	(132,267)	(701,085)
257,421	2,435,481	2,169,481	-	-	(257,421)	(257,421)
-	4,540,123	4,206,381	-	333,742	333,742	-
-		-	-	-	-	-
-		-	-	-	-	-
-		-	-	-	-	-
-	3,398,919	3,229,653	-	169,266	169,266	-
-	2,712,327	2,636,470	-	75,857	75,857	-
(905,210)	5,292,808	4,484,318	5,390	808,490	1,708,310	905,210
(39,198)	5,477,673	5,449,552	-	28,121	67,319	39,198
14,098	38,856,173	22,466,488	(563,428)	1,415,476	1,964,806	(14,098)
-	250,000	-	-	-	-	-
-	400,000	142,062	-	-	-	-
-	175,000	-	-	-	-	-
-	825,000	142,062	-	-	-	-
$ (12,730,598)	$ 285,349,186	$ 98,291,812	$ 6,077,903	$ 35,616,710	$ 42,269,409	$ 13,009,377

The Housing Authority of the City of Atlanta, Georgia

SCHEDULE OF HOPE VI PROGRAM COMPLETION COSTS AND ADVANCES PROGRAM CERTIFICATION

Contract completed during the year ended June 30, 2008

GRANT NAME	Harris Homes Demolition Grant
PROJECT NAME	Harris Homes
GRANT NUMBER	GA06URD006D100
GRANT AWARD EFFECTIVE DATE*	February 12, 2001
CONTRACT COMPLETION DATE	June 30, 2008
BUDGET	$ 4,254,450
ADVANCES	4,254,450
COSTS	4,254,450
EXCESS/(DEFICIENCY) OF ADVANCES DUE TO/(FROM) HUD	$ -
	-
AMOUNT TO BE RECAPTURED BY HUD	$ -

* Represents the LOCCS effective date.

The actual Policy Research and Development Program Cost Certificate is in agreement with AHA records.

All amounts due have been received and all liabilities have been paid and there are no undercharged liens (mechanics, laborers, contractors, or material-means) against the Project on file in any public office where the same should be filed in order to be valid. The time in which such liens could be filed has expired.

The Housing Authority of the City of Atlanta, Georgia

SCHEDULE OF HOPE VI PROGRAM COMPLETION COSTS AND ADVANCES PROGRAM CERTIFICATION

Contract completed during the year ended June 30, 2008

GRANT NAME	Carver Homes Demolition Grant
PROJECT NAME	Carver Homes
GRANT NUMBER	GA06URD0061296
GRANT AWARD EFFECTIVE DATE*	February 27, 1998
CONTRACT COMPLETION DATE	June 30, 2008
BUDGET	$ 9,720,520
ADVANCES	9,720,520
COSTS	9,720,520
EXCESS/(DEFICIENCY) OF ADVANCES DUE TO/(FROM) HUD	$ -
	-
AMOUNT TO BE RECAPTURED BY HUD	$ -

*Represents the LOCCS effective date.

The actual Policy Research and Development Program Cost Certificate is in agreement with AHA records.

All amounts due have been received from HUD as of June 30, 2008 except for $117,896 which was received July 2, 2008 and all liabilities have been paid and there are no undercharged liens (mechanics, laborers, contractors, or material-means) against the Project on file in any public office where the same should be filed in order to be valid. The time in which such liens could be filed has expired.

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STATISTICAL SECTION
(unaudited)

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FINANCIAL TRENDS AND COMPOSITION OF HOUSING RESOURCES

The Housing Authority of the City of Atlanta, Georgia

COMBINED STATEMENTS OF NET ASSETS - unaudited

As of June 30,

	FISCAL YEAR									
	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Assets										
Current Assets										
Cash and Cash Equivalents	$ 114,340,407	$ 83,446,899	$ 90,422,944	$ 73,628,517	$ 34,415,971	$ 47,675,997	$ 37,717,711	$ 14,504,657	$ 45,892,618	$ 22,494,048
Receivables, net of allowance	22,117,440	32,506,086	21,957,997	11,541,838	34,979,655	16,022,578	17,865,767	20,548,566	16,392,182	22,205,543
Other Current Assets	14,801,659	15,302,879	14,151,035	382,948	464,657	165,679	5,375,519	25,341,871	4,601,178	35,576,265
Total Current Assets	151,259,506	131,255,864	126,531,976	85,553,303	69,860,283	63,864,254	60,958,997	60,395,094	66,885,978	80,275,857
Noncurrent Assets										
Related development project notes receivable, net of valuation allowance	123,102,703	125,644,170	111,739,378	98,586,157	81,524,051	78,986,158	72,523,475	75,593,138	62,220,942	37,386,012
Capital Assets, net of accumulated depreciation	130,334,865	144,758,303	151,499,170	164,713,591	188,410,049	196,666,662	183,798,946	178,749,272	235,289,845	481,051,131
Investments, restricted	13,668,312	12,860,328	7,626,315	11,140,359	10,100,501	9,604,853	5,701,719	4,791,113	-	-
Other Assets, net of accumulated amortization and allowances	14,280,399	2,259,241	324,119	6,912,542	653,004	-	-	1,500,000	-	63,487,480
Total noncurrent assets	281,386,279	285,522,042	271,188,982	281,352,649	280,687,605	285,257,673	262,024,140	260,633,523	297,510,787	581,924,623
Total Assets	$ 432,645,785	$ 416,777,906	$ 397,720,958	$ 366,905,952	$ 350,547,888	$ 349,121,927	$ 322,983,137	$ 321,028,617	$ 364,396,765	$ 662,200,480
Liabilities and Net Assets										
Current Liabilities										
Accounts payable	$ 11,912,802	$ 7,462,134	$ 8,206,977	$ 6,942,035	$ 7,979,039	$ 18,340,134	$ 6,038,274	$ 7,319,363	$ 9,006,424	$ 11,680,552
Accrued liabilities	13,486,057	6,876,858	14,118,003	12,348,108	3,563,098	1,930,873	2,005,048	4,767,206	10,637,390	6,159,163
Other current liabilities	21,710,135	13,250,720	15,097,902	10,813,878	11,164,675	9,346,400	16,339,375	12,575,654	7,404,694	1,299,233
Line of Credit	10,906,077	10,906,077	-							
Current portion of long-term debt	728,288	700,093	10,474,190	648,695	635,572	785,660	742,561	793,738	2,733,847	33,614,866
Total Current Liabilities	58,743,359	39,195,882	47,897,072	30,752,716	23,342,384	30,403,067	25,125,258	25,455,961	29,782,355	52,753,815
Long Term Debt, net of current portion	4,310,832	5,039,120	5,739,213	16,213,414	16,681,345	17,335,501	8,462,920	9,118,913	6,945,507	55,825,631
Other Noncurrent Liabilities	2,133,171	2,567,710	3,399,080	3,695,873	3,955,293	3,062,885	2,938,571	2,216,660	3,256,334	2,126,204
Total Liabilities	65,187,362	46,802,712	57,035,365	50,662,003	43,979,022	50,801,453	36,526,749	36,791,534	39,984,196	110,705,649
Net Assets										
Invested in capital assets, net of related debt	125,295,746	139,019,090	145,109,703	147,851,482	171,093,132	178,545,501	174,593,465	168,836,621	282,974,608	481,051,131
Restricted	202,481,912	202,084,151	165,869,954	148,468,556	92,852,175	88,666,046	78,288,851	79,061,927	19,988,303	33,979,712
Unrestricted	39,680,765	28,871,953	29,705,936	19,923,911	42,623,559	31,108,927	33,574,072	36,338,535	21,449,658	36,463,987
Total Net Assets	367,458,423	369,975,194	340,685,593	316,243,949	306,568,866	298,320,474	286,456,388	284,237,083	324,412,569	551,494,830
Total Liabilities and Net Assets	$ 432,645,785	$ 416,777,906	$ 397,720,958	$ 366,905,952	$ 350,547,888	$ 349,121,927	$ 322,983,137	$ 321,028,617	$ 364,396,765	$ 662,200,480

Note: 1999 Financial Statements were presented prior to GASB 34

The Housing Authority of the City of Atlanta, Georgia

OPERATING AND NON-OPERATING REVENUES AND EXPENSES - unaudited

For the fiscal years ended June 30,

	FISCAL YEAR									
	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Operating revenues										
Operating subsidies	$ 226,048,696	$ 174,261,326	$ 175,078,599	$ 185,380,097	$ 175,552,213	$ 153,332,589	$ 138,152,226	$ 125,541,781	$ 120,902,033	$ 94,803,518
Tenant dwelling revenue	14,472,567	17,282,562	18,405,002	17,608,530	17,054,377	15,848,502	16,247,613	16,870,489	17,847,758	17,361,925
Other revenue	5,306,275	6,561,773	6,437,735	6,187,147	3,319,634	4,244,383	4,055,653	4,018,108	14,907,374	7,366,765
	245,827,538	198,105,661	199,921,336	209,175,774	195,926,224	173,425,474	158,455,492	146,430,378	153,657,165	119,532,208
Operating expenses										
Housing assistance payments	87,870,509	84,812,490	96,382,051	104,855,563	104,999,798	97,623,892	83,284,541	66,714,342	54,955,585	48,284,745
Administrative	46,029,271	36,427,974	34,113,054	36,436,848	34,507,988	32,762,674	34,009,792	28,394,106	32,332,198	21,779,838
Resident services, including relocation	12,176,401	7,422,976	5,445,229	6,732,464	6,035,585	5,489,328	3,634,498	4,974,991	7,139,489	2,855,064
Utilities	12,523,805	15,367,163	15,675,579	16,572,186	15,529,271	13,046,759	14,321,388	15,270,969	15,398,113	14,480,025
Ordinary maintenance and operation	14,278,827	14,662,047	14,947,511	14,271,361	12,755,308	11,263,215	13,481,964	20,098,430	20,027,936	11,632,549
Protective Services	6,650,152	5,916,121	5,589,844	6,823,744	6,567,239	6,231,832	6,877,988	6,480,438	6,469,868	1,365,173
General Expenses	18,930,959	9,087,882	11,013,021	9,715,232	4,795,527	2,695,283	3,085,337	3,265,176	3,014,763	5,481,136
	198,459,924	173,696,653	183,166,289	195,407,398	185,190,716	169,112,983	158,695,508	145,198,452	139,337,952	105,878,530
Depreciation and amortization	11,611,915	13,841,139	13,906,235	15,750,949	13,314,185	12,828,224	13,371,347	10,496,880	9,600,859	-
Net operating income/(loss)	35,755,699	10,567,869	2,848,811	(1,982,573)	(2,578,677)	(8,515,733)	(13,611,363)	(9,264,954)	4,718,354	13,653,678
Non-operating revenue/(expense)										
Interest & investment income	5,458,724	5,722,435	6,197,582	2,089,429	1,528,676	1,620,330	1,559,366	3,548,507	4,003,834	1,649,016
Gain on sale of capital assets	2,533,256	421,431	1,179,361	2,441,081	-	-	-	-	-	209,806
Capital asset write-down	(28,148,332)	(5,721,395)	(632,200)	(11,880,879)	(3,095,441)	-	-	-	(270,115)	-
Other revitalization expenditures	(1,815,878)	(4,030,000)	-	-	-	-	-	-	-	-
Extraordinary sitework and maintenance	(18,980,331)	(5,008,566)	(5,937,887)	(1,794,960)	(5,799,792)	(6,231,432)	(1,863,600)	(2,963,072)	(4,866,672)	(108,608)
Bad debt expense on related development project notes receivable	(3,986,000)	-	-	-	-	-	-	-	-	-
Valuation allowance on related development project notes receivable	(18,736,390)	(2,569,048)	-	-	(6,742,351)	-	(12,554,995)	-	-	-
Interest expense	(866,836)	(957,866)	(900,851)	(741,761)	(723,768)	(510,302)	(461,022)	(694,932)	-	(2,923,376)
Net non-operating revenue/(expense) before multi-year grants used for capitalized expenditures	(64,541,787)	(12,143,009)	(93,995)	(9,887,090)	(14,832,676)	(5,121,404)	(13,320,251)	(109,497)	(1,132,953)	(1,173,163)
Multiyear grants used for capitalized expenditures	26,269,317	30,864,741	21,686,827	21,544,746	25,659,745	25,501,223	29,150,919	38,718,064	44,538,975	55,018,259
Change in Net Assets	$ (2,516,771)	$ 29,289,601	$ 24,441,643	$ 9,675,083	$ 8,248,392	$ 11,864,086	$ 2,219,305	$ 29,343,613	$ 48,124,376	$ 67,498,774

Note: 1999 Financial Statements were presented prior to GASB 34

The Housing Authority of the City of Atlanta, Georgia

COMPOSITION OF HOUSING RESOURCES
PUBLIC HOUSING - unaudited

As of June 30,

Fiscal Year	AHA - Owned Public Housing Units	AHA - Assisted Units in Mixed Income Communities [1]
1999	9,181	572
2000	9,080	779
2001	8,487	1,036
2002	8,086	1,206
2003	7,765	1,247
2004	7,258	1,486
2005	7,258	1,515
2006	6,433	1,653
2007	6,049	1,715
2008	4,183	2,103

[1] *Owned by Public/Private Entities.*

The Housing Authority of the City of Atlanta, Georgia

COMPOSITION OF HOUSING CHOICE VOUCHERS UNDER CONTRACT - unaudited

As of June 30,

Fiscal Year	Housing Choice Tenant Based Vouchers[1]	Housing Choice Project Based Vouchers
1999	9,466	-
2000	9,566	-
2001	10,432	-
2002	10,939	-
2003	11,849	-
2004	10,802	234
2005	10,879	473
2006	10,139	963
2007	9,232	923
2008	9,268	2,008

[1] *Includes both certificates and vouchers under contract. Certificates were converted to vouchers during AHA's FY2000.*

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OPERATING REVENUE CAPACITY

The Housing Authority of the City of Atlanta, Georgia

OPERATING REVENUES - unaudited

For the fiscal years ended June 30,

	Operating Subsidies		Tenant Dwelling Revenues		Other Revenues		Total Operating Revenues		
Year	**Amount**	**Percent of Total**	**Amount**	**Percent of Total**	**Amount**	**Percent of Total**	**Amount**	**Percent of Total**	**Number of AHA Employees**
1999	$ 94,803,518	79.3%	$ 17,361,925	14.5%	$ 7,366,765	6.2%	$ 119,532,208	100.0%	595
2000	120,902,033	78.7%	17,847,758	11.6%	14,907,374	9.7%	153,657,165	100.0%	579
2001	125,541,781	85.7%	16,870,489	11.5%	4,018,108	2.7%	146,430,378	100.0%	530
2002	138,152,226	87.2%	16,247,613	10.3%	4,055,653	2.6%	158,455,492	100.0%	313
2003	153,332,589	88.4%	15,848,502	9.1%	4,244,383	2.4%	173,425,474	100.0%	337
2004	175,552,213	89.6%	17,054,377	8.7%	3,319,634	1.7%	195,926,224	100.0%	311
2005	185,380,097	88.6%	17,608,530	8.4%	6,187,147	3.0%	209,175,774	100.0%	224
2006	174,000,129	87.0%	18,405,002	9.2%	7,516,205	3.8%	199,921,336	100.0%	207
2007	174,261,326	88.0%	17,282,562	8.7%	6,561,773	3.3%	198,105,661	100.0%	233
2008	226,048,696	92.0%	14,472,567	5.9%	5,306,275	2.2%	245,827,538	100.0%	287

Note: Revenues in 1999 were presented prior to GASB 34

DEBT CAPACITY

The Housing Authority of the City of Atlanta, Georgia

LONG-TERM DEBT - unaudited

As of June 30,

Year	Mortgage notes	Capital leases	Bonds	Total long-term debt	Capital assets, net	Ratio of total long-term debt to capital assets, net
1999	$ 3,195,739	$ 4,623,000	$ 48,006,892	$ 55,825,631	$ 481,051,131	11.6%
2000	3,287,234	3,658,273	-	6,945,507	235,289,845	3.0%
2001	720,779	8,398,134	-	9,118,913	178,749,272	5.1%
2002	616,302	7,846,618	-	8,462,920	183,798,946	4.6%
2003	14,330,143	3,005,358	-	17,335,501	196,666,662	8.8%
2004	14,561,602	2,119,743	-	16,681,345	188,410,049	8.9%
2005	14,488,883	1,724,531	-	16,213,414	164,713,591	9.8%
2006	4,423,778	1,315,435	-	5,739,213	151,499,170	3.8%
2007	4,147,045	892,075	-	5,039,120	144,758,303	3.5%
2008	3,857,095	453,737	-	4,310,832	130,334,865	3.3%

DEMOGRAPHIC AND ECONOMIC INFORMATION

Metro Atlanta Chamber of Commerce

ATLANTA, GA MSA
SUMMARY OF ECONOMIC GROWTH 1997-2007

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Population Estimates[1]	3,873,968	4,006,434	4,142,588	4,282,441	4,434,840	4,559,952	4,679,943	4,811,078	4,957,459	5,127,841	5,278,904
Annual Net Population Gain	122,240	132,466	136,154	139,853	152,399	125,112	119,991	131,135	146,381	170,382	151,063
Annual Growth Rate	3.3%	3.4%	3.4%	3.4%	3.6%	2.8%	2.6%	2.8%	3.0%	3.4%	2.9%
Labor Force[2]	2,132,489	2,218,642	2,283,336	2,377,183	2,422,668	2,449,804	2,452,018	2,498,285	2,591,683	2,664,375	2,729,964
Employment[2]	2,054,573	2,145,565	2,215,775	2,304,515	2,335,175	2,330,487	2,334,092	2,380,507	2,457,529	2,544,372	2,613,535
Unemployment Rate[2]	3.7%	3.3%	3.0%	3.1%	3.6%	4.9%	4.8%	4.7%	5.2%	4.5%	4.3%
Nonagricultural Employment[2]	2,036,900	2,128,300	2,228,500	2,289,700	2,301,400	2,258,700	2,236,200	2,266,500	2,336,200	2,403,200	2,457,800
Annual Net Job Creation	66,700	91,400	100,200	61,200	11,700	-42,700	-22,500	30,300	69,700	67,000	54,600
Annual Growth Rate	3.4%	4.5%	4.7%	2.7%	0.5%	-1.9%	-1.0%	1.4%	3.1%	2.9%	2.3%
Total Establishments[3]	n/a	108,111	111,021	113,383	115,170	117,439	122,029	125,986	130,133	134,164	not released
Gross Domestic Product (billions)[4]	n/a	n/a	n/a	n/a	$202.7	$207.9	$214.4	$228.6	$243.7	$257.0	not released
Total Personal Income (billions)[4]	$107.3	$118.7	$128.3	$141.8	$148.0	$149.8	$152.9	$161.9	$174.8	$184.9	$196.8
Per Capita Personal Income[4]	$27,710	$29,618	$30,973	$33,116	$33,382	$32,858	$32,671	$33,662	$35,262	$36,060	$37,294
Bank Deposits (billions)[5]	$46.2	$48.5	$50.5	$55.9	$58.7	$63.6	$75.7	$80.6	$94.5	$109.3	$113.3
Total Housing Units Authorized by Building Permits[6]	49,774	57,803	61,046	64,216	65,268	66,551	66,377	74,007	72,861	68,266	44,770
Single Family	38,482	45,786	48,275	46,747	48,423	50,151	55,033	57,316	61,558	53,927	31,089
Multi-Family & Apartments	11,292	12,017	12,771	17,469	16,845	16,400	11,344	16,691	11,303	14,339	13,681
Commercial Real Estate Net Absorption (million SF)[7]											
Office	6.7	9.9	8.5	8.5	0.7	0.7	1.6	4.6	5.3	4.5	4.0
Industrial	19.3	20.5	15.6	17.5	4.3	-0.6	1.4	14.1	14.2	15.2	10.1
Retail	1.8	3.2	5.1	4.7	2.5	8.0	4.6	3.8	5.7	6.5	3.7
Hartsfield-Jackson Atlanta International Airport[8]											
Total Operations (takeoffs & landings)	794,621	846,881	909,911	915,454	890,494	889,966	911,723	965,204	980,386	976,447	994,346
Total Passengers	68,205,769	73,474,298	78,092,940	80,162,407	75,858,500	76,876,128	79,086,792	83,605,218	85,907,423	84,846,639	89,379,287
International Passengers	3,478,870	4,262,858	5,055,715	5,808,897	5,606,617	5,715,038	5,501,361	6,204,940	6,734,452	8,073,855	8,897,291
Total Freight (metric tons)	628,230	677,468	653,596	650,796	593,847	640,697	683,416	768,739	725,446	738,180	715,359

Sources:
1: 1997-1999 Bureau of Economic Analysis; 2000-2007 U.S. Census Bureau, July estimates (note: the Census 2000 figure was 4,247,981)
2: Bureau of Labor Statistics, not seasonally adjusted
3: A single physical location where business is conducted or where services or industrial operations are performed. U.S. Census Bureau, MSA Business Patterns
4: Bureau of Economic Analysis
5: Federal Deposit Insurance Corporation (FDIC)
6: U.S. Census Bureau, Manufacturing & Construction Division
7: Office & Industrial: CoStar Group; Retail: Dorey Publishing 1997-2001, Costar Group 2002-2007
8: Hartsfield-Jackson Atlanta International Airport
updated by MACOC's Research Department 11/14/2008

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CERTIFICATION TO THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT ("HUD") REGARDING THE HOUSING AUTHORITY OF THE CITY OF ATLANTA, GEORGIA'S FY 2009 MOVING TO WORK ANNUAL REPORT

On behalf of The Housing Authority of the City of Atlanta, Georgia ("AHA"), and in accordance with AHA's Amended and Restated Moving to Work Agreement, effective as of November 13, 2008, as further amended by that certain Second Amendment to the Moving to Work Agreement, effective as of January 16, 2009 (the "MTW Agreement"), I hereby certify the following:

1. At least 75 percent of the households assisted by AHA are very low-income families, as defined in Section 3(b)(2) of the U.S. Housing Act of 1937, as amended;

2. As set forth in AHA's HUD Funding Availability Protocol, dated November 9, 2007, AHA assisted substantially the same total number of eligible low income families as would have been served had the HUD funds which comprise the MTW Funds (as defined in the MTW Agreement) not been combined into a single fund;

3. As set forth in AHA's HUD Funding Availability Protocol, dated November 9, 2007, AHA maintained a comparable mix of families (by family size) as would have been served or assisted had the MTW Funds made available to AHA not been used under the MTW demonstration; and

4. AHA's FY 2009 Moving to Work Annual Report meets the substantive information reporting requirements of the Paperwork Reduction Act for the MTW Demonstration Program and HUD Form 50900 (OMB Control Number 2577-0216).

All capitalized terms used but not defined herein shall have their respective meaning as set forth in the MTW Agreement.

THE HOUSING AUTHORITY OF THE CITY OF ATLANTA, GEORGIA

BY: ______________________
Name: Renée Lewis Glover
Title: President and CEO
Date: September __, 2009

2676010v1

SECRETARY'S CERTIFICATE

I, RENÉE LEWIS GLOVER, DO HEREBY CERTIFY that:

1. I am the presently appointed and qualified Secretary of the Board of Commissioners of The Housing Authority of the City of Atlanta, Georgia ("AHA"). In such capacity, I am custodian of its records and I am familiar with its organization, membership and activities.

2. Attached hereto as Exhibit 1 is a true and correct copy of the resolution authorizing AHA to submit its Fiscal Year 2009 Moving To Work (MTW) Annual Report to the United States Department of Housing and Urban Development in accordance with AHA's Amended and Restated MTW Agreement, and other related matters.

3. This resolution was presented to the AHA Board of Commissioners (the "Board") at its Regular Meeting on September 29, 2009 (the "Meeting").

4. The following Board members were present for the Meeting:

   Cecil Phillips, Chair
   Elder James Brown, Vice Chair
   Justine Boyd
   Margarette Paulyne Morgan White

5. At the Meeting, the Board unanimously adopted and approved the resolution attached hereto as Exhibit 1.

IN WITNESS WHEREOF, I have hereunto set my hand and the duly adopted official seal of The Housing Authority of the City of Atlanta, Georgia this 29th day of September, 2009.

RENÉE LEWIS GLOVER,
Secretary

SEAL

THE HOUSING AUTHORITY OF THE CITY OF ATLANTA, GEORGIA
CORPORATE
SEAL
1938

EXHIBIT 1
RESOLUTION ADOPTED AT THE REGULAR MEETING
OF THE BOARD OF COMMISSIONERS HELD ON
TUESDAY, SEPTEMBER 29, 2009

RESOLUTION

WHEREAS, The Housing Authority of the City of Atlanta, Georgia (AHA) executed its Amended and Restated Moving To Work Agreement, effective as of November 13, 2008, as further amended by that certain Second Amendment to the Moving To Work Agreement, effective as of January 16, 2009 (Amended and Restated MTW Agreement) with the United States Department of Housing and Urban Development (HUD);

WHEREAS, the Amended and Restated MTW Agreement is effective through June 30, 2018, unless further extended;

WHEREAS, the Amended and Restated MTW Agreement may be extended for additional ten year terms, with HUD's consent, provided AHA is in compliance thereunder;

WHEREAS, under the Amended and Restated MTW Agreement, AHA is required to submit an MTW Annual Report to HUD which, except for certain reports identified in the Amended and Restated MTW Agreement, will replace all other conventional HUD performance measures, including the Public Housing Assessment System (PHAS) and Section 8 Management Assessment Program (SEMAP);

WHEREAS, the Fiscal Year (FY) 2009 MTW Annual Report must be submitted to HUD by September 30, 2009;

WHEREAS, AHA's Amended and Restated MTW Agreement identifies specific types of information that are required to be included in the MTW Annual Report;

WHEREAS, this information includes: households served, occupancy policies, changes in housing stock, sources and amounts of funding, uses of funds, capital planning, management information for the Housing Choice Program and management information for public housing-assisted units, including occupancy rates, rent collections, work order management, inspections, security and resident programs;

WHEREAS, additionally, AHA's Amended and Restated MTW Agreement includes performance benchmarks designed to evaluate AHA's performance during the term of the Amended and Restated MTW Agreement;

WHEREAS, AHA's performance against the benchmarks is summarized in Exhibit EO-1-A;

WHEREAS, AHA's Amended and Restated MTW Agreement also requires AHA to conduct an annual reevaluation of the impact of its rent policy changes; and

WHEREAS, AHA's FY 2009 rent impact analysis is attached hereto as Exhibit EO-1-B.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF ATLANTA, GEORGIA (AHA) that AHA's Fiscal Year (FY) 2009 Moving To Work (MTW) Annual Report is hereby approved. Further, the President and Chief Executive Officer is authorized to submit AHA's FY 2009 MTW Annual Report and such other required documents, certifications or forms to the United States Department of Housing and Urban Development (HUD) with such changes, additions or corrections as she shall deem necessary or appropriate or as may be required by HUD without further vote or approval of this Board. Further, the Chair of the Board of Commissioners and the President and Chief Executive Officer are hereby authorized to execute any required documents, certifications or HUD forms related to the approval and filing of AHA's FY 2009 MTW Annual Report without further vote or approval of this Board. Further, the President and Chief Executive Officer is hereby authorized to make such changes to AHA's FY 2009 MTW Annual Report as may be necessary or appropriate without further vote or approval of this Board.

EXHIBIT EO-1-A

FY 2009 MTW PROGRAM BENCHMARKS – MEASURABLE OUTCOMES

Clarified Performance Measure Definition	Baseline	FY09 Target	FY09 Outcome
Public Housing Program (See Note A Below.)			
% Rents Uncollected Gross tenant rents receivable for the Fiscal Year (FY) divided by the amount of tenant rents billed during the FY shall be less than or equal to the target benchmark.	2%	≤2%	**2%**
Occupancy Rate The ratio of occupied public housing units to available units as of the last day of the FY will be greater than or equal to the target benchmark. (**See Note B below.**).	98%	≥98%	**98%**
Emergency Work Orders Completed or Abated in <24 Hours The percentage of emergency work orders that are completed or abated within 24 hours of issuance of the work order shall be greater than or equal to the target benchmark. (Abated is defined as "emergency resolved through temporary measure, and a work order for long term resolution has been issued.")	99%	≥99%	**100%**
Routine Work Orders Completed in ≤ 7 Days The average number of days that all non-emergency work orders will be active during the FY shall be less than or equal to 7 days.	5 Days	100% (≤7 Days)	**100% (avg = 1.15 Days)**

EXHIBIT EO-1-A

FY 2009 MTW PROGRAM BENCHMARKS – MEASURABLE OUTCOMES

Clarified Performance Measure Definition	Baseline	FY09 Target	FY09 Outcome
Public Housing Program (See Note A Below.) - *continued*			
% Planned Inspections Completed The percentage of all occupied units and common areas that are inspected during the FY shall be greater than or equal to the target benchmark. **(See Note C below.)**	100%	100%	**100%**
Housing Choice Program (Section 8)			
Budget Utilization Rate The expenditure of FY Housing Choice Annual Budget allocation for MTW vouchers utilized for MTW eligible activities will be greater than or equal to the target benchmark of 98%. **(See Note D below.)**	98%	≥98%	**100%**
% Planned Annual Inspections Completed The percentage of all occupied units under contract that are inspected directly by AHA or any other agency responsible for monitoring the property during the FY shall be greater than or equal to the target benchmark by the last day of the FY.	98%	≥98%	**100%**[1]

[1] This percentage reflects inspections completed on tenant-based Section 8 units under AHA's Housing Choice Program and Project Based Rental Assisted-units. The PBRA-assisted units are inspected at least annually in accordance with the PBRA Agreement between AHA and the private owners of the properties.

EXHIBIT EO-1-A

FY 2009 MTW PROGRAM BENCHMARKS – MEASURABLE OUTCOMES

Clarified Performance Measure Definition	Baseline	FY09 Target	FY09 Outcome
Housing Choice Program (Section 8) *- continued*			
Quality Control Inspections The percentage of all previously inspected units having a quality control inspection during the FY shall be greater than or equal to the target benchmark.	≥1.4%	≥1.4%	**7%**
Community and Supportive Services			
Resident Homeownership The number of Public Housing residents or Housing Choice Voucher participants, and other income eligible families who close on purchasing a home during the FY, regardless of participation in a homeownership counseling program, shall be greater than or equal to the target benchmark.	6	110	**71**[2]
Household Work / Program Compliance The annual percentage of Public Housing and Housing Choice assisted households that are Work/Program compliant (excluding elderly and disabled members of the households) through the last day of the FY shall be greater than or equal to the target benchmark. **(See Note E below.)**	N / A	74%	**62%**[3]

[2] See Explanation beginning on page B-5.
[3] See Explanation beginning on page B-7.

EXHIBIT EO-1-A

FY 2009 MTW PROGRAM BENCHMARKS – MEASURABLE OUTCOMES

Clarified Performance Measure Definition	Baseline	FY09 Target	FY09 Outcome
Finance			
Project Based Financing Closings The annual number of projects to which AHA will commit project-based rental assistance[4] and/or make an investment of MTW funds **(See Note F below.)**	N/A	6	**13**
Investment Deals Involving MTW Funds The annual number of mixed-income communities owned by private entities where AHA committed project based rental assistance[5] to promote or support the development or rehabilitation of housing units, a percentage of which are affordable to low-income families **(See Note G below.)**	0	1	**0**[6]

[4] Formerly referred to as Project Based Vouchers

[5] Also formerly referred to as Project Based Vouchers

[6] The economic downturn impacted private sector investment in development/rehabilitation activities during FY 2009.

EXHIBIT EO-1-A

FY 2009 MTW PROGRAM BENCHMARKS – MEASURABLE OUTCOMES

Resident Homeownership Benchmark Explanation:

During FY 2009, AHA experienced the effects of the downturn in housing sales consistent with national trends (see Figure 1 below). Tightened financial markets which impacted the availability of credit for mortgage loans (see Figure 2 below) and spikes in the unemployment rate (see Figure 3 below) which reduced the pool of eligible buyers, impacted AHA's ability in achieving its homeownership program benchmark target during FY 2009. Additionally, during FY 2009, AHA's Housing Choice Homeownership program was suspended in order to restructure program policies, procedures and participant requirements, resulting in a limited processing period and reduced participation. Despite this, of the targeted homeownership goal, 71 AHA-assisted households were still able to close on home purchases through various programs. This represents a 65 percent success rate, which in these economic times is a substantial achievement. AHA will continue connecting interested and qualified participants to homebuyer readiness training and programs, in collaboration with experienced housing counseling agencies, for families interested in achieving the goal of homeownership.

Figure 1: Shows the trend of new, one-family houses sold in the U.S. from January 2000 through March 2009.

Source*:* *U.S. Census Bureau*

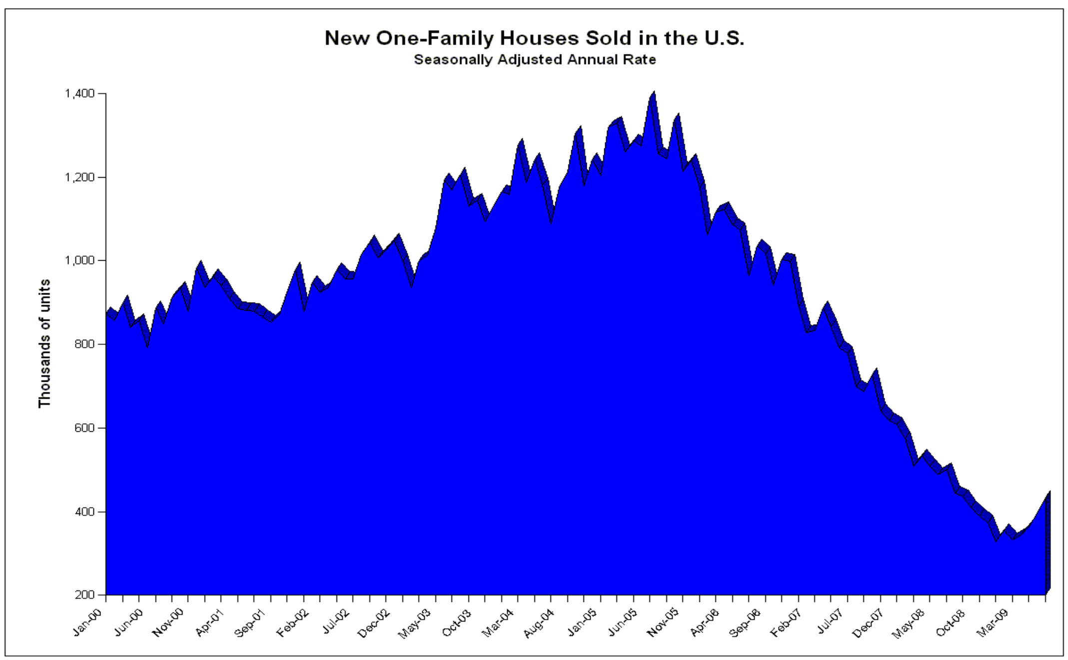
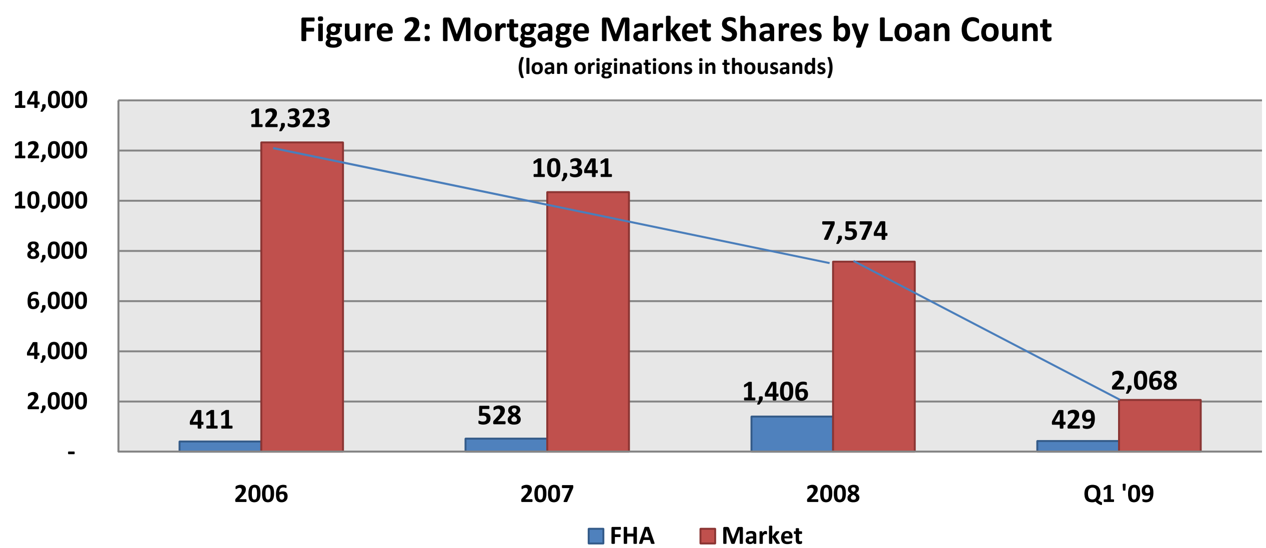


EXHIBIT EO-1-A

FY 2009 MTW PROGRAM BENCHMARKS – MEASURABLE OUTCOMES

Resident Homeownership Benchmark Explanation - *continued*:

Figure 2 shows the loan counts for the mortgage market and FHA between 2006 and the first quarter of 2009; it shows that there has been a steady decline in the number of mortgage loans each year. Since the start of the Economic Recession (January 2008), the financial markets have tightened and banks have limited consumers' access to credit and mortgage loans.



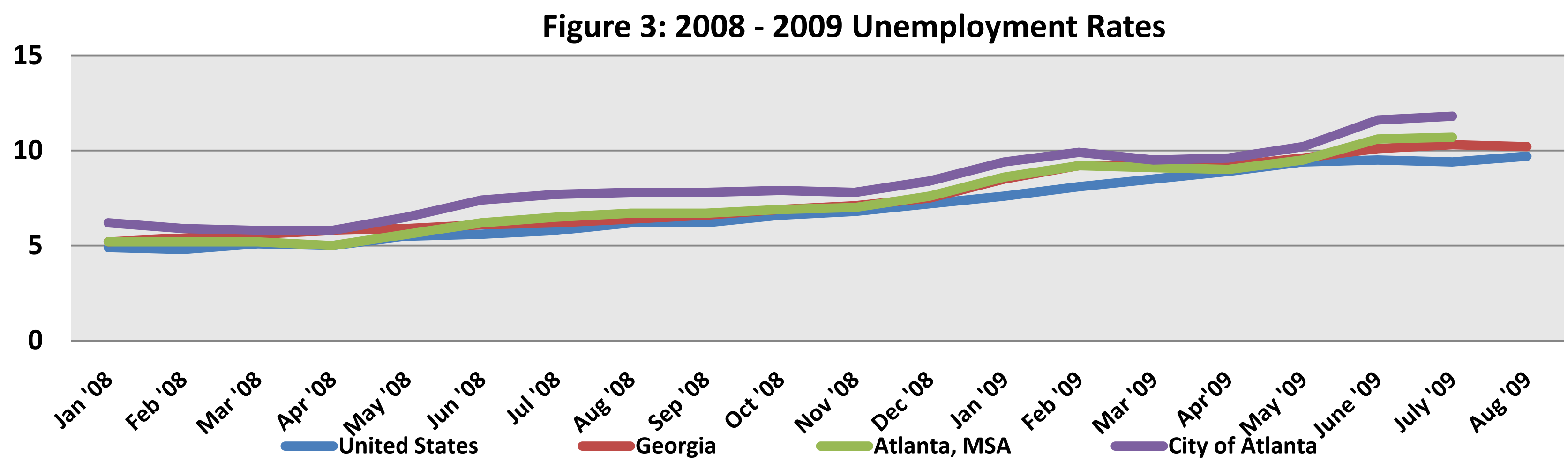
Sources: *Federal Housing Administration, Department of Housing and Urban Development; Mortgage Bankers Association; First American Loan Performance; Department of Veterans Affairs*

EXHIBIT EO-1-A

FY 2009 MTW PROGRAM BENCHMARKS – MEASURABLE OUTCOMES

Work / Program Compliance Benchmark Explanation:

Figure 3 illustrates rising unemployment trends from January 2008 to August 2009 for Georgia, the Atlanta Metro region, and the City of Atlanta, which have been consistently higher than the national unemployment rates. By the end of FY 2009, the US unemployment rate peaked at 9.5, while Georgia's unemployment rates exceeded the national rate, peaking in the double digits: the City of Atlanta - 11.8; Atlanta Metro region - 10.7 and Georgia - 10.3.



Source: *Bureau of Labor Statistics*

The steady rise in unemployment has contributed to the decline in AHA's family work/program compliance benchmark, which dropped from 71 percent in FY 2008 to 62 percent in FY 2009. For the remaining households that did not meet the work/program compliance requirement (38 percent), the personal circumstances of each household are reviewed and, when appropriate, the household's work compliance standing is placed in a deferment status provided the household is cooperating with AHA and participating in a training and/or education program. This status means that termination of assistance is "deferred" for a specified period of time and allows AHA and its human service providers an opportunity to examine families' personal circumstances and provide more intensive assistance in connecting them to needed resources.

EXHIBIT EO-1-A

FY 2009 MTW PROGRAM BENCHMARKS – MEASURABLE OUTCOMES

Work / Program Compliance Benchmark Explanation: *continued*

Examples of prevailing circumstances by which a deferment is offered:

1. At least one target household member is working full-time at 30 or more hours per week, but the remaining target household members are not compliant. (See Note E for compliance definition.)
2. All target household members are working, but not at the full-time equivalent of 30 or more hours.
3. All target household members are attending training or school full-time and there is no target household member working full-time.
4. A target household member is self-employed and working full-time, but not earning a gross income amount equivalent to the income earned working full-time at the federally mandated minimum wage rate.
5. A target household member was working full-time and recently became unemployed through no fault of their own.
6. A target household member is temporarily disabled or experiencing a verified short-term disability.
7. A target household member, who is not disabled, is not able to maintain a job due to physical or mental health issues.
8. A target household member not employed because he or she is a caregiver for a household member who has a disability.
9. A target household is impacted by AHA Quality of Life-related relocation.

All of the non-compliant households relocating under AHA's Quality of Life Initiative (QLI) were placed in deferment status for a year to allow time for these households to transition and get settled in their new living environments. Additionally, because of the effects of the downturn in the economy and high unemployment rates, AHA is sensitive to this and is proactively working with families, through its human development service providers to make sure the housing subsidy is not terminated when families experience circumstances beyond their control.

EXHIBIT EO-1-A

FY 2009 MTW PROGRAM BENCHMARKS – MEASURABLE OUTCOMES

Notes:

A. **Public Housing Program - General.** Information for the Public Housing Program includes information for both AHA-owned public housing communities and the public housing assisted units at AHA-sponsored mixed-income communities ("Signature Properties").

B. **Public Housing Program – Occupancy Rates.** Available Units: Units that are defined as dwelling units (occupied or vacant) under AHA's Annual Contributions Contract), that are available for occupancy, after adjusting for four categories of exclusions:

1. Units Approved For Non-Dwelling Use: These are units that are HUD approved for non-dwelling status for the use in the provision of social services, charitable purposes, public safety activities, and resident services, or used in the support of economic self-sufficiency and anti-drug activities.
2. Employee Occupied Units: These are units that are occupied by employees, who are needed at the site, rather than the occupancy being subject to the normal resident selection process.
3. Vacant Units Approved For Deprogramming: These are units that are HUD approved for demolition/disposition.
4. Temporarily Off-Line Units: These are units undergoing modernization and/or major rehabilitation.

C. **Public Housing Program** - % **Planned Inspections Completed.** Units exempted from the calculation for this purpose include the following:

1. Occupied units for which AHA has documented two attempts to inspect the unit and where AHA has initiated eviction proceedings with respect to that unit;
2. Vacant units that are undergoing capital improvements;
3. Vacant units that are uninhabitable for reasons beyond AHA's control due to:
   a) Unsafe levels of hazardous/toxic materials;
   b) An order or directive by a local, state or federal government agency;
   c) Natural disasters; or
   d) Units kept vacant because they are structurally unsound and AHA has taken action to rehabilitate or demolish those units.
4. Vacant units covered in an approved demolition or disposition application.

EXHIBIT EO-1-A

FY 2009 MTW PROGRAM BENCHMARKS – MEASURABLE OUTCOMES

D. Housing Choice Budget Utilization. AHA's MTW Housing Choice Budget Utilization benchmark requires that the expenditure of fiscal year Housing Choice Annual Budget allocation for MTW vouchers utilized for MTW eligible activities be greater than or equal to the target benchmark of 98%. In its FY 2007 MTW Implementation Plan, AHA added clarifying language for this benchmark. As part of the FY 2008 MTW Implementation Plan, AHA has included further clarifying language that the 98% expenditure rate only applies to vouchers that are fully funded during AHA's entire fiscal year, and that any new vouchers received intermittently during the fiscal year are excluded from the 98% requirement until the following fiscal year until such time that a 12-month period has elapsed. AHA is making this clarification in light of changes that HUD has made in funding vouchers based on a calendar year rather than on an agency's fiscal year.

E. Community and Supportive Services – Household Work/Program Compliance. This benchmark is further clarified to align the previous Resident Workforce Participation benchmark with measuring resident and participant compliance with AHA's Work/Program Compliance policy. Since the execution of AHA's MTW Agreement, the agency has implemented a Work/Program Compliance policy requiring one adult (age 18-61, excluding elderly and disabled persons) in the household to work full-time at least 30 hours per week and all other adults in the household to be either work or program compliant (see table for compliance meanings).

CATALYST Compliance Meanings	
Full-time Worker	• Employed for 30 or more hours per week
Participation in an approved program	• attending an accredited school as a "full-time" student • participating in an approved "full-time" training program • attending an accredited school as a "part-time" student, AND successfully participating in an approved "part-time" training program
Part-time Job and Part-time Program Participant	• Employed as a part-time employee (at least 16 hours) AND successfully participating in an approved training program • Employed as a part-time employee (at least 16 hours) AND successfully participating in an accredited school as a "part-time" student

EXHIBIT EO-1-A

FY 2009 MTW PROGRAM BENCHMARKS – MEASURABLE OUTCOMES

The following timelines apply to households subject to AHA's Work/Program Compliance requirements:

By 12/31/05: At least 1 target adult in the household is required to be work/program compliant

By 6/30/06 and thereafter: At least 1 target adult in the household is required to be working full-time and all other adults in the household to be either work or program compliant

F. Project-based Financing Closings - Finance. This benchmark is further clarified with measuring AHA's progress in facilitating the creation of healthy mixed-income communities owned by private entities by committing project-based rental assistance and/or investing MTW funds to promote or support the development or rehabilitation of housing units that are affordable to low-income families.

G. Investment Deals Involving MTW Funds – Finance. This benchmark is further clarified to align to measure AHA's progress in facilitating the creation of mixed-income communities owned by private entities by committing project-based rental assistance and/or investing MTW funds to promote or support the development or rehabilitation of housing units that are affordable to low-income families.

EXHIBIT EO-1-B

MINIMUM RENT POLICY IMPACT ANALYSIS

PART I

SECTION 9 MINIMUM RENT POLICY:

Part III, Article One, Paragraphs 9 -10 of the *Statement of Corporate Policies Governing the Leasing and Residency of Assisted Apartments - Rev.4* outlines this policy:

1. Residents paying an Income Adjusted Rent must pay a minimum rent of $125, or such lesser or greater amount as Atlanta Housing Authority may set from time to time.
2. The minimum rent requirement does not apply to resident households, in which all household members are either elderly and/or disabled, and whose sole source of income is Social Security, SSI, or other fixed annuity pension or retirement plans. Such resident households will still be required to pay the Income Adjusted Rent or Affordable Fixed Rent, as applicable.

IMPACT ANALYSIS:

Chart 1 compares the FY 2008 and the FY 2009 rents paid by the households residing in AHA-owned Public Housing Communities. The analysis excludes Elderly and Disabled households exempted under the Minimum Rent Policy.

In FY 2008, 88% or **1,164** of the resident households paid rents greater than the Minimum Rent. Another 12% or **158** were paying rents at the $125 Minimum Rent level. Additionally, 0.0% or **0** households of all resident households were paying less than the Minimum Rent under approved hardship exemptions.

In FY 2009, 90.1% or **195** of the resident households paid rents greater than the Minimum Rent. Another 9.3% or **20** were paying rent at the $125 Minimum Rent level. Additionally, 0.5% or **1** household of all resident households were paying less than the Minimum Rent under approved hardship exemptions. (Due to the relocation of households under the Quality of Life Initiative, the number of households residing in AHA-owned Public Housing Communities was reduced by 83.6% between FY 2008 and FY 2009.)

The chart also shows that a substantial number of the households residing in AHA-owned Public Housing Communities are paying rents greater than Minimum Rent. In fact, the chart reflects increases from FY 2008 to FY 2009 in the percentage of households paying rent amounts in the range of $200 - $400.

PART II

HOUSING CHOICE PROGRAM MINIMUM RENT POLICY:

Part IV, Article Four, of the *Statement of Policies Governing the Housing Choice Tenant Based Program – Rev. 7* outlines this policy:

1. Participants must pay a minimum rent of $125, or such other amount approved by Atlanta Housing Authority.
2. The minimum rent requirement does not apply to Participant households in which all household members are either elderly and/or disabled.

IMPACT ANALYSIS:

Chart 2 compares the FY 2008 and the FY 2009 tenant rents paid by Housing Choice Program households. The analysis excludes Elderly and Disabled households exempted under the Minimum Rent Policy.

In FY 2008, 81.7% or **5,612** of Housing Choice households paid rents greater than the Minimum Rent. Another 18.1% or **1,249** were paying rents at the $125 Minimum Rent level. Additionally, 0.3% or **21** households of all households were paying less than the Minimum Rent under approved hardship exemptions.

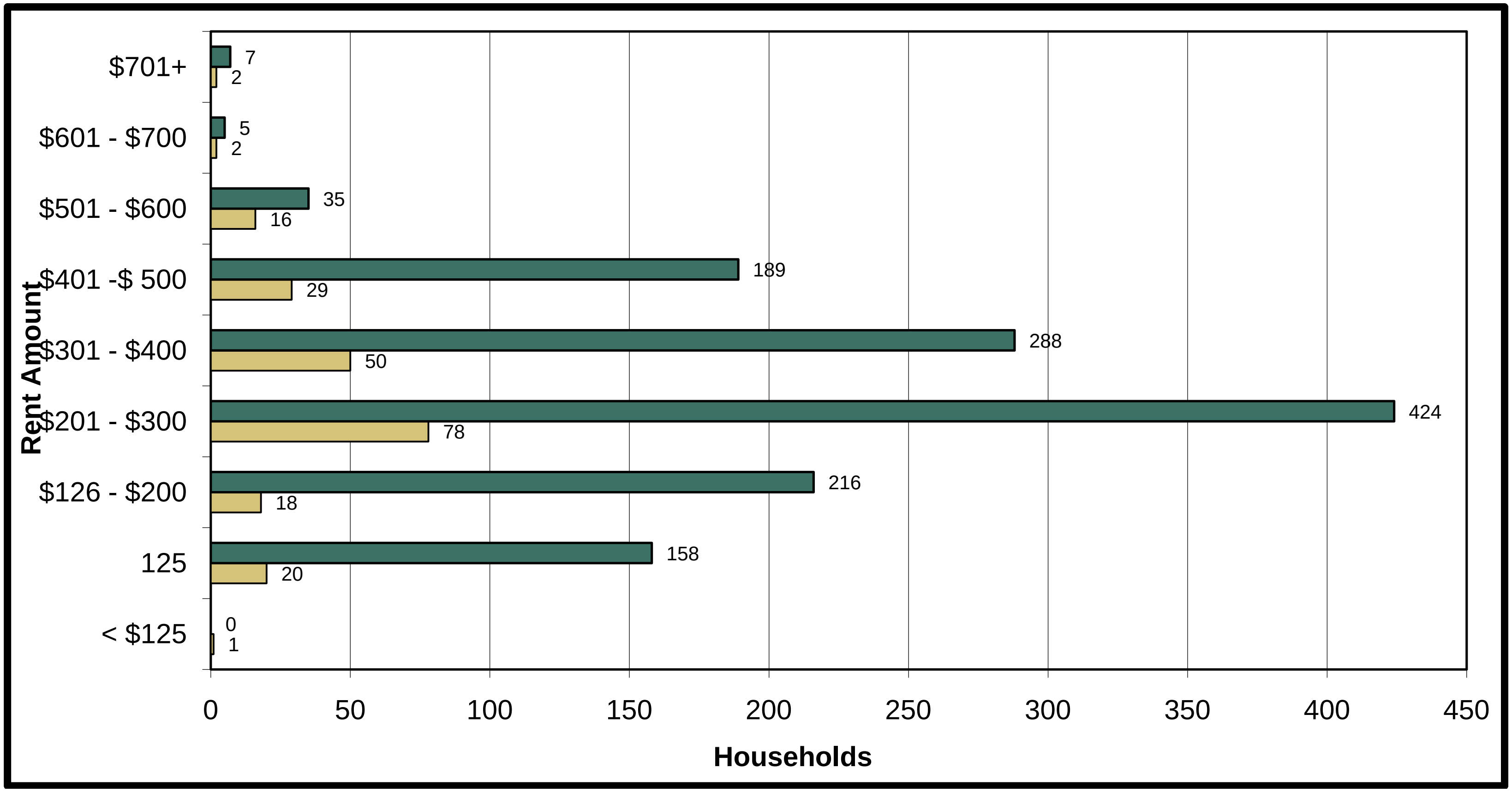
In FY 2009, 80.6% or **5,862** of Housing Choice households paid rents greater than the Minimum Rent. Another 19.4% or **1,410** were paying rent at the $125 Minimum Rent level. Additionally, 0.2% or **11** households of all households were paying less than the Minimum Rent under approved hardship exemptions.

These comparisons also illustrate that a substantial number of households paid rents greater than Minimum Rent.

IMPACT ANALYSIS CONCLUSION

The Minimum Rent Policy does not have a negative impact on assisted families.

EXHIBIT EO-1-B Chart 1 - Minimum Rent Policy Impact Analysis
Public Housing



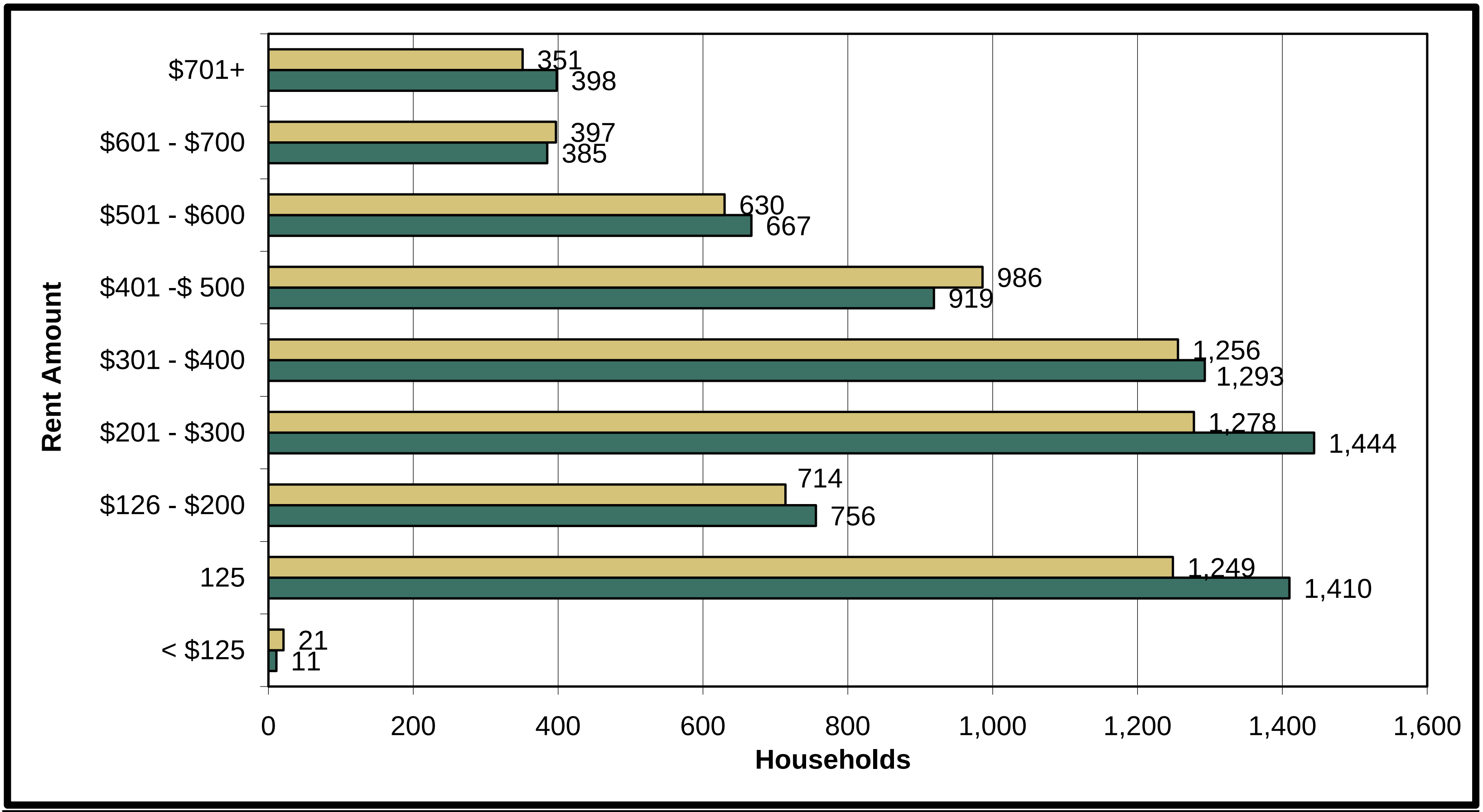
FY 09

Rent Amount	< $125	125	$126 - $200	$201 - $300	$301 - $400	$401 -$ 500	$501 - $600	$601 - $700	$701+	Total
Total Households	1	20	18	78	50	29	16	2	2	216
%	0.5%	9.3%	8.3%	36.1%	23.1%	13.4%	7.4%	0.9%	0.9%	100.0%

FY 08

Rent Amount	< $125	125	$126 - $200	$201 - $300	$301 - $400	$401 -$ 500	$501 - $600	$601 - $700	$701+	Total
Total Households	0	158	216	424	288	189	35	5	7	1322
%	0.0%	12.0%	16.3%	32.1%	21.8%	14.3%	2.6%	0.4%	0.5%	100.0%

EXHIBIT EO-1-B Chart 2 - Minimum Rent Policy Impact Analysis
Housing Choice



FY 09

Rent Amount	< $125	125	$126 - $200	$201 - $300	$301 - $400	$401 -$ 500	$501 - $600	$601 - $700	$701+	Total
Total Households	11	1,410	756	1,444	1,293	919	667	385	398	7,283
%	0.2%	19.4%	10.4%	19.8%	17.8%	12.6%	9.2%	5.3%	5.5%	100%

FY 08

Rent Amount	< $125	125	$126 - $200	$201 - $300	$301 - $400	$401 -$ 500	$501 - $600	$601 - $700	$701+	Total
Total Households	21	1,249	714	1,278	1,256	986	630	397	351	6,882
%	0.3%	18.1%	10.4%	18.6%	18.3%	14.3%	9.2%	5.8%	5.1%	100.0%

EXHIBIT EO-1-B

ELDERLY INCOME DISREGARD POLICY IMPACT ANALYSIS

PART I

SECTION 9 ELDERLY INCOME DISREGARD POLICY:

Part III, Article One, Paragraph 11 of the *Statement of Corporate Policies Governing the Leasing and Residency of Assisted Apartments – Rev. 4* outlines this policy:

> Under the Elderly Income Disregard policy, if an Elderly Resident, whose sole source of income is Social Security, SSI, and/or other fixed annuity pension and retirement plan income (Annual Fixed Income), becomes employed on a temporary, part-time, or other limited basis which does not result in the discontinuance of the Elderly Resident's Annual Fixed Income, the Elderly Resident's employment income will not be utilized in calculating annual income, and will be permanently disregarded thereafter.

IMPACT ANALYSIS: The Elderly Income Disregard Policy does not have a negative impact on Elderly households assisted in AHA-owned Public Housing Communities or AHA-sponsored mixed-income Signature Communities that receive public housing operating subsidy. As illustrated in the chart below of all Elderly households residing in AHA-owned Public Housing Communities only 3% (4 households) are subject to the policy. Similarly, for public housing assisted Elderly households in AHA-sponsored mixed income communities, there were no reported households subject to the policy. AHA concludes there is no negative impact because a substantial majority of the Elderly households receiving a fixed income or employment income only, which are households not subject to the policy.

PART II

HOUSING CHOICE ELDERLY INCOME DISREGARD POLICY:

Part IV, Article Five of the *Statement of Policies Governing the Housing Choice Tenant-Based Program* outlines this policy:

> Atlanta Housing Authority has created an Elderly Income Disregard program. If an Elderly participant, whose sole source of income is Social Security, SSI, or other fixed annuity pension and retirement plan income (Annual Fixed Income), becomes employed on a temporary, part-time, or other limited basis which does not result in the discontinuance of the Elderly participant's Annual Fixed Income, the Elderly participant's employment income will not be utilized in calculating annual income, and will be permanently disregarded thereafter. Such Elderly participants will still be expected to pay the Income Adjusted Rent based on the Annual Fixed Income and any adjustments to the Annual Fixed Income.

Part XV of the *Statement of Policies Governing the Housing Choice Tenant-Based Program* provides the policy direction for Project Based Rental Assistance (PBRA). Under PBRA, all program activities are administered at the property level by the owner entity's professional management agent. Although PBRA is administered independent of and separate from the Housing Choice Tenant-Based Program, the Elderly Income Disregard policy as stated above is applicable to PBRA Elderly households.

IMPACT ANALYSIS: The Elderly Income Disregard Policy does not have a negative impact on Elderly households assisted in AHA's Housing Choice tenant-based or PBRA programs. As illustrated in the chart below, only 4% or 41 households in the Housing Choice tenant based program were subject to the policy while there are no reported households subject to the policy under the PBRA program. AHA concludes there is no negative impact because a substantial majority of the Elderly households being on fixed income or employment income only, which are households not subject to the policy.

ELDERLY INCOME DISREGARD POLICY IMPACT ANALYSIS

Elderly Income Status	Fixed Income Only		Employment Income Only		Fixed and Employment (Receives Elderly Income Disregard)		Fixed and Employment (Does not receive Elderly Income Disregard)		Total Elderly Households
	Number	%	Number	%	Number	%	Number	%	
Public Housing Elderly	1,242	96.7%	20	1.6%	4	0.3%	18	1.4%	1,284
Average Rent	$221		$365		$164		$441		
Housing Choice (Tenant Based) Elderly	977	92%	21	2%	41	4%	20	2%	1,059
Average TTP	$241		$421		$470		$639		
PBRA Elderly	1,964	77.1%	583	22.8%					2,547
Signature Elderly	635	32.9%	1,294	67%					1,929

In FY 2009 (December 2008), AHA received Board Approval of the rent impact analysis supporting implementation of Standard Income Deductions. Schedule for the Rent Simplification Policy. The following is the Board-Approved Resolution for this Rent Impact Analysis.

EXECUTIVE SUMMARY TO ITEM NO. OPR-1

This resolution, if approved, would authorize The Housing Authority of the City of Atlanta, Georgia (AHA) to approve the impact analysis supporting the implementation of policies for setting rents and subsidy levels as required pursuant to AHA's Amended and Restated Moving to Work Agreement, and other related matters.

PREPARED FOR THE REGULAR MEETING
OF THE BOARD OF COMMISSIONERS TO BE HELD
WEDNESDAY, DECEMBER 17, 2008

ITEM NO. OPR-1:

To consider and act upon a resolution authorizing The Housing Authority of the City of Atlanta, Georgia (AHA) to approve the impact analysis supporting the implementation of policies for setting rents and subsidy levels as required pursuant to AHA's Amended and Restated Moving to Work Agreement, and other related matters.

EXPLANATION

This resolution will authorize The Housing Authority of the City of Atlanta, Georgia (AHA) to approve the impact analysis supporting the implementation of standard deductions in determining adjusted annual income of assisted households (Standard Income Deductions) pursuant to policies set forth in the Statement of Corporate Policies Governing the Leasing and Residency of Assisted Apartments - Rev.4 (Statement of Corporate Policies), approved and adopted by the AHA Board of Commissioners on April 30, 2008, and the Statement of Policies Governing the Housing Choice Tenant-Based Program – Rev. 7 (Housing Choice Statement of Corporate Policies), approved and adopted by the AHA Board of Commissioners on September 3, 2008. The policies for Standard Income Deductions were presented in a public hearing conducted on April 19, 2007 and initially approved by the AHA Board of Commissioners on April 25, 2007 and included in AHA's FY 2008 and FY 2009 Annual Plan submissions.

AHA's Amended and Restated Moving to Work Agreement, effective as of November 13, 2008 between AHA and the United States Department of Housing and Urban Development (HUD) (Amended and Restated MTW Agreement), provides in Attachment D, Article I, § O that, notwithstanding the U.S. Housing Act of 1937, as amended, AHA may adopt and implement any reasonable policies for setting rents for Section 9 assisted units, or rents or subsidy levels for Section 8 housing assistance, including both tenant-based assistance and project-based rental assistance, provided that among other steps, AHA conducts an annual analysis of the impact such rent and subsidy level policies would have on assisted families, provides a reasonable transition period for rent increases, if any, for existing assisted families and addresses hardship cases in accordance with policies adopted by AHA. AHA's initial MTW Agreement, effective July 3, 2003, contained the same provisions in Article I, § I. Pursuant to the Amended and Restated MTW Agreement, the Standard Income Deductions will be effective upon submission to HUD of this resolution approved by the AHA Board of Commissioners adopting the impact analysis detailed in Exhibit OPR-1-A supporting rent and subsidy level policies related to the Standard Income Deductions.

Senior Management recommends the adoption of the supporting impact analysis detailed in Exhibit OPR-1-A and the implementation of the FY 2009 Standard Income Deductions as previously approved by the AHA Board of Commissioners.

RESOLUTION

WHEREAS, this resolution will authorize The Housing Authority of the City of Atlanta, Georgia (AHA) to approve the impact analysis supporting the implementation of standard deductions in determining adjusted annual income of assisted households (Standard Income Deductions) pursuant to policies set forth in the Statement of Corporate Policies Governing the Leasing and Residency of Assisted Apartments - Rev.4 (Statement of Corporate Policies), approved and adopted by the AHA Board of Commissioners on April 30, 2008, and the Statement of Policies Governing the Housing Choice Tenant-Based Program – Rev. 7 (Housing Choice Statement of Corporate Policies), approved and adopted by the AHA Board of Commissioners on September 3, 2008;

WHEREAS, the policies for Standard Income Deductions were presented in a public hearing conducted on April 19, 2007 and initially approved by the AHA Board of Commissioners on April 25, 2007 and included in AHA's FY 2008 and FY 2009 Annual Plan submissions;

WHEREAS, AHA's Amended and Restated Moving to Work Agreement, effective as of November 13, 2008 between AHA and the United States Department of Housing and Urban Development (HUD) (Amended and Restated MTW Agreement), provides in Attachment D, Article I, § O that, notwithstanding the U.S. Housing Act of 1937, as amended, AHA may adopt and implement any reasonable policies for setting rents for Section 9 assisted units, or rents or subsidy levels for Section 8 housing assistance, including both tenant-based assistance and project-based rental assistance, provided that among other steps, AHA conducts an annual analysis of the impact such rent and subsidy level policies would have on assisted families, provides a reasonable transition period for rent increases, if any, for existing assisted families and addresses hardship cases in accordance with policies adopted by AHA;

WHEREAS, AHA's initial MTW Agreement, effective July 3, 2003, contained the same provisions in Article I, § I;

WHEREAS, pursuant to the Amended and Restated MTW Agreement, the Standard Income Deductions will be effective upon submission to HUD of this resolution approved by the AHA Board of Commissioners adopting the impact analysis detailed in Exhibit OPR-1-A supporting rent and subsidy level policies related to the Standard Income Deductions; and

WHEREAS, Senior Management recommends the adoption of the supporting impact analysis detailed in Exhibit OPR-1-A and the implementation of the FY 2009 Standard Income Deductions as previously approved by the AHA Board of Commissioners.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF ATLANTA, GEORGIA, that the impact analysis detailed in Exhibit OPR-1-A supporting the implementation of the policies for setting rents and subsidy levels relating to Standard Income Deductions to be used in determining the adjusted annual income of assisted families is hereby approved and the President and Chief Executive Officer and her designees are authorized and directed to (i) submit such impact analysis to HUD, (ii) implement the policies for setting rents and subsidy levels relating to Standard Income Deductions, and (iii) make such non-material changes, additions, corrections, or amendments thereto as she or they shall deem necessary or appropriate, all without further vote or approval of this Board.

Appendix I: Housing Innovations Charts

Appendix I is a new addition to AHA's Annual Report, as it includes several action items required by HUD's Attachment B. For reference, the definition of terms used in ***Appendix I*** is located on page I -9.

A. Housing Stock Information:

A1. Public Housing (PH) Units[1] - at Fiscal Year-End 2009

Community Type	Family	Senior	Special Needs	Total PH units by Community Type
Affordable	3,093	2,832	-	**5,925**
Mixed-Income	1,907	168	26	**2,101**
Total PH units	**5,000**	**3,000**	**26**	

Public Housing Units Grand Total: 8,026

[1]Total Units include units that are still in PIC for the vacant properties Bowen Homes, M.L. King Tower, and Bankhead Courts-see table below for PIC unit breakdown.

A1. Continued -Total Affordable Units in PIC by Property Name and Status

Property Name	Units in PIC	Units Removal from PIC Requested	Units in Active Relocation or Demolition
Cosby Spear Highrise	282	-	-
Georgia Avenue Highrise	81	-	-
East Lake Highrise	150	-	-
Juniper and Tenth Highrise	150	-	-
Westminster	32	-	-
Peachtree Road Highrise	197	-	-
Cheshire Bridge Road Highrise	162	-	-
Piedmont Road Highrise	209	-	-
Marian Road Highrise	240	-	-
Hightower Manor Highrise	130	-	-
Barge Road Highrise	130	-	-
Martin Street Plaza	60	-	-
Marietta Road Highrise	130	-	-
U-Rescue	70	70	-
Jonesboro South	150	150	-
Jonesboro North	100	100	-
Antoine Graves	210	-	210
Graves Annex	100	-	100
University Homes	500	-	500
Bowen Homes	650	-	650
Palmer House Highrise	250	-	250
MLK	154	-	154
Thomasville Heights	350	-	350
Hollywood Courts	202	-	202
Englewood Manor	320	-	320
Roosevelt House Highrise	257	-	257
Bankhead Courts	386	-	386
Herndon Homes	273	-	273
Total	***5925***	***320***	***3652***
Total Remaining Once HUD Removes From PIC		***5605***	-
Total Once Demolition is Complete	-	-	***1953***

Appendix I: Housing Innovations Charts

A. Housing Stock Information: *continued*

A2. AHA's Significant FY 2009 Capital Expenditures[1] by development (>30% of the Agency's total budgeted capital expenditures for the fiscal year).

During FY2009, AHA expended $6.6 million on projects at AHA-owned Affordable properties which met AHA's capitalization threshold. Of that amount, $2.1 million (32%) was spent at Cosby Spears Highrise on the following projects:

- Phase II UFAS Design and upgrades
- Common area ceramic tile replacement and painting
- Shower valve replacements
- Emergency chiller replacement

A3. Number of any new public housing units added during the year by development.

During FY2009, 243 public housing units in four mixed income, mixed financed developments were added to AHA's inventory in HUD's PIH Information Center (PIC) system. The details for these units are provided below.

Property	1 Bedroom	2 Bedrooms	3 Bedrooms	Total Bedrooms
The Villages at Carver V	15	56	7	78
Capitol Gateway II	29	15	5	49
Mechanicsville II	8	34	20	62
Mechanicsville III	54	0	0	54
Total Added	***106***	***105***	***32***	***243***

A4. Number of Public Housing units removed from the inventory during the year by development specifying the reason for the removal.

During FY2009, 808 public housing units were removed from AHA's inventory in HUD's PIH Information Center (PIC) system. The details for these units are provided below.

FY 2009 Public Housing (PH) Units Removed from Inventory (out of PIC) by Development

Property	PH Units Removed	Justification
John O. Chiles Highrise	250	Demolished as part of the Harris Homes HOPE VI Revitalization
McDaniel Glenn	434	Demolished as part of the McDaniel Glenn HOPE VI Revitalization
Leila Valley	124	Demolished as part of AHA's Quality of Life Initiative

Total Units Removed: 808

[1] Capital Expenditures are measured according to AHA's accounting treatment for capitalization which includes the purchase, acquisition, or funds outlay for an asset with a life of more than one year, or one that extends the useful life of an asset by more than one year.

Appendix I: Housing Innovations Charts

A. Housing Stock Information: *continued*

A4. Number of Public Housing units removed from the inventory during the year by development specifying the reason for the removal – *further explanation*

In addition to the 808 units removed from PIC, AHA requested that HUD remove 70 units at U-Rescue, 150 units at Jonesboro South and 100 units at Jonesboro North during FY2009 related to AHA's Quality of Life Initiative. As of June 30, 2009, these units had not been removed from PIC.

A5. Number of MTW HCV authorized at the end of the Plan Year.

As of June 30, 22009, AHA had 16,341 MTW vouchers.

MTW HC Vouchers: AHA began FY2009 with 16,328 authorized (awarded) MTW vouchers on July 1, 2008 and ended FY2009 on June 30, 2009 with 16,341 authorized MTW vouchers. This reflected the conversion of 13 Tenant Protection Vouchers to MTW vouchers on January 1, 2009.

A6. Number of Non-MTW HCV authorized at the end of the Plan Year.

As of June 30, 2009, AHA had 2,268 non-MTW vouchers. This represents an increase of 1,730 new tenant protection vouchers primarily issued by HUD in support of AHA's Quality of Life Initiative. Subsequent to June 30, 2009, HUD awarded an additional 20 tenant protection vouchers related to the Opt out of Heritage Square and these vouchers were retroactive to 2009.

Non-MTW Vouchers.

Permanent Non-MTW Vouchers: AHA has 525 non-MTW vouchers that will not be converted to MTW vouchers. This includes 300 Family Unification vouchers, 175 1-Year Mainstream vouchers, and 50 5-year Mainstream Vouchers.

Temporary Non-MTW Vouchers: AHA began FY2009 with 13 authorized Tenant Protection vouchers on July 1, 2008 and ended FY2009 on June 30, 2009 with 1,743 authorized Tenant Protection vouchers. These Tenant Protection vouchers were received in 10 increments throughout FY2009 as relocation vouchers supporting AHA's Quality of Life Program. These vouchers will be converted to MTW vouchers on the expiration of each increment per agreement with HUD's Financial Management Center.

Heritage Square*:* In addition to the above**,** on August 5, 2009, AHA received notification that it had been approved 20 units related to the op-out of Heritage Square. This action was retroactive and HUD issued one increment of 20 units which had an effective date of 1/1/2009 and an expiration date of 12/31/2009.

Change in Housing Stock - Housing Choice Vouchers

	7/1/2009	6/30/2009	Change	% Change
MTW Vouchers	16,328	16,341	13	0%
Non MTW Vouchers				
Permanent Non MTW Vouchers	525	525	0	NA
Tenant Protection Vouchers	13	1,743	1,730	13,308%
Total Non-MTW Vouchers before Heritage Square	538	2,268	1,730	322%
Heritage Square Tenant Protection Vouchers	0	20	20	NA
Total Non-MTW Vouchers including Heritage Square	538	2,288	1,750	325%

Appendix I: Housing Innovations Charts

A. Housing Stock Information: *continued*

A7. Housing Choice Voucher (HCV) Units Project Based during FY 2009

Project Based Rental Assistance (PBRA) Communities

Existing Developments	Total Units
Family	
Auburn Glenn	108
Avalon Park Family	53
Capital Gateway II	16
Columbia at Sylvan Hills	37
Columbia Commons	15
Columbia Mechanicsville Apartments	35
Constitution Ave Apartments	67
Crogman Schools Apartments	42
Gateway at Northside Village	36
G E Towers	80
Hampton Oaks	50
Heritage Green	44
Heritage Station I	88
Highbury Terraces	17
The Park at Scotts Crossing	86
The Peaks at MLK	73
Family Total	**847**

Existing Developments	Total Units
Senior / Highrise	
Atrium at CollegeTown	76
Avalon Park Senior	81
Campbell Stone	201
Columbia Colony Senior	37
Columbia Heritage Senior	124
Columbia High Point Senior	94
Columbia Senior Residences at MLK	122
Columbia Senior Residences at Mechanicsville	59
Columbia Senior Residences at Blackshear	78
Columbia Senior Residences at Edgewood	135
Heritage Station II	150
Renaissance at Park Place South	80
Veranda at Auburn Pointe	86
Veranda at Carver Senior	56
Veranda at CollegeTown	85
Senior / Highrise Total	**1,464**

Appendix I: Housing Innovations Charts

A. Housing Stock Information: *continued*

A7. Housing Choice Voucher (HCV) Units Project Based during FY 2009

Project Based Rental Assistance (PBRA) Communities – *continued*

Existing Developments	Total Units
Older Persons 55+	
Park Commons HFOP	130
Park Commons HFS	110
Older Persons 55+ Total	**240**
Homeless Demonstration	
Columbia at Sylvan Hills	39
Columbia Tower at MLK Village	39
First Step	40
Park Commons HFOP	22
Park Commons HFS	19
Seven Courts	30
Homeless Demonstration Total	**189**
Special Needs	
Columbia Tower at MLK Village	56
Special Needs Total	**56**

Combined Existing Developments
Grand Total: 2,796

Note: *The grand total reflects the combined number of units classified as Family; Senior; Older Persons 55; Homeless Demonstration; and Special Needs.*

Developments (Under Construction)	Total Units
Family	
Avalon Ridge Family	89
Arcadia at Parkway Village	116
Columbia Mechanicsville Station	30
Columbia Mechanicsville Crossing	35
Family Total	**270**
Senior	
Woodbridge at Parkway Village	100
Senior Total	**100**
Older Persons 55+	
Ashton at Browns Mill	79
Legacy at Walton Lakes	24
Older Persons 55+ Total	***103***
Mental Health Demo	
Welcome House	41
Mental Health Demo Total	**41**

Developments Under Construction
Grand Total: 514

A8. Refer to the ***Revitalization, Project – Based Rental Assistance as a Development Tool, and Asset Management sections*** of the Report for the overview of other housing managed by the Agency, e.g., tax credit, state-funded, market rate.

Appendix I: Housing Innovations Charts

B. Leasing Information – Actual

B1. Total Number of MTW PH Units Leased* in FY 2009

Community Type	Family	Senior	Special Needs	Total MTW PH units by Community Type
Affordable	**250**	**2,134**	-	**2,384**
Mixed-Income	**1,907**	**168**	-	**2,075**
MTW PH Units Total	**2,157**	**2,302**	-	

MTW PH Units Grand Total: 4,459

* ***NOTE:*** *Total Number of units occupied as of June 30, 2009.*

B2. AHA does not have non-MTW PH units in its inventory.

B3. Total Number of MTW HCV Units Leased* in FY 2009

Type	Units Total
MTW HCV units	**7,480**
Ports	**2,890**

MTW HCV Leased Units Grand Total: 10,370

* ***NOTE:*** *Total Number of units occupied as of June 30, 2009.*

B4. Total Number of Non-MTW HCV Units Leased* in FY 2009

Type	Units Total
Family Unification Program (FUP)	**300**
Mainstream Vouchers	**225**
Tenant Protection	**2,032**

Non-MTW HCV Leased Units Grand Total: 2,557

* ***NOTE:*** *Total Number of units occupied as of June 30, 2009.*

B5. Description of any issues related to leasing of PH or HCVs

No issues to report.

B6. Number of project-based vouchers committed or in use at the end of the Plan year, describe project where any new vouchers are placed (include only vouchers where Agency has issued a letter of commitment in the Plan year).

The total number of PBRA units Under Agreement and Under Commitment is 4,915 and there are a total of 58 PBRA Communities *Under Agreement* and *Under Commitment*.

Appendix I: Housing Innovations Charts

C. Waiting List Information:

C1. Characteristics of Public Housing (PH) Households' on Waiting List at Fiscal Year-End 2009

FY 2009 Waiting List Characteristics-By AMI

Program /Community Type	< 30% of AMI	30 - 50% of AMI	51 - 80% of AMI	> 80% of AMI	Total by Community Type
Site Based Administration Waiting List					
Family	450	70	3	0	***523***
Highrise	1,029	77	4	1	***1,111***
Mixed-Income	5,373	2,910	1,061	83	***9,427***
PBRA	1,406	696	318	17	***2,437***
Housing Choice Voucher Waiting List					
Housing Choice	4,125	1,168	4	2	***5,299***
Total by AMI Category	***12,383***	***4,921***	***1,390***	***103***	

Total Families on Waiting List Categorized by AMI: 18,797

FY 2009 Waiting List Characteristics - Number of Bedroom Size Requested

Program / Community Type	Studio	1 Bedroom	2 Bedrooms	3 Bedrooms	4+ Bedrooms	Total by Community Type
Site Based Administration Waiting List						
Family	0	30	328	156	9	***523***
Highrise	69	1,041	1	0	0	***1,111***
Mixed-Income	0	2,834	5,074	3,653	485	***12,046***
PBRA	0	408	1,662	1,044	0	***3,114***
Housing Choice Voucher Waiting List						
Housing Choice	N / A	N / A	N / A	N / A	N / A	***N / A***
Total Bedroom Size Requests	***69***	***4,313***	***7,065***	***4,853***	***494***	

Total Number of Bedroom Size Requests: 16,794

C. Waiting List Information: *continued*

C1. Characteristics of Public Housing (PH) Households' on Waiting List at Fiscal Year-End 2009

FY 2009 Waiting List Characteristics-By Family Size

Program / Community Type	1 Member	2 Members	3 Members	4 Members	5 + Members	Total by Community Type
Site Based Administration Waiting List						
Family	39	223	146	92	23	***523***
Highrise	1,084	26	0	0	1	***1,111***
Mixed-Income	N / A	N / A	N / A	N / A	N / A	**N / A**
PBRA	N / A	N / A	N / A	N / A	N / A	**N / A**
Housing Choice Voucher Waiting List						
Housing Choice	821	1,259	1,377	982	860	***5,299***
Total by Family Size	***1,944***	***1,508***	***1,523***	***1,074***	***884***	

Total Number of Family Size Groups: 6,933

C2. Description of waiting lists (site-based, communitywide, HCV, merged) and any changes that were made in the past fiscal year. No changes were made to the policy or procedures for maintaining waiting lists. Waiting Lists are opened and closed at various sites on an "as needed" basis in the normal course of business.

Appendix I: Housing Innovations Charts

Definition of Terms Used in Appendix I

Terms	Definition
Capital Expenditures	Capital expenditures are measured according to AHA's accounting treatment for capitalization which includes the purchase, acquisition, or funds outlay for an asset with a life of more than one year, or one that extends the useful life of an asset by more than one year.
Number of Public Housing Units at End of Plan Year	Number of units listed as active in PIC as of 6/30/2009
New Public Housing Units	Number of units added to PIC during FY2009
Public Housing Units Removed	Number of units that were removed from PIC during FY2009
MTW HCV Authorized at the End of FY2009	Number of MTW vouchers with active funding increments as of 6/30/2009 and that are not specifically excluded from MTW, such as special purpose vouchers
Non-MTW HCV Authorized at the End of FY2009	Number of Non-MTW vouchers with active funding increments as of 6/30/2009 (includes FUPs, Mainstream, and Tenant Protection Vouchers in their initial year)
Number of HCV Units Project-Based During the Plan Year	Number of project based units under a Project Based Rental Assistance Agreement and being subsidized by AHA as of 6/30/2009
Total Number of MTW PH Units Leased in the Plan Year	Total number of public housing units at AHA-owned and MIMF that are under lease as of 6/30/2009
Total Number of non-MTW PH Units Leased in the Plan Year	N / A
Total Number of MTW HC Units Leased in the Plan Year	Number of MTW units reported as utilized in the June 2009 VMS report
Total Number of non-MTW HC Units Leased in the Plan Year	Number of non-MTW units reported as utilized in the June 2009 VMS report to include FUPs, Mainstream, and Tenant Protection Vouchers issued to relocating families that remain on the program at year end.

Appendix J – American Recovery and Reinvestment Act (ARRA) Submissions

On August 27, 2009, AHA received HUD's approval for the Amendment to the ARRA formula Capital Funds grant included in the FY 2010 Annual Moving to Work (MTW) Plan. Located in ***Appendix J*** of this Report are the ARRA Capital Planning and Annual Statement / Performance and Evaluation Report from the second Amendment.

Capital Planning *(FY 2010 MTW Annual Plan Appendix M- NOTE: Revised August 12, 2009)*

Major Capital Needs and Projects, Estimated Costs and Proposed Timetables

This section represents AHA's revised Capital Planning projects using American Recovery and Reinvestment Act (ARRA) funds and MTW Funds. As discussed in the revised ARRA narrative section of AHA's FY 2010 MTW Annual Plan (CATALYST Implementation Plan Supplement dated August 12, 2009), during FY 2009, AHA received approximately $26.5 million in ARRA funding. AHA dedicated approximately $19.3 million to capital projects and related construction management and design fees, and approximately $7.2 million for demolition and related construction management and design fees. To the extent the $7.2 million does not fund all of the demolition costs for the four properties listed below, the balance of such demolition costs will be funded with MTW Funds. The $7.2 million portion of ARRA funding dedicated to demolition is focused on four of the seven QLI Phase II properties: Herndon Homes, Hollywood Courts, Roosevelt House and Palmer House (partially funded with ARRA funds).

AHA has established three priorities for the $19.3 million in ARRA funds dedicated to capital projects:

(1) the health and safety of our residents,

(2) sustainability, energy efficiency and the viability of AHA-owned properties,

(3) quality of life enhancements.

The following chart outlines the major work items planned as of June 30, 2009 to be completed using the ARRA funds. Detail on these work items is included in the original budget column of the amended Annual Statement Part I and II/Performance and Evaluation Reports (dated August 12, 2009) which amends Appendix U in the FY 2010 MTW Annual Plan submitted to HUD in April 2009. It should be noted that although this Appendix M and Appendix U provides intended uses and dollar amounts for the ARRA funds, to the extent that bids come in different than AHA's cost estimates, AHA will adjust the ARRA budget and Annual Statements/P&Es to add, delete or amend work items as necessary to the properties identified in this Appendix M. In such instances, AHA will submit the required revised forms (i.e. forms included in Appendix U) to HUD without further amendments to the 2010 MTW Plan or this Appendix M.

Planned Expenditures for ARRA Grant

Capital Projects	Account No.	Grant Budget	Property
Dwelling Structures/Major systems - Improvements to building envelop, major systems and dwelling units to include energy efficiency improvements.	1460	$13,038,335	Barge Rd. Cheshire Bridge Cosby Spears East Lake Georgia Ave. Hightower Juniper & 10th Marian Rd. Marietta Road Martin St. Plaza Peachtree Rd. Piedmont Rd. Westminster

Capital Projects	Account No.	Grant Budget	Property
Site Improvements - Parking lot, sidewalk and street repairs as well as erosion control, landscaping and exterior recreation space enhancements.	1450	$1,264,545	Barge Road Cheshire Bridge Cosby Spears East Lake Georgia Ave. Hightower Juniper & 10th Marian Rd. Marietta Rd. Martin St. Plaza Peachtree Rd. Piedmont Rd. Westminster
Common Areas - Lobby, common area and specialty function room renovations.	1470	$1,828,182	Barge Rd. Cheshire Bridge Cosby Spears East Lake Georgia Ave. Hightower Juniper & 10th Marian Rd. Marietta Rd. Martin St. Plaza Peachtree Rd. Piedmont Rd. Westminster
Non- Dwelling Equipment - Computers, common area equipment, laundry facility washers/dryers	1475	$503,636	Barge Road Cheshire Bridge Cosby Spear East Lake Georgia Ave. Hightower Juniper & 10th Marian Rd. Marietta Rd. Martin St. Plaza Peachtree Rd. Piedmont Rd. Westminster
Fees and Costs - design and construction management fees for capital projects and demolition.	1430	$2,671,743	Barge Road Cheshire Bridge Cosby Spear East Lake Georgia Avenue Herndon* Hightower Hollywood Juniper & 10th Marian Rd. Marietta Rd. Martin St. Plaza Palmer House Peachtree Rd. Piedmont Rd. Roosevelt House Westminster
Demolition	1485	$7,272,727	Herndon Homes Hollywood Courts Palmer House Roosevelt House
Total:		$26,579,168	

The following two charts outlines the use of AHA's MTW funds to support demolition and gap financing needs during FY 2010:

Capital Projects Using MTW Funds			
Property	Capital Project	Budget	Property Total
Bankhead Courts	Demolition Design[2]	$69,201.00	
	Demolition Design CM Fees[2]	$5,309.00	
	Demolition	$3,081,060.00	
	Demolition CM Fees	$308,105.00	
Bankhead total			$3,463,675.00
Bowen Homes	Demolition Design[2]	$25,327.00	
	Demolition Design CM Fees[2]	$2,533.00	
	Demolition[3]	$2,793,994.00	
	Demolition CM Fees[3]	$202,604.00	
	Demolition Change Order	$909,091.00	
	Demolition Change Order CM Fees	$90,909.00	
Bowen total			$4,024,458.00
Thomasville Heights	Demolition Design[2]	$55,424.00	
	Demolition Design CM Fees[2]	$5,542.00	
	Demolition[3]	$1,602,770.00	
	Demolition CM Fees[3]	$160,277.00	
Thomasville total			$1,824,013.00
Palmer House[1]	Demolition (non ARRA portion)	$1,3271,011.80	
	CM Fees	$132,701.20	
Palmer total			$1,459,713.00
Herndon Homes	Demolition Design[2]	$38,202.00	
	CM Fees[2]	$7,973.00	
Herndon total			$46,175.00
Hollywood Courts	Demolition Design[2]	$36,535.00	
	CM Fees[2]	$7,345.00	
Hollywood total			$43,880.00
GRAND TOTAL:			$10,861,914.00

[1]Palmer demolition is funded partially with FY2010 MTW and ARRA funds. AHA plans to spend the ARRA funds first. The MTW funds are not projected to be expended until FY2011.

[2]Demolition Design and associated CM Fees were awarded in FY09 and funded with MTW funds. The remaining demolition design fees are for contract administration and associated CM Fees which are scheduled to be complete in FY2010.

[3]Demolition and associated CM Fees were awarded in FY09 and funded with MTW funds. The remaining demolition and associated CM Fees are scheduled to be complete in FY2010.

Development Financing	Grant Budget	Property
Gap Financing for Development	$5,500,000	Various Developments

ARRA Competitive Capital Funds

In response to HUD's release of Notice of Funding Availability (NOFA) for the $1 billion in ARRA competitive Capital Funds, AHA may make application for a portion of these funds. Based on the eligible uses, AHA may apply to support development activities to further the revitalization of Perry, Carver, Capitol, Grady, Harris, McDaniel Glenn, Techwood-Clark Howell; acquisitions that support revitalization; redevelopment of AHA-owned buildings or land; or, additional rehabilitation of AHA's longer-term hold properties.

Demolition and Disposition Activities

AHA's FY2010 demolition and disposition activities are described in the Revitalization, QLI and Asset Management sections of the FY2010 CATALYST Implementation Plan.

Part I: Summary

PHA Name: The Housing Authority of the City of Atlanta, Georgia	**Grant Type and Number** Capital Fund Program Grant No: GA06S006501-09 Replacement Housing Factor Grant No: N/A Date of CFFP: N/A	**FFY of Grant:** 2009 **FFY of Grant Approval:** 2009

Type of Grant
☐ Original Annual Statement ☐ Reserve for Disasters/Emergencies ☒ Revised Annual Statement (revision no: 2)
☐ Performance and Evaluation Report for Period Ending: ☐ Final Performance and Evaluation Report

Line	Summary by Development Account	Total Estimated Cost		Total Actual Cost [1]	
		Original	Revised [2]	Obligated	Expended
1	Total non-CFP Funds				
2	1406 Operations (may not exceed 20% of line 21) [3]				
3	1408 Management Improvements				
4	1410 Administration (may not exceed 10% of line 21)				
5	1411 Audit				
6	1415 Liquidated Damages				
7	1430 Fees and Costs	$2,671,743	$3,994,857		
8	1440 Site Acquisition				
9	1450 Site Improvement	$1,264,545	$1,264,546		
10	1460 Dwelling Structures	$13.038,335	$11,765,669		
11	1465.1 Dwelling Equipment—Nonexpendable				
12	1470 Non-dwelling Structures	$1,828,182	$1,777,731		
13	1475 Non-dwelling Equipment	$503,636	$503,638		
14	1485 Demolition	$7,272,727	$7,272,727		
15	1492 Moving to Work Demonstration				
16	1495.1 Relocation Costs				
17	1499 Development Activities [4]				
18a	1501 Collateralization or Debt Service paid by the PHA				
18ba	9000 Collateralization or Debt Service paid Via System of Direct Payment				
19	1502 Contingency (may not exceed 8% of line 20)				
20	Amount of Annual Grant: (sum of lines 2 – 19)	$26,579,168	$26,579,168		
21	Amount of line 20 Related to LBP Activities				
22	Amount of line 20 Related to Section 504 Activities				
23	Amount of line 20 Related to Security – Soft Costs				
24	Amount of line 20 Related to Security – Hard Costs				
25	Amount of line 20 Related to Energy Conservation Measures				

[1] To be completed for the Performance and Evaluation Report.
[2] To be completed for the Performance and Evaluation Report or a Revised Annual Statement.
[3] PHAs with under 250 units in management may use 100% of CFP Grants for operations.
[4] RHF funds shall be included here.

Annual Statement/Performance and Evaluation Report
Capital Fund Program, Capital Fund Program Replacement Housing Factor and
Capital Fund Financing Program

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing
Expires 4/30/2011

Part I: Summary					
PHA Name: The Housing Authority of the City of Atlanta, Georgia	**Grant Type and Number** Capital Fund Program Grant No: GA06S006501-09 Replacement Housing Factor Grant No: N/A Date of CFFP: N/A			**FFY of Grant:** 2009 **FFY of Grant Approval:** 2009	
Type of Grant ☐Original Annual Statement ☐Reserve for Disasters/Emergencies ☑Revised Annual Statement (revision no:2) ☐Performance and Evaluation Report for Period Ending: ☐Final Performance and Evaluation Report					
Line	**Summary by Development Account**	**Total Estimated Cost**		**Total Actual Cost** [1]	
		Original	**Revised** [2]	**Obligated**	**Expended**
Signature of Executive Director		**Date** 8/12/09	**Signature of Public Housing Director**		**Date**

Part II: Supporting Pages

PHA Name: The Housing Authority of the City of Atlanta, Georgia	Grant Type and Nunber Capital Fund Program Grant No: GA06S006501-09 CFFP:(Yes/ **NO** Replacement Housing Factor Grant No:	Federal FFY of Grant: 2009

Development Number Name/PHA-Wide Activities	General Description of Major Work Categories	Development Account No.	Quantity	Total Estimated Cost		Total Actual Cost		
				Original	**Revised (1)**	**Funds Obligated (2)**	**Funds Expended (2)**	**Status of Work**
GA006000140 Palmer House Highrise								
	Construction Mgt Fees	1430		0	306,816	0.00	0	
	Demolition	1485		0	3,068,159	0.00	0	
GA006000170 Thomasville Heights								
	Construction Mgt Fees	1430		180,172	0	0.00	0	
	Demolition	1485		1,801,718	0	0.00	0	
GA006000200 Hollywood Courts								
	Construction Mgt Fees	1430		172,727	99,650	0.00	0	
	Demolition	1485		1,727,273	996,500	0.00	0	

(1) To be completed for the Performance and Evaluation Report or a Revised Annual Statement
(2) To be completed for the Performance and Evaluation Report

Development Number Name/PHA-Wide Activities	General Description of Major Work Categories	Development Account No.	Quantity	Total Estimated Cost		Total Actual Cost		
				Original	**Revised (1)**	**Funds Obligated (2)**	**Funds Expended (2)**	**Status of Work**
GA006000241 **Cosby Spear Highrise**								
	Fees and Costs - Design fees and construction management fees	1430		306,272	497,411	0.00	0	
	Site Improvements - Parking Lot, sidewalk and street repair as well as erosion control, landscaping and exterior recreation space enhancements	1450		55,455	55,455	0.00	0	
	Dwelling Structures/Major Systems - Improvements to building envelop, major systems and dwelling units to include energy efficiency improvements	1460		1,593,636	1,402,497	0.00	0	
	Common Areas - Lobby, common area and specialty function room renovations	1470		515,455	515,455	0.00	0	
	Non-Dwelling Equipment - Computers, common area equipment, laundry facility washers/dryers	1475		68,182	68,182	0.00	0	
GA006000250 **Georgia Avenue Highrise**								
	Fees and Costs - Design fees and construction management fees	1430		49,000	104,837	0.00	0	
	Site Improvements - Parking Lot, sidewalk and street repair as well as erosion control, landscaping and exterior recreation space enhancements	1450		95,455	95,455	0.00	0	
	Dwelling Structures/Major Systems - Improvements to building envelop, major systems and dwelling units to include energy efficiency improvements	1460		280,000	224,163	0.00	0	
	Common Areas - Lobby, common area and specialty function room renovations	1470		74,545	74,545	0.00	0	
	Non-Dwelling Equipment - Computers, common area equipment, laundry facility washers/dryers	1475		40,000	40,000	0.00	0	

(1) To be completed for the Performance and Evaluation Report or a Revised Annual Statement
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Development Number Name/PHA-Wide Activities	General Description of Major Work Categories	Development Account No.	Quantity	Total Estimated Cost		Total Actual Cost		
				Original	**Revised (1)**	**Funds Obligated (2)**	**Funds Expended (2)**	**Status of Work**
GA006000270 Roosevelt House Highrise								
	Construction Mgt Fees	1430		0	242,357	0.00	0	
	Demolition	1485		0	2,423,568	0.00	0	
GA006000280 Bankhead Courts								
	Construction Mgt Fees	1430		250,000	0	0.00	0	
	Demolition	1485		2,500,000	0	0.00	0	
GA006000300 East Lake Highrise								
	Fees and Costs - Design fees and construction management fees	1430		222,364	434,213	0.00	0	
	Site Improvements - Parking Lot, sidewalk and street repair as well as erosion control, landscaping and exterior recreation space enhancements	1450		291,818	291,818	0.00	0	
	Dwelling Structures/Major Systems - Improvements to building envelop, major systems and dwelling units to include energy efficiency improvements	1460		1,499,091	1,287,242	0.00	0	
	Common Areas - Lobby, common area and specialty function room renovations	1470		172,727	172,727	0.00	0	
	Non-Dwelling Equipment - Computers, common area equipment, laundry facility washers/dryers	1475		40,000	40,000	0.00	0	

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(2) To be completed for the Performance and Evaluation Report

Development Number Name/PHA-Wide Activities	General Description of Major Work Categories	Development Account No.	Quantity	Total Estimated Cost		Total Actual Cost		
				Original	**Revised (1)**	**Funds Obligated (2)**	**Funds Expended (2)**	**Status of Work**
GA006000430 **Juniper and Tenth Highrise**								
	Fees and Costs - Design fees and construction management fees	1430		118,000	168,449	0.00	0	
	Dwelling Structures/Major Systems - Improvements to building envelop, major systems and dwelling units to include energy efficiency improvements	1460		220,909	220,909	0.00	0	
	Common Areas - Lobby, common area and specialty function room renovations	1470		421,818	371,369	0.00	0	
	Non-Dwelling Equipment - Computers, common area equipment, laundry facility washers/dryers	1475		37,273	37,273	0.00	0	
GA006000440 **Westminster**								
	Fees and Costs - Design fees and construction management fees	1430		53,817	127,344	0.00	0	
	Dwelling Structures/Major Systems - Improvements to building envelop, major systems and dwelling units to include energy efficiency improvements	1460		457,273	383,746	0.00	0	
	Common Areas - Lobby, common area and specialty function room renovations	1470		35,455	35,455	0.00	0	
	Non-Dwelling Equipment - Computers, common area equipment, laundry facility washers/dryers	1475		45,455	45,455	0.00	0	

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Development Number Name/PHA-Wide Activities	General Description of Major Work Categories	Development Account No.	Quantity	Total Estimated Cost		Total Actual Cost		
				Original	**Revised (1)**	**Funds Obligated (2)**	**Funds Expended (2)**	**Status of Work**
GA006000450 **Peachtree Road Highrise**								
	Fees and Costs - Design fees and construction management fees	1430		217,728	350,005	0.00	0	
	Site Improvements - Parking Lot, sidewalk and street repair as well as erosion control, landscaping and exterior recreation space enhancements	1450		261,818	261,818	0.00	0	
	Dwelling Structures/Major Systems - Improvements to building envelop, major systems and dwelling units to include energy efficiency improvements	1460		1,690,000	1,557,723	0.00	0	
	Common Areas - Lobby, common area and specialty function room renovations	1470		33,636	33,636	0.00	0	
	Non-Dwelling Equipment - Computers, common area equipment, laundry facility washers/dryers	1475		41,818	41,818	0.00	0	
GA006000470 **Cheshire Bridge Road Highrise**								
	Fees and Costs - Design fees and construction management fees	1430		262,092	215,545	0.00	0	
	Site Improvements - Parking Lot, sidewalk and street repair as well as erosion control, landscaping and exterior recreation space enhancements	1450		82,727	82,727	0.00	0	
	Dwelling Structures/Major Systems - Improvements to building envelop, major systems and dwelling units to include energy efficiency improvements	1460		1,603,636	1,650,183	0.00	0	
	Common Areas - Lobby, common area and specialty function room renovations	1470		393,636	393,636	0.00	0	
	Non-Dwelling Equipment - Computers, common area equipment, laundry facility washers/dryers	1475		40,909	40,909	0.00	0	

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Development Number Name/PHA-Wide Activities	General Description of Major Work Categories	Development Account No.	Quantity	Total Estimated Cost		Total Actual Cost		
				Original	**Revised (1)**	**Funds Obligated (2)**	**Funds Expended (2)**	**Status of Work**
GA006000480 **Piedmont Road Highrise**								
	Fees and Costs - Design fees and construction management fees	1430		143,091	278,904	0.00	0	
	Site Improvements - Parking Lot, sidewalk and street repair as well as erosion control, landscaping and exterior recreation space enhancements	1450		85,455	85,455	0.00	0	
	Dwelling Structures/Major Systems - Improvements to building envelop, major systems and dwelling units to include energy efficiency improvements	1460		1,051,818	916,005	0.00	0	
	Common Areas - Lobby, common area and specialty function room renovations	1470		84,545	84,545	0.00	0	
	Non-Dwelling Equipment - Computers, common area equipment, laundry facility washers/dryers	1475		39,091	39,091	0.00	0	
GA006000520 **Marian Road Highrise**								
	Fees and Costs - Design fees and construction management fees	1430		145,818	292,579	0.00	0	
	Site Improvements - Parking Lot, sidewalk and street repair as well as erosion control, landscaping and exterior recreation space enhancements	1450		191,818	191,818	0.00	0	
	Dwelling Structures/Major Systems - Improvements to building envelop, major systems and dwelling units to include energy efficiency improvements	1460		1,209,091	1,062,330	0.00	0	
	Common Areas - Lobby, common area and specialty function room renovations	1470		17,273	17,273	0.00	0	
	Non-Dwelling Equipment - Computers, common area equipment, laundry facility washers/dryers	1475		40,000	40,000	0.00	0	

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Development Number Name/PHA-Wide Activities	General Description of Major Work Categories	Development Account No.	Quantity	Total Estimated Cost		Total Actual Cost		
				Original	**Revised (1)**	**Funds Obligated (2)**	**Funds Expended (2)**	**Status of Work**
GA006000530 Hightower Manor Highrise								
	Fees and Costs - Design fees and construction management fees	1430		121,000	238,847	0.00	0	
	Dwelling Structures/Major Systems - Improvements to building envelop, major systems and dwelling units to include energy efficiency improvements	1460		1,139,091	1,021,244	0.00	0	
	Common Areas - Lobby, common area and specialty function room renovations	1470		32,727	32,727	0.00	0	
	Non-Dwelling Equipment - Computers, common area equipment, laundry facility washers/dryers	1475		38,182	38,182	0.00	0	
GA006000540 Barge Road Highrise								
	Fees and Costs - Design fees and construction management fees	1430		102,197	229,644	0.00	0	
	Dwelling Structures/Major Systems - Improvements to building envelop, major systems and dwelling units to include energy efficiency improvements	1460		952,880	825,433	0.00	0	
	Common Areas - Lobby, common area and specialty function room renovations	1470		33,636	33,636	0.00	0	
	Non-Dwelling Equipment - Computers, common area equipment, laundry facility washers/dryers	1475		35,455	35,455	0.00	0	
GA006000560 Martin Street Plaza								
	Fees and Costs - Design fees and construction management fees	1430		84,636	95,973	0.00	0	
	Site Improvements - Parking Lot, sidewalk and street repair as well as erosion control, landscaping and exterior recreation space enhancements	1450		200,000	200,000	0.00	0	
	Dwelling Structures/Major Systems - Improvements to building envelop, major systems and dwelling units to include energy efficiency improvements	1460		206,364	195,027	0.00	0	

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Development Number Name/PHA-Wide Activities	General Description of Major Work Categories	Development Account No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	**Revised (1)**	**Funds Obligated (2)**	**Funds Expended (2)**	
GA006000580 Marietta Road Highrise								
	Fees and Costs - Design fees and construction management fees	1430		118,455	233,833	0.00	0	
	Dwelling Structures/Major Systems - Improvements to building envelop, major systems and dwelling units to include energy efficiency improvements	1460		1,134,545	1,019,167	0.00	0	
	Common Areas - Lobby, common area and specialty function room renovations	1470		12,727	12,727	0.00	0	
	Non-Dwelling Equipment - Computers, common area equipment, laundry facility washers/dryers	1475		37,273	37,273	0.00	0	
GA006000592 Herndon Homes								
	Construction Mgt Fees	1430		124,374	78,450	0.00	0	
	Demolition	1485		1,243,736	784,500	0.00	0	
				26,579,168	26,579,168			

(1) To be completed for the Performance and Evaluation Report or a Revised Annual Statement
(2) To be completed for the Performance and Evaluation Report

Annual Statement / Performance and Evaluation Report
Capital Fund Program and Capital Fund Program Replacement Housing Factor (CFP/CFPRHF) Part 1: Summary

PHA Name	Grant Type and Number	Federal FY of Grant: 2003
The Housing Authority of the City of Atlanta, Georgia	Capital Fund Program Grant No: Replacement Housing Factor Grant No: **GA06R006501-03**	

☐ Original Annual Statement ☐ Reserve for Disasters/Emergencies ☐ Revised Annual Statement/Revision Number (__ ___)
☒ Performance and Evaluation Report for Program Year Ending 06/30/2009 ☐ Final Performance and Evaluation Statement

Line No.	Summary by Development Account	Total Estimated Cost Original	Total Estimated Cost Revised	Total Actual Cost Obligated	Total Actual Cost Expended
1	Total non-CFP Funds				
2	1406 Operations				
3	1408 Management Improvements Soft Costs				
	Management Improvements Hard Costs				
4	1410 Administration				
5	1411 Audit				
6	1415 Liquidated Damages				
7	1430 Fees and Costs				
8	1440 Site Acquisition				
9	1450 Site Improvement				
10	1460 Dwelling Structures				
11	1465.1 Dwelling Equipment - Nonexpendable				
12	1470 Nondwelling Structure				
13	1475 Nondwelling Equipment				
14	1485 Demolition				
15	1490 Replacement Reserve				
16	1492 Moving to Work Demonstration	$3,432,489.00	$3,432,489.00	$3,432,489.00	$3,358,880.91
17	1495.1 Relocation Costs				
18	1499 Development Activities				
19	1502 Contingency				
20	Amount of Annual Grant (Sum of lines 2-19)	**$3,432,489.00**	**$3,432,489.00**	**$3,432,489.00**	**$3,358,880.91**
21	Amount of line 20 Related to LBP Activities				
22	Amount of line 20 Related to Section 504 Compliance				
23	Amount of line 20 Related to Security - Soft Costs				
24	Amount of line 20 Related to Security - Hard Costs				
25	Amount of line 20 Related to Energy Conservation Measures				
26	Collateralization Expenses or Debt Service				

Annual Statement / Performance and Evaluation Report
Capital Fund Program and Capital Fund Program Replacement Housing Factor (CFP/CFPRHF) Part 1: Summary

PHA Name	Grant Type and Number	Federal FY of Grant: 2003
The Housing Authority of the City of Atlanta, Georgia	Capital Fund Program Grant No: Replacement Housing Factor Grant No: **GA06R006502-03**	

☐ Original Annual Statement ☐ Reserve for Disasters/Emergencies ☐ Revised Annual Statement/Revision Number (__ ___)
☐ Performance and Evaluation Report for Program Year Ending 06/30/2009 ☒ Final Performance and Evaluation Statement

Line No.	Summary by Development Account	Total Estimated Cost Original	Total Estimated Cost Revised	Total Actual Cost Obligated	Total Actual Cost Expended
1	Total non-CFP Funds				
2	1406 Operations				
3	1408 Management Improvements Soft Costs				
	Management Improvements Hard Costs				
4	1410 Administration				
5	1411 Audit				
6	1415 Liquidated Damages				
7	1430 Fees and Costs				
8	1440 Site Acquisition				
9	1450 Site Improvement				
10	1460 Dwelling Structures				
11	1465.1 Dwelling Equipment - Nonexpendable				
12	1470 Nondwelling Structure				
13	1475 Nondwelling Equipment				
14	1485 Demolition				
15	1490 Replacement Reserve				
16	1492 Moving to Work Demonstration	$2,435,481.00	$2,435,481.00	$2,435,481.00	$2,435,481.00
17	1495.1 Relocation Costs				
18	1499 Development Activities				
19	1502 Contingency				
20	Amount of Annual Grant (Sum of lines 2-19)	**$2,435,481.00**	**$2,435,481.00**	**$2,435,481.00**	**$2,435,481.00**
21	Amount of line 20 Related to LBP Activities				
22	Amount of line 20 Related to Section 504 Compliance				
23	Amount of line 20 Related to Security - Soft Costs				
24	Amount of line 20 Related to Security - Hard Costs				
25	Amount of line 20 Related to Energy Conservation Measures				
26	Collateralization Expenses or Debt Service				

Annual Statement / Performance and Evaluation Report
Capital Fund Program and Capital Fund Program Replacement Housing Factor (CFP/CFPRHF) Part 1: Summary

PHA Name	Grant Type and Number	Federal FY of Grant: 2004
The Housing Authority of the City of Atlanta, Georgia	Capital Fund Program Grant No: Replacement Housing Factor Grant No: GA06R006501-04	

☐ Original Annual Statement ☐ Reserve for Disasters/Emergencies ☐ Revised Annual Statement/Revision Number (__ ___)
☒ Performance and Evaluation Report for Program Year Ending 06/30/2009 ☐ Final Performance and Evaluation Statement

Line No.	Summary by Development Account	Total Estimated Cost Original	Total Estimated Cost Revised	Total Actual Cost Obligated	Total Actual Cost Expended
1	Total non-CFP Funds				
2	1406 Operations				
3	1408 Management Improvements Soft Costs				
	Management Improvements Hard Costs				
4	1410 Administration				
5	1411 Audit				
6	1415 Liquidated Damages				
7	1430 Fees and Costs				
8	1440 Site Acquisition				
9	1450 Site Improvement				
10	1460 Dwelling Structures				
11	1465.1 Dwelling Equipment - Nonexpendable				
12	1470 Nondwelling Structure				
13	1475 Nondwelling Equipment				
14	1485 Demolition				
15	1490 Replacement Reserve				
16	1492 Moving to Work Demonstration	$4,540,123.00	$4,540,123.00	$4,540,123.00	$2,452,799.58
17	1495.1 Relocation Costs				
18	1499 Development Activities				
19	1502 Contingency				
20	Amount of Annual Grant (Sum of lines 2-19)	**$4,540,123.00**	**$4,540,123.00**	**$4,540,123.00**	**$2,452,799.58**
21	Amount of line 20 Related to LBP Activities				
22	Amount of line 20 Related to Section 504 Compliance				
23	Amount of line 20 Related to Security - Soft Costs				
24	Amount of line 20 Related to Security - Hard Costs				
25	Amount of line 20 Related to Energy Conservation Measures				
26	Collateratization Expenses or Debt Service				

Annual Statement / Performance and Evaluation Report
Capital Fund Program and Capital Fund Program Replacement Housing Factor (CFP/CFPRHF) Part 1: Summary

PHA Name	Grant Type and Number	Federal FY of Grant: 2004
The Housing Authority of the City of Atlanta, Georgia	Capital Fund Program Grant No: Replacement Housing Factor Grant No: **GA06R006502-04**	

☐ Original Annual Statement ☐ Reserve for Disasters/Emergencies ☐ Revised Annual Statement/Revision Number (__ ___)
☒ Performance and Evaluation Report for Program Year Ending 06/30/2009 ☐ Final Performance and Evaluation Statement

Line No.	Summary by Development Account	Total Estimated Cost Original	Total Estimated Cost Revised	Total Actual Cost Obligated	Total Actual Cost Expended
1	Total non-CFP Funds				
2	1406 Operations				
3	1408 Management Improvements Soft Costs				
	Management Improvements Hard Costs				
4	1410 Administration				
5	1411 Audit				
6	1415 Liquidated Damages				
7	1430 Fees and Costs				
8	1440 Site Acquisition				
9	1450 Site Improvement				
10	1460 Dwelling Structures				
11	1465.1 Dwelling Equipment - Nonexpendable				
12	1470 Nondwelling Structure				
13	1475 Nondwelling Equipment				
14	1485 Demolition				
15	1490 Replacement Reserve				
16	1492 Moving to Work Demonstration	$3,398,919.00	$3,398,919.00	$3,398,919.00	$1,700,078.58
17	1495.1 Relocation Costs				
18	1499 Development Activities				
19	1502 Contingency				
20	Amount of Annual Grant (Sum of lines 2-19)	**$3,398,919.00**	**$3,398,919.00**	**$3,398,919.00**	**$1,700,078.58**
21	Amount of line 20 Related to LBP Activities				
22	Amount of line 20 Related to Section 504 Compliance				
23	Amount of line 20 Related to Security - Soft Costs				
24	Amount of line 20 Related to Security - Hard Costs				
25	Amount of line 20 Related to Energy Conservation Measures				
26	Collateralization Expenses or Debt Service				

Annual Statement / Performance and Evaluation Report
Capital Fund Program and Capital Fund Program Replacement Housing Factor (CFP/CFPRHF) Part 1: Summary

PHA Name	Grant Type and Number	Federal FY of Grant: 2005
The Housing Authority of the City of Atlanta, Georgia	Capital Fund Program Grant No: Replacement Housing Factor Grant No: **GA06R006501-05**	

☐ Original Annual Statement ☐ Reserve for Disasters/Emergencies ☐ Revised Annual Statement/Revision Number (__ ___)
☒ Performance and Evaluation Report for Program Year Ending 06/30/2009 ☐ Final Performance and Evaluation Statement

Line No.		Summary by Development Account	Total Estimated Cost Original	Total Estimated Cost Revised	Total Actual Cost Obligated	Total Actual Cost Expended
1	Total non-CFP Funds					
2	1406	Operations				
3	1408	Management Improvements Soft Costs				
		Management Improvements Hard Costs				
4	1410	Administration				
5	1411	Audit				
6	1415	Liquidated Damages				
7	1430	Fees and Costs				
8	1440	Site Acquisition				
9	1450	Site Improvement				
10	1460	Dwelling Structures				
11	1465.1	Dwelling Equipment - Nonexpendable				
12	1470	Nondwelling Structure				
13	1475	Nondwelling Equipment				
14	1485	Demolition				
15	1490	Replacement Reserve				
16	1492	Moving to Work Demonstration	$2,712,327.00	$2,712,327.00	$2,424,210.36	$2,245,256.25
17	1495.1	Relocation Costs				
18	1499	Development Activities				
19	1502	Contingency				
20	Amount of Annual Grant (Sum of lines 2-19)		**$2,712,327.00**	**$2,712,327.00**	**$2,424,210.36**	**$2,245,256.25**
21	Amount of line 20 Related to LBP Activities					
22	Amount of line 20 Related to Section 504 Compliance					
23	Amount of line 20 Related to Security - Soft Costs					
24	Amount of line 20 Related to Security - Hard Costs					
25	Amount of line 20 Related to Energy Conservation Measures					
26	Collateratization Expenses or Debt Service					

Annual Statement / Performance and Evaluation Report
Capital Fund Program and Capital Fund Program Replacement Housing Factor (CFP/CFPRHF) Part 1: Summary

PHA Name	Grant Type and Number	Federal FY of Grant:
The Housing Authority of the City of Atlanta, Georgia	Capital Fund Program Grant No: Replacement Housing Factor Grant No: GA06R006502-05	2005

☐ Original Annual Statement ☐ Reserve for Disasters/Emergencies ☐ Revised Annual Statement/Revision Number (__ ___)
☒ Performance and Evaluation Report for Program Year Ending 06/30/2009 ☐ Final Performance and Evaluation Statement

Line No.	Summary by Development Account	Total Estimated Cost Original	Revised	Total Actual Cost Obligated	Expended
1	Total non-CFP Funds				
2	1406 Operations				
3	1408 Management Improvements Soft Costs				
	Management Improvements Hard Costs				
4	1410 Administration				
5	1411 Audit				
6	1415 Liquidated Damages				
7	1430 Fees and Costs				
8	1440 Site Acquisition				
9	1450 Site Improvement				
10	1460 Dwelling Structures				
11	1465.1 Dwelling Equipment - Nonexpendable				
12	1470 Nondwelling Structure				
13	1475 Nondwelling Equipment				
14	1485 Demolition				
15	1490 Replacement Reserve				
16	1492 Moving to Work Demonstration	$5,292,808.00	$5,292,808.00	$4,412,956.75	$3,604,793.52
17	1495.1 Relocation Costs				
18	1499 Development Activities				
19	1502 Contingency				
20	Amount of Annual Grant (Sum of lines 2-19)	**$5,292,808.00**	**$5,292,808.00**	**$4,412,956.75**	**$3,604,793.52**
21	Amount of line 20 Related to LBP Activities				
22	Amount of line 20 Related to Section 504 Compliance				
23	Amount of line 20 Related to Security - Soft Costs				
24	Amount of line 20 Related to Security - Hard Costs				
25	Amount of line 20 Related to Energy Conservation Measures				
26	Collateralization Expenses or Debt Service				

Annual Statement / Performance and Evaluation Report
Capital Fund Program and Capital Fund Program Replacement Housing Factor (CFP/CFPRHF) Part 1: Summary

PHA Name	Grant Type and Number	Federal FY of Grant: 2006
The Housing Authority of the City of Atlanta, Georgia	Capital Fund Program Grant No: GA06R006501-06 Replacement Housing Factor Grant No:	

☐ Original Annual Statement ☐ Reserve for Disasters/Emergencies ☐ Revised Annual Statement/Revision Number (__ ___)
☐ Performance and Evaluation Report for Program Year Ending 06/30/2009 ☒ Final Performance and Evaluation Statement

Line No.	Summary by Development Account	Total Estimated Cost Original	Total Estimated Cost Revised	Total Actual Cost Obligated	Total Actual Cost Expended
1	Total non-CFP Funds				
2	1406 Operations				
3	1408 Management Improvements Soft Costs				
	Management Improvements Hard Costs				
4	1410 Administration				
5	1411 Audit				
6	1415 Liquidated Damages				
7	1430 Fees and Costs				
8	1440 Site Acquisition				
9	1450 Site Improvement				
10	1460 Dwelling Structures				
11	1465.1 Dwelling Equipment - Nonexpendable				
12	1470 Nondwelling Structure				
13	1475 Nondwelling Equipment				
14	1485 Demolition				
15	1490 Replacement Reserve				
16	1492 Moving to Work Demonstration	$14,113,642.00	$14,113,642.00	$14,113,642.00	$14,113,642.00
17	1495.1 Relocation Costs				
18	1499 Development Activities				
19	1502 Contingency				
20	Amount of Annual Grant (Sum of lines 2-19)	**$14,113,642.00**	**$14,113,642.00**	**$14,113,642.00**	**$14,113,642.00**
21	Amount of line 20 Related to LBP Activities				
22	Amount of line 20 Related to Section 504 Compliance				
23	Amount of line 20 Related to Security - Soft Costs				
24	Amount of line 20 Related to Security - Hard Costs				
25	Amount of line 20 Related to Energy Conservation Measures				
26	Collateralization Expenses or Debt Service				

Annual Statement / Performance and Evaluation Report
Capital Fund Program and Capital Fund Program Replacement Housing Factor (CFP/CFPRHF) Part 1: Summary

PHA Name	Grant Type and Number	Federal FY of Grant: 2006
The Housing Authority of the City of Atlanta, Georgia	Capital Fund Program Grant No: Replacement Housing Factor Grant No: GA06R006501-06	

☐ Original Annual Statement ☐ Reserve for Disasters/Emergencies ☐ Revised Annual Statement/Revision Number (__ ___)
☒ Performance and Evaluation Report for Program Year Ending 06/30/2009 ☐ Final Performance and Evaluation Statement

Line No.	Summary by Development Account	Total Estimated Cost: Original	Total Estimated Cost: Revised	Total Actual Cost: Obligated	Total Actual Cost: Expended
1	Total non-CFP Funds				
2	1406 Operations				
3	1408 Management Improvements Soft Costs				
	Management Improvements Hard Costs				
4	1410 Administration				
5	1411 Audit				
6	1415 Liquidated Damages				
7	1430 Fees and Costs				
8	1440 Site Acquisition				
9	1450 Site Improvement				
10	1460 Dwelling Structures				
11	1465.1 Dwelling Equipment - Nonexpendable				
12	1470 Nondwelling Structure				
13	1475 Nondwelling Equipment				
14	1485 Demolition				
15	1490 Replacement Reserve				
16	1492 Moving to Work Demonstration	$1,567,427.00	$1,567,427.00	$0.00	$0.00
17	1495.1 Relocation Costs				
18	1499 Development Activities				
19	1502 Contingency				
20	Amount of Annual Grant (Sum of lines 2-19)	**$1,567,427.00**	**$1,567,427.00**	**$0.00**	**$0.00**
21	Amount of line 20 Related to LBP Activities				
22	Amount of line 20 Related to Section 504 Compliance				
23	Amount of line 20 Related to Security - Soft Costs				
24	Amount of line 20 Related to Security - Hard Costs				
25	Amount of line 20 Related to Energy Conservation Measures				
26	Collateratization Expenses or Debt Service				

Annual Statement / Performance and Evaluation Report
Capital Fund Program and Capital Fund Program Replacement Housing Factor (CFP/CFPRHF) Part 1: Summary

PHA Name	Grant Type and Number	Federal FY of Grant:
The Housing Authority of the City of Atlanta, Georgia	Capital Fund Program Grant No: Replacement Housing Factor Grant No: GA06R006502-06	2006

☐ Original Annual Statement ☐ Reserve for Disasters/Emergencies ☐ Revised Annual Statement/Revision Number (__ ___)
☒ Performance and Evaluation Report for Program Year Ending 06/30/2009 ☐ Final Performance and Evaluation Statement

Line No.	Summary by Development Account	Total Estimated Cost Original	Revised	Total Actual Cost Obligated	Expended
1	Total non-CFP Funds				
2	1406 Operations				
3	1408 Management Improvements Soft Costs				
	Management Improvements Hard Costs				
4	1410 Administration				
5	1411 Audit				
6	1415 Liquidated Damages				
7	1430 Fees and Costs				
8	1440 Site Acquisition				
9	1450 Site Improvement				
10	1460 Dwelling Structures				
11	1465.1 Dwelling Equipment - Nonexpendable				
12	1470 Nondwelling Structure				
13	1475 Nondwelling Equipment				
14	1485 Demolition				
15	1490 Replacement Reserve				
16	1492 Moving to Work Demonstration	$5,941,122.00	$5,941,122.00	$2,145,361.36	$1,300,648.41
17	1495.1 Relocation Costs				
18	1499 Development Activities				
19	1502 Contingency				
20	Amount of Annual Grant (Sum of lines 2-19)	**$5,941,122.00**	**$5,941,122.00**	**$2,145,361.36**	**$1,300,648.41**
21	Amount of line 20 Related to LBP Activities				
22	Amount of line 20 Related to Section 504 Compliance				
23	Amount of line 20 Related to Security - Soft Costs				
24	Amount of line 20 Related to Security - Hard Costs				
25	Amount of line 20 Related to Energy Conservation Measures				
26	Collateralization Expenses or Debt Service				

Annual Statement / Performance and Evaluation Report
Capital Fund Program and Capital Fund Program Replacement Housing Factor (CFP/CFPRHF) Part 1: Summary

PHA Name	Grant Type and Number	Federal FY of Grant: 2007
The Housing Authority of the City of Atlanta, Georgia	Capital Fund Program Grant No: GA06P006501-07 Replacement Housing Factor Grant No:	

☐ Original Annual Statement ☐ Reserve for Disasters/Emergencies ☐ Revised Annual Statement/Revision Number (__ ___)
☒ Performance and Evaluation Report for Program Year Ending 06/30/2009 ☐ Final Performance and Evaluation Statement

Line No.	Summary by Development Account	Total Estimated Cost Original	Revised	Total Actual Cost Obligated	Expended
1	Total non-CFP Funds				
2	1406 Operations				
3	1408 Management Improvements Soft Costs				
	Management Improvements Hard Costs				
4	1410 Administration				
5	1411 Audit				
6	1415 Liquidated Damages				
7	1430 Fees and Costs				
8	1440 Site Acquisition				
9	1450 Site Improvement				
10	1460 Dwelling Structures				
11	1465.1 Dwelling Equipment - Nonexpendable				
12	1470 Nondwelling Structure				
13	1475 Nondwelling Equipment				
14	1485 Demolition				
15	1490 Replacement Reserve				
16	1492 Moving to Work Demonstration	$12,846,548.00	$12,846,548.00	$12,846,548.00	$12,803,783.05
17	1495.1 Relocation Costs				
18	1499 Development Activities				
19	1502 Contingency				
20	Amount of Annual Grant (Sum of lines 2-19)	**$12,846,548.00**	**$12,846,548.00**	**$12,846,548.00**	**$12,803,783.05**
21	Amount of line 20 Related to LBP Activities				
22	Amount of line 20 Related to Section 504 Compliance				
23	Amount of line 20 Related to Security - Soft Costs				
24	Amount of line 20 Related to Security - Hard Costs				
25	Amount of line 20 Related to Energy Conservation Measures				
26	Collateralization Expenses or Debt Service				

Annual Statement / Performance and Evaluation Report
Capital Fund Program and Capital Fund Program Replacement Housing Factor (CFP/CFPRHF) Part 1: Summary

PHA Name	Grant Type and Number	Federal FY of Grant: 2007
The Housing Authority of the City of Atlanta, Georgia	Capital Fund Program Grant No: Replacement Housing Factor Grant No: GA06R006501-07	

☐ Original Annual Statement ☐ Reserve for Disasters/Emergencies ☐ Revised Annual Statement/Revision Number (__ ___)
☒ Performance and Evaluation Report for Program Year Ending 06/30/2009 ☐ Final Performance and Evaluation Statement

Line No.	Summary by Development Account		Total Estimated Cost Original	Revised	Total Actual Cost Obligated	Expended
1	Total non-CFP Funds					
2	1406	Operations				
3	1408	Management Improvements Soft Costs				
		Management Improvements Hard Costs				
4	1410	Administration				
5	1411	Audit				
6	1415	Liquidated Damages				
7	1430	Fees and Costs				
8	1440	Site Acquisition				
9	1450	Site Improvement				
10	1460	Dwelling Structures				
11	1465.1	Dwelling Equipment - Nonexpendable				
12	1470	Nondwelling Structure				
13	1475	Nondwelling Equipment				
14	1485	Demolition				
15	1490	Replacement Reserve				
16	1492	Moving to Work Demonstration	$1,430,750.00	$1,430,750.00	$1,187,957.00	$560,520.68
17	1495.1	Relocation Costs				
18	1499	Development Activities				
19	1502	Contingency				
20	Amount of Annual Grant (Sum of lines 2-19)		**$1,430,750.00**	**$1,430,750.00**	**$1,187,957.00**	**$560,520.68**
21	Amount of line 20 Related to LBP Activities					
22	Amount of line 20 Related to Section 504 Compliance					
23	Amount of line 20 Related to Security - Soft Costs					
24	Amount of line 20 Related to Security - Hard Costs					
25	Amount of line 20 Related to Energy Conservation Measures					
26	Collateralization Expenses or Debt Service					

Annual Statement / Performance and Evaluation Report
Capital Fund Program and Capital Fund Program Replacement Housing Factor (CFP/CFPRHF) Part 1: Summary

PHA Name	Grant Type and Number	Federal FY of Grant:
The Housing Authority of the City of Atlanta, Georgia	Capital Fund Program Grant No: Replacement Housing Factor Grant No: GA06R006502-07	2007

☐ Original Annual Statement ☐ Reserve for Disasters/Emergencies ☐ Revised Annual Statement/Revision Number (__ ___)
☒ Performance and Evaluation Report for Program Year Ending 06/30/2009 ☐ Final Performance and Evaluation Statement

Line No.	Summary by Development Account	Total Estimated Cost Original	Total Estimated Cost Revised	Total Actual Cost Obligated	Total Actual Cost Expended
1	Total non-CFP Funds				
2	1406 Operations				
3	1408 Management Improvements Soft Costs				
	Management Improvements Hard Costs				
4	1410 Administration				
5	1411 Audit				
6	1415 Liquidated Damages				
7	1430 Fees and Costs				
8	1440 Site Acquisition				
9	1450 Site Improvement				
10	1460 Dwelling Structures				
11	1465.1 Dwelling Equipment - Nonexpendable				
12	1470 Nondwelling Structure				
13	1475 Nondwelling Equipment				
14	1485 Demolition				
15	1490 Replacement Reserve				
16	1492 Moving to Work Demonstration	$5,388,268.00	$5,388,268.00	$4,436,886.21	$453,538.50
17	1495.1 Relocation Costs				
18	1499 Development Activities				
19	1502 Contingency				
20	Amount of Annual Grant (Sum of lines 2-19)	**$5,388,268.00**	**$5,388,268.00**	**$4,436,886.21**	**$453,538.50**
21	Amount of line 20 Related to LBP Activities				
22	Amount of line 20 Related to Section 504 Compliance				
23	Amount of line 20 Related to Security - Soft Costs				
24	Amount of line 20 Related to Security - Hard Costs				
25	Amount of line 20 Related to Energy Conservation Measures				
26	Collateralization Expenses or Debt Service				

Annual Statement / Performance and Evaluation Report
Capital Fund Program and Capital Fund Program Replacement Housing Factor (CFP/CFPRHF) Part 1: Summary

PHA Name	Grant Type and Number		Federal FY of Grant:
The Housing Authority of the City of Atlanta, Georgia	Capital Fund Program Grant No:	**GA06P006501-08**	**2008**
	Replacement Housing Factor Grant No:		

☐ Original Annual Statement ☐ Reserve for Disasters/Emergencies ☐ Revised Annual Statement/Revision Number (__ ___)
☒ Performance and Evaluation Report for Program Year Ending 06/30/2009 ☐ Final Performance and Evaluation Statement

Line No.	Summary by Development Account	Total Estimated Cost Original	Total Estimated Cost Revised	Total Actual Cost Obligated	Total Actual Cost Expended
1	Total non-CFP Funds				
2	1406 Operations				
3	1408 Management Improvements Soft Costs				
	Management Improvements Hard Costs				
4	1410 Administration				
5	1411 Audit				
6	1415 Liquidated Damages				
7	1430 Fees and Costs				
8	1440 Site Acquisition				
9	1450 Site Improvement				
10	1460 Dwelling Structures				
11	1465.1 Dwelling Equipment - Nonexpendable				
12	1470 Nondwelling Structure				
13	1475 Nondwelling Equipment				
14	1485 Demolition				
15	1490 Replacement Reserve				
16	1492 Moving to Work Demonstration	$14,063,331.00	$14,063,331.00	$12,764,372.51	$8,529,188.47
17	1495.1 Relocation Costs				
18	1499 Development Activities				
19	1502 Contingency				
20	Amount of Annual Grant (Sum of lines 2-19)	**$14,063,331.00**	**$14,063,331.00**	**$12,764,372.51**	**$8,529,188.47**
21	Amount of line 20 Related to LBP Activities				
22	Amount of line 20 Related to Section 504 Compliance				
23	Amount of line 20 Related to Security - Soft Costs				
24	Amount of line 20 Related to Security - Hard Costs				
25	Amount of line 20 Related to Energy Conservation Measures				
26	Collateralization Expenses or Debt Service				

Annual Statement / Performance and Evaluation Report
Capital Fund Program and Capital Fund Program Replacement Housing Factor (CFP/CFPRHF) Part 1: Summary

PHA Name	Grant Type and Number	Federal FY of Grant:
The Housing Authority of the City of Atlanta, Georgia	Capital Fund Program Grant No: Replacement Housing Factor Grant No: GA06R006501-08	2008

☐ Original Annual Statement ☐ Reserve for Disasters/Emergencies ☐ Revised Annual Statement/Revision Number (__ ___)
☒ Performance and Evaluation Report for Program Year Ending 06/30/2009 ☐ Final Performance and Evaluation Statement

Line No.	Summary by Development Account	Total Estimated Cost: Original	Total Estimated Cost: Revised	Total Actual Cost: Obligated	Total Actual Cost: Expended
1	Total non-CFP Funds				
2	1406 Operations				
3	1408 Management Improvements Soft Costs				
	Management Improvements Hard Costs				
4	1410 Administration				
5	1411 Audit				
6	1415 Liquidated Damages				
7	1430 Fees and Costs				
8	1440 Site Acquisition				
9	1450 Site Improvement				
10	1460 Dwelling Structures				
11	1465.1 Dwelling Equipment - Nonexpendable				
12	1470 Nondwelling Structure				
13	1475 Nondwelling Equipment				
14	1485 Demolition				
15	1490 Replacement Reserve				
16	1492 Moving to Work Demonstration	$1,461,675.00	$1,461,675.00	$11,780.98	$11,780.98
17	1495.1 Relocation Costs				
18	1499 Development Activities				
19	1502 Contingency				
20	Amount of Annual Grant (Sum of lines 2-19)	**$1,461,675.00**	**$1,461,675.00**	**$11,780.98**	**$11,780.98**
21	Amount of line 20 Related to LBP Activities				
22	Amount of line 20 Related to Section 504 Compliance				
23	Amount of line 20 Related to Security - Soft Costs				
24	Amount of line 20 Related to Security - Hard Costs				
25	Amount of line 20 Related to Energy Conservation Measures				
26	Collateralization Expenses or Debt Service				

Annual Statement / Performance and Evaluation Report
Capital Fund Program and Capital Fund Program Replacement Housing Factor (CFP/CFPRHF) Part 1: Summary

PHA Name	Grant Type and Number		Federal FY of Grant: 2008
The Housing Authority of the City of Atlanta, Georgia	Capital Fund Program Grant No: Replacement Housing Factor Grant No:	GA06R006502-08	

☐ Original Annual Statement ☐ Reserve for Disasters/Emergencies ☐ Revised Annual Statement/Revision Number (__ ___)
☒ Performance and Evaluation Report for Program Year Ending 06/30/2009 ☐ Final Performance and Evaluation Statement

Line No.	Summary by Development Account	Total Estimated Cost: Original	Total Estimated Cost: Revised	Total Actual Cost: Obligated	Total Actual Cost: Expended
1	Total non-CFP Funds				
2	1406 Operations				
3	1408 Management Improvements Soft Costs				
	Management Improvements Hard Costs				
4	1410 Administration				
5	1411 Audit				
6	1415 Liquidated Damages				
7	1430 Fees and Costs				
8	1440 Site Acquisition				
9	1450 Site Improvement				
10	1460 Dwelling Structures				
11	1465.1 Dwelling Equipment - Nonexpendable				
12	1470 Nondwelling Structure				
13	1475 Nondwelling Equipment				
14	1485 Demolition				
15	1490 Replacement Reserve				
16	1492 Moving to Work Demonstration	$5,472,872.00	$5,472,872.00	$2,561,525.80	$47,557.00
17	1495.1 Relocation Costs				
18	1499 Development Activities				
19	1502 Contingency				
20	Amount of Annual Grant (Sum of lines 2-19)	**$5,472,872.00**	**$5,472,872.00**	**$2,561,525.80**	**$47,557.00**
21	Amount of line 20 Related to LBP Activities				
22	Amount of line 20 Related to Section 504 Compliance				
23	Amount of line 20 Related to Security - Soft Costs				
24	Amount of line 20 Related to Security - Hard Costs				
25	Amount of line 20 Related to Energy Conservation Measures				
26	Collateralization Expenses or Debt Service				

Annual Statement/Performance and Evaluation Report
Capital Fund Program, Capital Fund Program Replacement Housing Factor and
Capital Fund Financing Program

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing
OMB No. 2577-0226
Expires 4/30/2011

Part I: Summary

PHA Name:	**Grant Type and Number**	**FFY of Grant:**
The Housing Authority of the City of Atlanta, Georgia	Capital Fund Program Grant No: GA06P006501-09 Date of CFFP: NA Replacement Housing Factor Grant No:	2009 **FFY of Grant Approval:** 2009

Type of Grant
☐ **Original Annual Statement** ☐ **Reserve for Disasters/Emergencies** ☐ **Revised Annual Statement (revision no:)**
☑ **Performance and Evaluation Report for Period Ending: 09/30/09** ☐ **Final Performance and Evaluation Report**

Line	**Summary by Development Account**	**Total Estimated Cost**		**Total Actual Cost** [1]	
		Original	**Revised** [2]	**Obligated**	**Expended**
1	Total non-CFP Funds				
2	1406 Operations (may not exceed 20% of line 21) [3]				
3	1408 Management Improvements				
4	1410 Administration (may not exceed 10% of line 21)				
5	1411 Audit				
6	1415 Liquidated Damages				
7	1430 Fees and Costs				
8	1440 Site Acquisition				
9	1450 Site Improvement				
10	1460 Dwelling Structures				
11	1465.1 Dwelling Equipment—Nonexpendable				
12	1470 Non-dwelling Structures				
13	1475 Non-dwelling Equipment				
14	1485 Demolition				
15	1492 Moving to Work Demonstration	$12,535,836			
16	1495.1 Relocation Costs				
17	1499 Development Activities [4]				
18a	1501 Collateralization or Debt Service paid by the PHA				
18ba	9000 Collateralization or Debt Service paid Via System of Direct Payment				
19	1502 Contingency (may not exceed 8% of line 20)				
20	Amount of Annual Grant: (sum of lines 2 – 19)				
21	Amount of line 20 Related to LBP Activities				
22	Amount of line 20 Related to Section 504 Activities				
23	Amount of line 20 Related to Security – Soft Costs				
24	Amount of line 20 Related to Security – Hard Costs				
25	Amount of line 20 Related to Energy Conservation Measures				

1 To be completed for the Performance and Evaluation Report.
2 To be completed for the Performance and Evaluation Report or a Revised Annual Statement.
3 PHAs with under 250 units in management may use 100% of CFP Grants for operations.
4 RHF funds shall be included here.

 form **HUD-50075.1** (4/2008)

Annual Statement/Performance and Evaluation Report
Capital Fund Program, Capital Fund Program Replacement Housing Factor and
Capital Fund Financing Program

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing
Expires 4/30/2011

Part I: Summary

PHA Name: The Housing Authority of the City of Atlanta, Georgia	**Grant Type and Number** Capital Fund Program Grant No: GA06P006501-09 Replacement Housing Factor Grant No: Date of CFFP:	**FFY of Grant:** 2009 **FFY of Grant Approval:** 2009

Type of Grant
☑ **Original Annual Statement** ☐ **Reserve for Disasters/Emergencies** ☐ **Revised Annual Statement (revision no:)**
☐ **Performance and Evaluation Report for Period Ending:** ☐ **Final Performance and Evaluation Report**

Line	**Summary by Development Account**	**Total Estimated Cost**		**Total Actual Cost** [1]	
		Original	**Revised** [2]	**Obligated**	**Expended**

Signature of Executive Director	**Date**	**Signature of Public Housing Director**	**Date**

form **HUD-50075.1** (4/2008)

The Atlanta Blueprint

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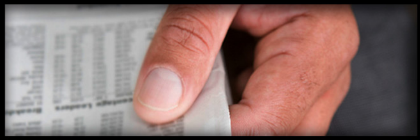




Annual Statement/Performance and Evaluation Report
Capital Fund Program, Capital Fund Program Replacement Housing Factor and
Capital Fund Financing Program

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing
OMB No. 2577-0226
Expires 4/30/2011

Part I: Summary

PHA Name:	Grant Type and Number	FFY of Grant:
The Housing Authority of the City of Atlanta, Georgia	Capital Fund Program Grant No: Replacement Housing Factor Grant No: GA06R006501-09 Date of CFFP: NA	2009 **FFY of Grant Approval:** 2009

Type of Grant

☐ **Original Annual Statement** ☐ **Reserve for Disasters/Emergencies** ☐ **Revised Annual Statement (revision no:)**

☑ **Performance and Evaluation Report for Period Ending: 09/30/09** ☐ **Final Performance and Evaluation Report**

Line	Summary by Development Account	Total Estimated Cost		Total Actual Cost [1]	
		Original	Revised [2]	Obligated	Expended
1	Total non-CFP Funds				
2	1406 Operations (may not exceed 20% of line 21) [3]				
3	1408 Management Improvements				
4	1410 Administration (may not exceed 10% of line 21)				
5	1411 Audit				
6	1415 Liquidated Damages				
7	1430 Fees and Costs				
8	1440 Site Acquisition				
9	1450 Site Improvement				
10	1460 Dwelling Structures				
11	1465.1 Dwelling Equipment—Nonexpendable				
12	1470 Non-dwelling Structures				
13	1475 Non-dwelling Equipment				
14	1485 Demolition				
15	1492 Moving to Work Demonstration	$3,112,679			
16	1495.1 Relocation Costs				
17	1499 Development Activities [4]				
18a	1501 Collateralization or Debt Service paid by the PHA				
18ba	9000 Collateralization or Debt Service paid Via System of Direct Payment				
19	1502 Contingency (may not exceed 8% of line 20)				
20	Amount of Annual Grant: (sum of lines 2 – 19)				
21	Amount of line 20 Related to LBP Activities				
22	Amount of line 20 Related to Section 504 Activities				
23	Amount of line 20 Related to Security – Soft Costs				
24	Amount of line 20 Related to Security – Hard Costs				
25	Amount of line 20 Related to Energy Conservation Measures				

1 To be completed for the Performance and Evaluation Report.
2 To be completed for the Performance and Evaluation Report or a Revised Annual Statement.
3 PHAs with under 250 units in management may use 100% of CFP Grants for operations.
4 RHF funds shall be included here.

Annual Statement/Performance and Evaluation Report
Capital Fund Program, Capital Fund Program Replacement Housing Factor and
Capital Fund Financing Program

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing
Expires 4/30/2011

Part I: Summary

PHA Name: The Housing Authority of the City of Atlanta, Georgia	**Grant Type and Number** Capital Fund Program Grant No: GA06P006501-09 Replacement Housing Factor Grant No: Date of CFFP:	**FFY of Grant:** 2009 **FFY of Grant Approval:** 2009

Type of Grant
☑ **Original Annual Statement** ☐ **Reserve for Disasters/Emergencies** ☐ **Revised Annual Statement (revision no:)**
☐ **Performance and Evaluation Report for Period Ending:** ☐ **Final Performance and Evaluation Report**

Line	**Summary by Development Account**	**Total Estimated Cost**		**Total Actual Cost** [1]	
		Original	**Revised** [2]	**Obligated**	**Expended**
Signature of Executive Director	**Date**	**Signature of Public Housing Director**	**Date**		

Annual Statement/Performance and Evaluation Report
Capital Fund Program, Capital Fund Program Replacement Housing Factor and
Capital Fund Financing Program

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing
OMB No. 2577-0226
Expires 4/30/2011

Part I: Summary

PHA Name: The Housing Authority of the City of Atlanta, Georgia

Grant Type and Number
Capital Fund Program Grant No:
Replacement Housing Factor Grant No: GA06R006502-09
Date of CFFP: NA

FFY of Grant: 2009
FFY of Grant Approval: 2009

Type of Grant
☐ **Original Annual Statement** ☐ **Reserve for Disasters/Emergencies** ☐ **Revised Annual Statement (revision no:)**
☑ **Performance and Evaluation Report for Period Ending: 09/30/09** ☐ **Final Performance and Evaluation Report**

Line	Summary by Development Account	Total Estimated Cost		Total Actual Cost [1]	
		Original	Revised [2]	Obligated	Expended
1	Total non-CFP Funds				
2	1406 Operations (may not exceed 20% of line 21) [3]				
3	1408 Management Improvements				
4	1410 Administration (may not exceed 10% of line 21)				
5	1411 Audit				
6	1415 Liquidated Damages				
7	1430 Fees and Costs				
8	1440 Site Acquisition				
9	1450 Site Improvement				
10	1460 Dwelling Structures				
11	1465.1 Dwelling Equipment—Nonexpendable				
12	1470 Non-dwelling Structures				
13	1475 Non-dwelling Equipment				
14	1485 Demolition				
15	1492 Moving to Work Demonstration	$4,838,507			
16	1495.1 Relocation Costs				
17	1499 Development Activities [4]				
18a	1501 Collateralization or Debt Service paid by the PHA				
18ba	9000 Collateralization or Debt Service paid Via System of Direct Payment				
19	1502 Contingency (may not exceed 8% of line 20)				
20	Amount of Annual Grant: (sum of lines 2 – 19)				
21	Amount of line 20 Related to LBP Activities				
22	Amount of line 20 Related to Section 504 Activities				
23	Amount of line 20 Related to Security – Soft Costs				
24	Amount of line 20 Related to Security – Hard Costs				
25	Amount of line 20 Related to Energy Conservation Measures				

1 To be completed for the Performance and Evaluation Report.
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4 RHF funds shall be included here.

 form **HUD-50075.1** (4/2008)

Annual Statement/Performance and Evaluation Report
Capital Fund Program, Capital Fund Program Replacement Housing Factor and
Capital Fund Financing Program

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing
Expires 4/30/2011

Part I: Summary					
PHA Name: The Housing Authority of the City of Atlanta, Georgia	**Grant Type and Number** Capital Fund Program Grant No: GA06P006501-09 Date of CFFP:	Replacement Housing Factor Grant No:		**FFY of Grant:** 2009 **FFY of Grant Approval:** 2009	
Type of Grant ☑ **Original Annual Statement** ☐ **Performance and Evaluation Report for Period Ending:**	☐ **Reserve for Disasters/Emergencies**		☐ **Revised Annual Statement (revision no:)** ☐ **Final Performance and Evaluation Report**		
Line	**Summary by Development Account**	**Total Estimated Cost**		**Total Actual Cost** [1]	
		Original	**Revised** [2]	**Obligated**	**Expended**
Signature of Executive Director	**Date**	**Signature of Public Housing Director**	**Date**		