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Executive Summary

Fiscal Year 2007 (July 1, 2006 through June 30, 2007) marked the Louisville Metro Housing Authority's eighth year of participation in the Moving to Work (MTW) Demonstration Program.

In January 2003, the City of Louisville and Jefferson County merged governments to become the 16th largest city in the nation. On March 27, 2003 the Housing Authority of Louisville (HAL) and the Housing Authority of Jefferson County (HAJC) were also merged to form the Louisville Metro Housing Authority (LMHA). This historic event, coupled with the receipt of a $20 million HOPE VI grant in March 2003 to redevelop Clarksdale I and a second $20 million HOPE VI grant in June 2004 for Clarksdale II, significantly changed the Agency's long- and short-term operations, and make its continued participation in the MTW program more critical than ever.

The planning process for Clarksdale I and II has sharpened the Agency's goals and objectives, and greatly influenced a redefined MTW program. The Agency is using the Clarksdale HOPE VI effort to focus on new development that expands housing choices for residents, furthers LMHA's deconcentration goals, and uses the full fungibility provided through the MTW Program to acquire real estate including new scattered public housing units.

This year's MTW Annual Report submission highlights the Authority's progress on the following demonstration activities and initiatives undertaken during FY2007:

- **Housing Development**
  LMHA continues its revitalization and one-for-one unit replacement efforts related to its two HOPE VI grants for the replacement of Clarksdale Homes with Liberty Green, a mixed- income, new-urbanist community. The funding flexibility provided through MTW has been essential to many of the acquisition and development activities associated with the Clarksdale revitalization. A variety of replacement housing types have been constructed or are currently under development including scattered-site, single family homes built in concert with other non-PHA rental and homeownership development, lease-to-own public housing homeownership units, and ACC units purchased or leased in privately developed, owned, and managed mixed-income sites.
  - During FY2007, LMHA utilized its MTW-granted funding fungibility to obligate funds for two sub-phases of on-site rental development at Liberty Green. Rental Sub-Phase III will include 146 units, while Rental Sub-Phase IV calls for the construction of 73 units. The Authority will close on both rental sub-phases in September 2007.
  - During FY2007, the Authority also submitted and received approval of its development proposal to build off-site, Clarksdale replacement units at 801 E. Broadway. This new mixed-use development will combine street-level, neighborhood-scale retail development with 22 dwelling units using a combination of HOPE VI funds, Housing Choice Voucher reserves, Replacement Housing Factor (RHF) Funds, and program income from the Authority's mixed-income developments.

This report documents the benefits LMHA received through its participation in the MTW Demonstration Program during FY2007. The Authority is strongly committed to the MTW program and desires to maximize its potential benefits for both residents and the Authority itself. For this reason, LMHA will continue to emphasize a wide variety of MTW activities in future revisions of the Agency's plans, policies, and service provision documents.

Quite simply, the MTW Demonstration Program is a critical catalyst in LMHA's ongoing endeavor to change the face of public housing in Louisville. The city's decades old, large public housing barracks present huge challenges for both the Authority and its residents. Thankfully, MTW continues to allow LMHA to explore new, creative, and locally-appropriate ways to provide alternative housing options to low-income families. Authority residents can now live in more neighborhoods and a wider variety of housing types than ever before. LMHA appreciates the opportunities provided through MTW, and is thankful its ongoing participation will allow it to expand these options even further.

Moving To Work Program Overview

Program Goals

HUD's purpose in the Moving To Work (MTW) demonstration program is threefold:

- To provide flexibility to design and test various approaches for providing and administering housing assistance that reduces costs and achieves greater cost effectiveness in federal expenditures;
- To give incentives to families with children where the head of the household is working; is seeking work; or, is preparing for work by participating in job training, educational programs or programs to assist people to obtain employment and become economically self sufficient; and
- To increase housing choices for low-income families.

LMHA's goals for the demonstration are as follows:

- To reposition and redevelop the conventional Public Housing stock;
- To use the Housing Choice Voucher program to implement stated Metro Government municipal goals;
- To increase housing choice through stronger rental communities and options, and expand homeownership opportunities;
- To develop programs and housing stock targeted to populations with special needs, especially those not adequately served elsewhere in the community;
- To make administrative and other changes necessary to improve the merged Agency's operations; and
- To encourage program participant self-sufficiency.

These goals represent a refinement and redefinition of the Agency's objectives for the MTW demonstration program, based on the change in focus of the program required by the merger with the HAJC and the addition of a large-scale voucher program. They also represent the reorientation of the Agency's long-term goals and direction of mission, both of which have been redeveloped through the planning process for the Clarksdale HOPE VI Revitalization.

Reposition and redevelop the conventional Public Housing stock

The physical stock of family developments formerly owned and managed by the Housing Authority of Louisville needs to be completely redeveloped. These sites—large, dense, urban, and often isolated—need major renovation or replacement. LMHA's goal is to transform these communities in the coming years, replacing the current public housing developments with mixed-income communities, while at the same time providing replacement units so that the overall number of families served will not decrease. In the elderly developments, modernization efforts will proceed with an eye towards appropriate and expanded service provision, such as supportive or assisted living.

Use the Housing Choice Voucher program to implement stated Metro Government municipal goals

Prior to merger, the Brookings Institute published a study entitled, "Beyond Merger: A Competitive Vision for the Regional City of Louisville." This document continues to serve as the framework for the new Metro Government's goals. As LMHA's mission changes, so will its role in the community. The basic focus of the Agency is in line with the City's competitive vision for itself: to fix the basics, build on assets, create quality neighborhoods; invest in working families and families striving to work; and influence Metro Louisville's growth. It will look to reinforce downtown residential development; enhance natural and cultural amenities; strengthen neighborhoods; provide better and more comprehensive links to transportation support; increase use of the Earned Income Tax Credit (EITC) and leverage the EITC with Individual Development Accounts (IDAs); help working families build wealth through homeownership; lessen the concentration of poverty; and foster the availability of housing near workplaces.

Increase housing choice through stronger rental communities and options, and expanded homeownership opportunities

Homeownership is an important housing choice option for many residents, and is an appropriate program given the local market. The Housing Authority of Jefferson County (HAJC) and HAL both had a Housing Choice Voucher Homeownership program. Following the merger of the two housing authorities, LMHA has continued to move its homeownership program forward, as evidenced by the consolidation of program policies and procedures within the Housing Choice Voucher Administration Plan. For the many other families for whom homeownership is not a viable option, LMHA will continue to look at its public housing communities to see what policy and program changes might strengthen those communities and make them better places to live.

Develop programs and housing stock targeted to populations with special needs not adequately served elsewhere in the community

LMHA is using a combination of available resources to develop targeted programs for people with specific and/or special needs. Some of these needs will be transitional; others are for programs that provide long-term support, particularly for the elderly and younger persons with disabilities. By providing this type of housing, LMHA hopes to meet needs left unaddressed by other local agencies, and/or to partner with local organizations that have a strong social service component and would like to provide a housing support element as well. Successful collaborations with local social service agencies already exist, particularly with the delivery of services to residents who are part of our HOPE VI developments. Developing comprehensive programs in these areas will continue to require MTW regulatory relief.

Continue to make administrative and other changes necessary to improve the merged Agency's operations

Merger has been a complex endeavor that has necessitated the alignment of all major Authority policies, including basic administrative documents such as the Admissions and Continued Occupancy Policy and the Housing Choice Voucher Administration Plan. MTW provides an opportunity to do this in a way most appropriate to the local situation, outside the limitations of current federal regulation.

Encourage program participant self-sufficiency

LMHA's MTW Agreement allows it to reinvent the FSS program, making it more appropriate to local participant needs. The Demonstration also allows LMHA to rethink other policies – like the rent policy – to encourage families to work.

Programs Included

LMHA's MTW program covers the following programs:

- Public Housing (LMHA Owned and Managed & Privately Owned and Managed);
- Capital Fund Program; and
- Housing Choice Voucher Program.

The above programs, which include the units and vouchers that were formerly part of the Housing Authority of Jefferson County, are now collectively part of the MTW program. Under MTW, LMHA is granted regulatory flexibility to test new programs and policies, and to determine which of its units/vouchers are included in the demonstration. Any regulation for which a waiver has been requested and/or granted is stated in LMHA's MTW documents. In all cases where no waiver has been granted, LMHA adheres to HUD regulations.

Households Served

This section describes the planned versus actual number and characteristics of households served in the Louisville Metro Housing Authority's (LMHA) developments and Housing Choice Voucher (HCV) Program as of June 30, 2007, the end of LMHA's fiscal year. Under MTW, as required by HUD, LMHA must continue to substantially serve the same number and mix of households as it would otherwise absent its participation in the Demonstration Program. Tables 3-1 thru 3-4 indicate the planned versus actual number of households served by housing type and unit size, by family type, by income levels compared to average median income (AMI) levels for Louisville Metro, and by race and ethnicity. Table 3-5 is a historical summary of households served since the beginning of LMHA's participation in the MTW Demonstration. The Agency's public housing waitlist characteristics as of July 1st, 2006 and July 1st, 2007 immediately follow the information on households served.

Number and Characteristics of Households Served

As of June 30, 2007, LMHA served 12,405 households in the combined public housing and HCV programs. This 240% increase since the close of FY2002 is a direct result of the merger of HAL and HAJC. Data from FY2003 onward reflects both HAJC and HAL vouchers and public housing units. Information prior to that time only pertains to HAL (Housing Authority of Louisville) households.

Overall there were 4,286 public housing households actually served at FY2007 year-end, 67 less than the projected 4,353. This shortfall is due to the current relocation of 148 households from Iroquois Homes in preparation for the demolition of 11 buildings at the site. Units at other developments are currently being held open to provide relocation options for these residents. Relocation of these residents should be complete by the end of CY2007.

The number of HCV households served was also 531 below the forecasted total (8,119 actual versus 8,650 planned). The reasons for this variation are discussed in detail in the "Leasing Information" portion of the "Management Information for Leased Housing" section of this report, and include an anticipated shortfall in HCV funding and the reservation of funds for Clarksdale HOPE VI Revitalization activities.

Table 3-1 indicates the distribution of households served by the bedroom size of their units. At the end of FY2007, 1.42% of LMHA households resided in efficiency units (down from 1.55% at the end of FY2006), 21.07% in one-bedroom units (up from 20.89%), 34.27% in two-bedroom units (up from 33.73%), 34.16% in three-bedroom units (down slightly from 34.35%), and 9.08% in four-bedroom or larger units (down from 9.45%). For public housing households, one-bedroom units were the most common bedroom size (at 40.99%, down from 41.90%), with two-bedroom households following second (at 30.35%, up from 29.58%). For HCV households, three-bedroom units were the most common bedroom size (at 40.93%, down slightly from 41.20%), with two-bedroom units second at 36.33% (up from 35.78%).

Table 3-2 indicates that 61.52% of LMHA households were characterized as family households (up from 60.16%), 10.08% were elderly households (up slightly from 10.00%), and 28.41% were classified as disabled households (down from 29.81%).

The data contained in Table 3-3 indicates that overall, 78.93% of the households served by LMHA had income levels below 30% of AMI (compared to 78.35% at the end of FY2006). The percentage of families in this income group was higher for families in the public housing program than in the HCV program (81.50% for public housing households versus 77.57% for HCV households). 3.51% of all households had income levels above 50% of AMI (up slightly from 3.45%.)

As shown in Table 3-4, 76.57% of Authority residents were African-American (compared to 76.78% at the end of FY2006), 21.76% were White (compared to 21.90%), and 1.67% other races (compared to 1.29%). Minority households accounted for 94.63% of family developments (compared to 93.99%), 86.12% of scattered sites (compared to 86.39%), 97.97% of privately-managed developments (compared to 98.40%), 75.25% of elderly/disabled developments (compared to 75.20%), and 72.58% of the HCV program (compared to 72.90%).

Table 3-5 depicts a historical summary of households served since the inception of the MTW program in FY1999. As noted earlier, the changes in households served since FY2002 are largely due to the addition of the former HAJC housing programs, and not necessarily from any significant changes in the number or mix of households served by the former HAL. The trend towards decreasing numbers of LMHA households with incomes below 30% of AMI was interrupted this year by a slight uptick of 0.58%. The Authority believes this increase is an anomaly (similar to the slight increase in 2002) and expects the overall downward trend to continue in future years in line with the national trend of increased incomes for public housing and HCV residents. This trend results from increased educational and training programs and other initiatives related to welfare reform. Locally, this trend has been positively affected by LMHA's deconcentration efforts during recent years.

Number and Characteristics of Households on Waiting List

Prior to merger, HAL maintained a central-based waitlist for all of its owned and managed family and elderly sites. HAL also maintained a referral list of residents recommended for its public housing scattered site units and its HCV program. Eligibility requirements for scattered sites included residency in a family or elderly public housing development for a one-year period and a recommendation by their site manager as an outstanding resident. Outstanding resident status was attained by having no late rent payments, passing annual inspections, and by adhering to all other LMHA leasing guidelines. The former HAJC maintained a combined central waitlist for its public housing units and its HCV program.

Site-based waitlists were also maintained for the privately-managed and/or owned public housing. All of these sites were mixed- income developments.

LMHA streamlined the waitlist and referral list structure described above when it modified its ACOP and Administration Plan in 2005. The Authority currently maintains a single, centralized waitlist for its owned and managed public housing sites. Eligibility requirements for scattered-site units remain the same, excepting the new five-year time limitation for single family, scattered-site units purchased as replacement housing for Clarksdale (This time limitation is waived for elderly/disabled households.). LMHA maintains a separate waitlist for the HCV program. Additionally, individual site-based waitlists are used for privately-managed and/or owned public housing units in mixed-income developments.

Tables 3-6 thru 3-8 show the number and characteristics of applicants on the central-based and the Park DuValle and Liberty Green site-based waitlists at July 1, 2006 and July 1, 2007. As of July 1, 2007, there were a total of 2,190 applicants on LMHA's central-based waitlist, up 331 or 17.81% from the beginning of the period.

1,235 or 56.39% of applicants on LMHA's central-based waitlist needed one-bedroom units (up from 54.87% the previous year), 665 or 30.37% needed two-bedroom units (down slightly from 30.72%), 235 or 10.73% needed three-bedroom units (compared to 11.78%), and 55 or 2.51% needed four-bedroom units (compared to 2.64% the previous year).

1,638 or 74.79% of all applicants on LMHA's central-based waitlist were African-American (down from 81.12% last year), 502 or 22.92% were White (up from 17.27% last year) and 50 or 2.28% were other racial and ethnic minorities (compared to 1.61% last year).

Accurate income levels for applicants on LMHA's central-based waitlist are not available for FY2007 as the agency does not currently maintain this information.

The site-based waitlist for Park DuValle Phase I contains information on the unit size needed by applicants, but other applicant characteristics are not available. Of the total 1,052 applicants, 200 or 19.01% were eligible for one-bedroom units, 504 or 47.91% for two-bedroom units, 291 or 27.66% for three-bedroom units, and 57 or 5.42% for four-bedroom units. At one time, a combined waitlist was maintained for Park DuValle Phases II, III and IV; however, this list has been closed since 2002.

Similarly, the site-based waitlist for Liberty Green Phases I & II contains information on unit size and family type but does not include additional applicant characteristics. Of the total 5 applicants at the end of FY2007, 100% were eligible for one-bedroom units. One of these households 1 was elderly (20%), while 4 were disabled (80%).

The maintenance of accurate waitlist data is critical to LMHA as this information helps the Authority determine future housing stock needs (including the reconfiguration of existing units); projections for the number of bedrooms needed in newly acquired or built units; and the bedroom size distribution for future requests to HUD for HCV vouchers.

Louisville Metro Housing Authority
Households Served by Housing Type and Unit Size
Planned vs. Actual FY2007

TABLE 3-1	Planne	Actua	Planne	Actua	Planne	Actua	Planne	Actua	Planne	Actual	Planne	Actual
FY 2007	30-Jun	30-	30-Jun	30-	30-Jun	30-	30-Jun	30-	30-Jun	30-Jun	30-Jun	30-Jun
PUBLIC HOUSING	**0 Bed**	**0 Bed**	**1 Bed**	**1 Bed**	**2 Bed**	**2 Bed**	**3 Bed**	**3 Bed**	**4 Bed+**	**4 Bed+**	**Totals**	**Totals**
Family Developments												
KY 1-2 Beecher Terrace	0	0	349	346	240	238	153	152	0	0	**742**	**736**
KY 1-3 Parkway Place	0	0	207	207	234	236	102	103	42	42	**585**	**588**
KY 1-4 Sheppard Square	0	0	0	0	163	166	124	125	23	23	**310**	**314**
KY 1-5 Iroquois Homes	0	0	155	149	301	296	100	98	38	36	**594**	**579**
Elderly/Disabled Developments												
KY 1-10,11,12 Dosker Manor A,B, & C	3	3	643	596	20	17	0	0	0	0	**666**	**616**
KY 1-13 St. Catherine Court	32	32	90	89	0	0	0	0	0	0	**122**	**121**
KY 1-14 Avenue Plaza	131	129	88	87	0	0	0	0	0	0	**219**	**216**
KY 1-18 Lourdes Hall	8	8	54	53	0	0	0	0	0	0	**62**	**61**
KY 1-40 Bishop Lane Plaza	0	0	88	85	0	0	0	0	0	0	**88**	**85**
Scattered Sites												
KY 1-17 Scattered Sites I	0	0	0	0	27	23	17	15	5	4	**49**	**42**
KY 1-19 Scattered Sites II	0	0	0	0	0	0	31	31	0	0	**31**	**31**
KY 1-22 Scattered Sites III	0	0	0	0	1	1	41	39	0	0	**42**	**40**
KY 1-24 Scattered Sites IV	0	0	0	0	0	0	44	42	0	0	**44**	**42**
KY 1-34 Park DuValle/Clarksdale I Repl.	0	0	2	2	70	59	82	68	9	9	**163**	**138**
KY1-35 Section 5(h) C'dale I & I Repl.	0	0	0	0	6	5	15	12	0	0	**21**	**17**
KY 1-38 St. Martin's & Other C'dale I Repl.	4	3	15	11	8	6	1	1	3	2	**31**	**23**
KY1-39 Scattered Sites (Newburg S.F. Homes)	0	0	0	0	0	0	3	3	1	1	**4**	**4**
KY 1-41 Scattered Sites V	0	0	20	19	41	38	20	18	1	1	**82**	**76**
KY1-44 Friary	0	0	0	0	0	0	18	14	3	3	**21**	**17**
KY1-45 C'dale I Misc. Repl.*	N/A	0	N/A	19	N/A	9	N/A	7	N/A	1	**N/A**	**36**
KY1-47 ND/HPI C'dale I Repl.*	N/A	0	N/A	0	N/A	0	N/A	60	N/A	0	**N/A**	**60**
Privately Managed Sites												
KY 1-27 The Oaks of Park DuValle	0	0	5	5	25	23	22	21	7	7	**59**	**56**
KY 1-30 The Villages of Park DuValle	0	0	8	8	39	37	42	40	3	3	**92**	**88**
KY1-31 Park DuValle III	0	0	45	42	23	22	10	10	0	0	**78**	**74**
KY1-32 Park DuValle IV	0	0	7	7	70	67	52	50	5	5	**134**	**129**
KY1-36 St. Francis (Clarksdale I Repl.)	1	1	4	4	5	5	0	0	0	0	**10**	**10**
KY 1-43 Steven Foster (Park DuValle Repl.)*	N/A	0	N/A	3	N/A	0	N/A	0	N/A	0	**N/A**	**3**
KY 1-46 Village Manor	0	0	0	0	10	9	0	0	0	0	**10**	**9**
KY1-49 Liberty Green Rental I	1	0	35	25	52	44	6	6	0	0	**94**	**75**
TOTAL PUBLIC HOUSING UNITS	**180**	**176**	**1815**	**1757**	**1335**	**1301**	**883**	**915**	**140**	**137**	**4353**	**4286**
HCV PROGRAM	**0 Bed**	**0 Bed**	**1 Bed**	**1 Bed**	**2 Bed**	**2 Bed**	**3 Bed**	**3 Bed**	**4 Bed+**	**4 Bed+**	**Totals**	**Totals**
Housing Choice Vouchers	0	0	913	857	3143	2950	3540	3323	1054	989	**8650**	**8119**
TOTAL HCV UNITS	**0**	**0**	**913**	**857**	**3143**	**2950**	**3540**	**3323**	**1054**	**989**	**8650**	**8119**
TOTAL LMHA UNITS	**180**	**176**	**2728**	**2614**	**4478**	**4251**	**4423**	**4238**	**1194**	**1126**	**13003**	**12405**

*At the time the Agency's FY2007 Annual Plan was written, acquisition and/or construction of units within these project numbers was still underway, making projections unreliable; thus, they were not included. Projections for these projects are included in the Agency's FY2008 Annual Plan.

Louisville Metro Housing Authority
Households Served by Family Type
Planned vs. Actual FY2007

TABLE 3-2	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual
FY 2007	30-Jun	30-Jun	30-Jun	30-Jun	30-Jun	30-Jun	30-Jun	30-Jun
PUBLIC HOUSING	**Family**		**Elderly**		**Disabled**		**Totals**	**Totals**
Family Developments								
KY 1-2 Beecher Terrace	459	455	100	99	183	182	**742**	**736**
KY 1-3 Parkway Place	479	481	25	25	81	82	**585**	**588**
KY 1-4 Sheppard Square	266	269	7	7	37	38	**310**	**314**
KY 1-5 Iroquois Homes	498	486	19	18	77	75	**594**	**579**
Elderly/Disabled Developments								
KY 1-10,11,12 Dosker Manor A,B, & C	127	116	219	206	320	294	**666**	**616**
KY 1-13 St. Catherine Court	2	2	107	106	13	13	**122**	**121**
KY 1-14 Avenue Plaza	28	28	94	93	97	95	**219**	**216**
KY 1-18 Lourdes Hall	4	4	34	33	24	24	**62**	**61**
KY 1-40 Bishop Lane Plaza	6	6	21	20	61	59	**88**	**85**
Scattered Sites								
KY 1-17 Scattered Sites I	28	24	8	8	13	10	**49**	**42**
KY 1-19 Scattered Sites II	26	26	0	0	5	5	**31**	**31**
KY 1-22 Scattered Sites III	33	31	2	2	7	7	**42**	**40**
KY 1-24 Scattered Sites IV	37	35	0	0	7	7	**44**	**42**
KY 1-34 Park DuValle/Clarksdale I Repl.	163	138	0	0	0	0	**163**	**138**
KY1-35 Section 5(h) C'dale I & I Repl.	18	14	0	0	3	3	**21**	**17**
KY 1-38 St. Martin's & Other C'dale I Repl.	26	19	0	0	5	4	**31**	**23**
KY1-39 Scattered Sites (Newburg S.F. Homes)	2	2	0	0	2	2	**4**	**4**
KY 1-41 Scattered Sites V	44	40	16	15	22	21	**82**	**76**
KY1-44 Friary	15	11	1	1	5	5	**21**	**17**
KY1-45 C'dale I Misc. Repl.*	N/A	21	N/A	6	N/A	9	**N/A**	**36**
KY1-47 ND/HPI C'dale I Repl.*	N/A	34	N/A	10	N/A	16	**N/A**	**60**
Privately Managed Sites								
KY 1-27 The Oaks of Park DuValle	48	46	8	7	3	3	**59**	**56**
KY 1-30 The Villages of Park DuValle	49	46	15	15	28	27	**92**	**88**
KY1-31 Park DuValle III	10	9	62	59	6	6	**78**	**74**
KY1-32 Park DuValle IV	94	90	22	21	18	18	**134**	**129**
KY1-36 St. Francis (Clarksdale I Repl.)	6	6	2	2	2	2	**10**	**10**
KY 1-43 Steven Foster (Park DuValle Repl.)*	N/A	0	N/A	3	N/A	0	**N/A**	**3**
KY 1-46 Village Manor	10	9	0	0	0	0	**10**	**9**
KY1-49 Liberty Green Rental I	93	73	0	0	1	2	**94**	**75**
TOTAL PUBLIC HOUSING UNITS	**2571**	**2521**	**762**	**756**	**1020**	**1009**	**4353**	**4286**

HOUSING CHOICE VOUCHER	**Family**		**Elderly**		**Disabled**		**Totals**	**Totals**
Housing Choice Vouchers	5444	5110	526	494	2680	2515	**8650**	**8119**
TOTAL HCV UNITS	**5444**	**5110**	**526**	**494**	**2680**	**2515**	**8650**	**8119**

TOTAL LMHA UNITS	**8015**	**7631**	**1288**	**1250**	**3700**	**3524**	**13003**	**12405**

*At the time the Agency's FY2007 Annual Plan was written, acquisition and/or construction of units within these project numbers was still underway, making projections unreliable; thus, they were not included. Projections for these projects are included in the Agency's FY2008 Annual Plan.

Louisville Metro Housing Authority
Households Served by Income Levels Compared to Median
Planned vs. Actual FY2007

TABLE 3-3	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual
FY 2007	30-Jun	30-Jun	30-Jun	30-Jun	30-Jun	30-Jun	30-Jun	30-Jun	30-Jun	30-Jun
PUBLIC HOUSING	<30%		30-50%		50-80%		>80%		Totals	Totals
Family Developments										
KY 1-2 Beecher Terrace	642	638	75	73	23	23	2	2	**742**	**736**
KY 1-3 Parkway Place	541	543	38	39	4	4	2	2	**585**	**588**
KY 1-4 Sheppard Square	255	258	47	48	8	8	0	0	**310**	**314**
KY 1-5 Iroquois Homes	523	513	61	58	9	8	1	0	**594**	**579**
Elderly/Disabled Developments										
KY 1-10,11,12 Dosker Manor A,B, & C	590	548	48	44	13	12	14	12	**665**	**616**
KY 1-13 St. Catherine Court	108	107	13	13	0	0	1	1	**122**	**121**
KY 1-14 Avenue Plaza	187	185	28	27	4	4	0	0	**219**	**216**
KY 1-18 Lourdes Hall	45	44	13	13	3	3	1	1	**62**	**61**
KY 1-40 Bishop Lane Plaza	77	75	8	7	2	2	1	1	**88**	**85**
Scattered Sites										
KY 1-17 Scattered Sites I	34	29	10	8	4	4	1	1	**49**	**42**
KY 1-19 Scattered Sites II	17	17	13	13	1	1	0	0	**31**	**31**
KY 1-22 Scattered Sites III	25	23	12	12	4	4	1	1	**42**	**40**
KY 1-24 Scattered Sites IV	31	29	6	6	6	6	1	1	**44**	**42**
KY 1-34 Park DuValle/Clarksdale I Repl.	99	84	33	28	25	21	6	5	**163**	**138**
KY1-35 Section 5(h) C'dale I & I Repl.	18	14	3	3	0	0	0	0	**21**	**17**
KY 1-38 St. Martin's & Other C'dale I Repl.	18	12	7	7	5	4	1	0	**31**	**23**
KY1-39 Scattered Sites (Newburg S.F. Homes)	1	1	2	2	1	1	0	0	**4**	**4**
KY 1-41 Scattered Sites V	63	59	14	13	3	3	2	1	**82**	**76**
KY1-44 Friary	15	12	4	3	2	2	0	0	**21**	**17**
KY1-45 C'dale I Misc. Repl.*	N/A	25	N/A	7	N/A	3	N/A	1	**N/A**	**36**
KY1-47 ND/HPI C'dale I Repl.*	N/A	42	N/A	12	N/A	5	N/A	1	**N/A**	**60**
Privately Managed Sites										
KY 1-27 The Oaks of Park DuValle	21	20	13	13	24	23	1	0	**59**	**56**
KY 1-30 The Villages of Park DuValle	54	51	33	32	4	4	1	1	**92**	**88**
KY1-31 Park DuValle III	58	55	16	15	3	3	1	1	**78**	**74**
KY1-32 Park DuValle IV	75	72	49	47	9	9	1	1	**134**	**129**
KY1-36 St. Francis (Clarksdale I Repl.)	4	4	3	3	3	3	0	0	**10**	**10**
KY 1-43 Steven Foster (Park DuValle Repl.)*	N/A	2	N/A	1	N/A	0	N/A	0	**N/A**	**3**
KY 1-46 Village Manor	N/A	4	N/A	2	N/A	3	N/A	0	**N/A**	**9**
KY1-49 Liberty Green Rental I	N/A	27	N/A	17	N/A	31	N/A	0	**N/A**	**75**
TOTAL PUBLIC HOUSING UNITS	**3501**	**3493**	**549**	**566**	**160**	**194**	**38**	**33**	**4248**	**4286**

HCV PROGRAM	<30%		30-50%		50-80%		>80%		Totals	Totals
Housing Choice Vouchers	6710	6298	1717	1612	202	190	21	19	**8650**	**8119**
TOTAL HCV UNITS	**6710**	**6298**	**1717**	**1612**	**202**	**190**	**21**	**19**	**8650**	**8119**
TOTAL LMHA UNITS	**10211**	**9791**	**2266**	**2178**	**362**	**384**	**59**	**52**	**12898**	**12405**

*At the time the Agency's FY2007 Annual Plan was written, acquisition and/or construction of units within these project numbers was still underway, making projections unreliable; thus, they were not included. Projections for these projects are included in the Agency's FY2008 Annual Plan.

Louisville Metro Housing Authority
Households Served by Race and Ethnicity
Planned vs. Actual FY2007

TABLE 3-4	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual
FY 2007	30-Jun	30-Jun	30-Jun	30-Jun	30-Jun	30-Jun	30-Jun	30-Jun
PUBLIC HOUSING	**African-**		**White**		**Other**		**Totals**	**Totals**
Family Developments								
KY 1-2 Beecher Terrace	723	716	18	18	1	2	**742**	**736**
KY 1-3 Parkway Place	563	559	17	18	5	11	**585**	**588**
KY 1-4 Sheppard Square	300	306	7	6	3	2	**310**	**314**
KY 1-5 Iroquois Homes	513	497	78	77	4	5	**595**	**579**
Elderly/Disabled Developments								
KY 1-10,11,12 Dosker Manor A,B, & C	498	472	160	134	8	10	**666**	**616**
KY 1-13 St. Catherine Court	96	88	26	31	0	2	**122**	**121**
KY 1-14 Avenue Plaza	179	175	39	40	1	1	**219**	**216**
KY 1-18 Lourdes Hall	35	35	26	25	1	1	**62**	**61**
KY 1-40 Bishop Lane Plaza	43	42	44	42	1	1	**88**	**85**
Scattered Sites								
KY 1-17 Scattered Sites I	45	39	4	3	0	0	**49**	**42**
KY 1-19 Scattered Sites II	29	29	2	2	0	0	**31**	**31**
KY 1-22 Scattered Sites III	38	37	4	3	0	0	**42**	**40**
KY 1-24 Scattered Sites IV	44	42	0	0	0	0	**44**	**42**
KY 1-34 Park DuValle/Clarksdale I Repl.	157	135	6	3	0	0	**163**	**138**
KY1-35 Section 5(h) C'dale I & I Repl.	20	16	1	1	0	0	**21**	**17**
KY 1-38 St. Martin's & Other C'dale I Repl.	9	7	21	16	1	0	**31**	**23**
KY1-39 Scattered Sites (Newburg S.F. Homes)	4	4	0	0	0	0	**4**	**4**
KY 1-41 Scattered Sites V	45	41	37	35	0	0	**82**	**76**
KY1-44 Friary	19	16	2	1	0	0	**21**	**17**
KY1-45 C'dale I Misc. Repl.*	N/A	31	N/A	5	N/A	0	**N/A**	**36**
KY1-47 ND/HPI C'dale I Repl.*	N/A	56	N/A	4	N/A	0	**N/A**	**60**
Privately-Managed Developments								
KY 1-27 The Oaks of Park DuValle	57	55	2	1	0	0	**59**	**56**
KY 1-30 The Villages of Park DuValle	91	87	1	1	0	0	**92**	**88**
KY1-31 Park DuValle III	78	74	0	0	0	0	**78**	**74**
KY1-32 Park DuValle IV	132	128	2	1	0	0	**134**	**129**
KY1-36 St. Francis (Clarksdale I Repl.)	9	9	1	1	0	0	**10**	**10**
KY 1-43 Steven Foster (Park DuValle Repl.)*	N/A	3	N/A	0	N/A	0	**N/A**	**3**
KY 1-46 Village Manor	N/A	8	N/A	1	N/A	0	**N/A**	**9**
KY1-49 Liberty Green Rental I	N/A	71	N/A	4	N/A	0	**N/A**	**75**
TOTAL PUBLIC HOUSING UNITS	**3727**	**3778**	**498**	**473**	**25**	**35**	**4250**	**4286**

HOUSING CHOICE VOUCHER	**African-**		**White**		**Other**		**Totals**	**Totals**
Housing Choice Vouchers	6217	5721	2333	2226	100	172	**8650**	**8119**
TOTAL HCV UNITS	**6217**	**5721**	**2333**	**2226**	**100**	**172**	**8650**	**8119**

TOTAL LMHA UNITS	**9944**	**9499**	**2831**	**2699**	**125**	**207**	**12900**	**12405**

*At the time the Agency's FY2007 Annual Plan was written, acquisition and/or construction of units within these project numbers was still underway, making projections unreliable; thus, they were not included. Projections for these projects are included in the Agency's FY2008 Annual Plan.

Louisville Metro Housing Authority
Historical Summary of Households Served

TABLE 3-5	2007	2006	2005	2004	2003	2002	2001	2000	1999
Percentage of LMHA Households with incomes <30% of Median	79%	78%	80%	86%	86%	90%	88%	92%	93%
Percentage of LMHA Public Housing Households with incomes <30% of Median	81%	83%	82%	85%	89%	91%	89%	94%	94%
Percentage of LMHA Housing Choice Voucher Households with incomes <30% of Median	78%	76%	79%	87%	85%	86%	81%	82%	87%
Percentage of all households with income levels above 50% of Median	4%	3%	3%	2%	1%	2%	2%	1%	1%
Percentage of African-American Households	76%	77%	77%	76%	75%	89%	89%	88%	87%
Percentage of White Households	22%	22%	21%	23%	23%	10%	10%	11%	12%
Percentage of other Ethnic or Racial Minorities	2%	1%	2%	1%	1%	1%	1%	<1%	1%
Percentage of Family Households	62%	60%	59%	65%	64%	62%	62%	NA*	NA*
Percentage of Elderly Households	10%	10%	10%	9%	10%	14%	14%	NA*	NA*
Percentage of Disabled Households	28%	30%	31%	26%	26%	24%	25%	NA*	NA*

***Information from prior years was not available in this format.**

Louisville Metro Housing Authority
Wait List Data by Unit Size
Actual FY2007

TABLE 3-6

	7/1/06	7/1/07	7/1/06	7/1/07	7/1/06	7/1/07	7/1/06	7/1/07	7/1/06	7/1/07
PUBLIC HOUSING	**1 Bed**		**2 Bed**		**3 Bed**		**4 Bed+**		**Totals**	**Totals**
Central-Based Waitlist										
Family	804	950	511	593	199	216	46	49	**1560**	**1808**
Elderly	42	65	7	10	2	1	1	2	**52**	**78**
Disabled	174	220	53	62	18	18	2	4	**247**	**304**
TOTAL CENTRAL-BASED WAITLIST	**1020**	**1235**	**571**	**665**	**219**	**235**	**49**	**55**	**1859**	**2190**
Site-Based Waitlists										
KY 1-27 Park DuValle I*	313	200	463	504	259	291	59	57	**1094**	**1052**
KY 1-49, KY 1-50 Liberty Green I & II**										
Family	N/A	0	N/A	0	N/A	0	N/A	0	**0**	**0**
Elderly	N/A	1	N/A	0	N/A	0	N/A	0	**0**	**1**
Disabled	N/A	4	N/A	0	N/A	0	N/A	0	**0**	**4**
TOTAL SITE-BASED WAITLISTS	**313**	**205**	**463**	**504**	**259**	**291**	**59**	**57**	**1094**	**1057**
TOTAL PUBLIC HOUSING WAITLISTS	**1333**	**1440**	**1034**	**1169**	**478**	**526**	**108**	**112**	**2953**	**3247**
HOUSING CHOICE VOUCHER	**1 Bed**		**2 Bed**		**3 Bed**		**4 Bed+**		**Totals**	**Totals**
Housing Choice Vouchers	5202	5878	3694	4173	1418	1602	235	265	**10549**	**11918**
TOTAL HCV Program	**5202**	**5878**	**3694**	**4173**	**1418**	**1602**	**235**	**265**	**10549**	**11918**
TOTAL ALL PROGRAMS	**6535**	**7318**	**4728**	**5342**	**1896**	**2128**	**343**	**377**	**13502**	**15165**

*Characteristics by family type are currently not available. Waitlist tracks total number of applicants by desired unit size only.

**The first on-site public housing units at Liberty Green were occupied in late June 2006. Waitlist data was not yet available as of 7/1/06.

Louisville Metro Housing Authority
Wait List Data by Income Group
Actual FY2007

TABLE 3-7

FY 2007	7/1/06	7/1/07	7/1/06	7/1/07	7/1/06	7/1/07	7/1/06	7/1/07	7/1/06	7/1/07
PUBLIC HOUSING	<30%		30-50%		50-80%		>80%		Totals	Totals
Central-Based Waitlist*										
Family	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	**1560**	**1808**
Elderly	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	**52**	**78**
Disabled	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	**247**	**304**
TOTAL CENTRAL-BASED WAITLIST	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**1859**	**2190**
Site-Based Waitlists*										
KY 1-27 Park DuValle I	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	**1094**	**1052**
KY 1-49, KY 1-50 Liberty Green I & II	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	**N/A**	**5**
TOTAL SITE-BASED WAITLISTS	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**1094**	**1057**
TOTAL PUBLIC HOUSING WAITLISTS	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**2953**	**3247**
HOUSING CHOICE VOUCHERS	<30%		30-50%		50-80%		>80%		Totals	Totals
Housing Choice Vouchers	9493	10709	1056	1209	0	0	0	0	**10549**	**11918**
TOTAL HCV PROGRAM	**9493**	**10979**	**1056**	**1240**	**0**	**0**	**0**	**0**	**10549**	**11918**
TOTAL ALL PROGRAMS	**9493**	**10979**	**1056**	**1240**	**0**	**0**	**0**	**0**	**13502**	**15165**

*Income characteristics are currently not available for these households.

Louisville Metro Housing Authority
Wait List Data by Race and Ethnicity
Actual FY2007

TABLE 3-8

FY 2007	7/1/06	7/1/07	7/1/06	7/1/07	7/1/06	7/1/07	7/1/06	7/1/07
PUBLIC HOUSING	**African-American**		**White**		**Other**		**Totals**	**Totals**
Central-Based Waiting List								
Family	1306	1353	233	414	21	41	**1560**	**1808**
Elderly	31	58	15	18	6	2	**52**	**78**
Disabled	171	227	73	70	3	7	**247**	**304**
TOTAL CENTRAL-BASED WAITLIST	**1508**	**1638**	**321**	**502**	**30**	**50**	**1859**	**2190**
Site-Based Waiting Lists*								
KY 1-27 Park DuValle I	N/A	N/A	N/A	N/A	N/A	N/A	**1094**	**1052**
KY 1-49, KY 1-50 Liberty Green I & II	N/A	N/A	N/A	N/A	N/A	N/A	**N/A**	**5**
TOTAL SITE-BASED WAITING LISTS	N/A	N/A	N/A	N/A	N/A	N/A	**1094**	**1057**
TOTAL PUBLIC HOUSING WAITING LISTS	**1508**	**1638**	**321**	**502**	**30**	**50**	**2953**	**3247**
HOUSING CHOICE VOUCHERS	**African-American**		**White**		**Other**		**Totals**	**Totals**
Housing Choice Vouchers	6034	6834	4286	4779	229	305	**10549**	**11918**
TOTAL HCV PROGRAM	**6034**	**6834**	**4286**	**4779**	**229**	**305**	**10549**	**11918**
TOTAL ALL PROGRAMS	**7542**	**8472**	**4607**	**5281**	**259**	**355**	**13502**	**15165**

*Race/ethnicity characteristics are currently not available for these households.

Occupancy Policies

LMHA's occupancy and rent policies are key management tools for creating stable communities that will support families, households with special needs, and the elderly. Immediately after merger, the agency continued to operate under two sets of policies: those of the former Housing Authority of Louisville (HAL) and of the former Housing Authority of Jefferson County (HAJC). One of the most important tasks that LMHA performed during FY2006 was the adoption of a new Admissions and Continuing Occupancy Policy (ACOP), which is the policy framework governing the Public Housing program, as well as a new Administrative Plan, which is the policy framework governing the Housing Choice Voucher (HCV) Plan.

Statement of Eligibility and Admission Policies

The former HAL administered its central-based waitlist for owned and managed public housing sites per its ACOP and an Interim Rent Policy, while the former HAJC had its own set of policies. Both HAL and HAJC each had a number of waitlist preferences, categories of ineligibility for admission, categories of ineligibility for continued occupancy, and rent policy criteria. Immediately after merger, the Agency continued to operate under those separate policies. LMHA consolidated the former agencies' separate ACOP policies during FY2004, and a single, fully integrated ACOP was adopted by the Board in December 2005 after extensive general public comment and individual meetings with local housing advocacy groups.

Most of the changes made to the ACOP while under MTW and since merger have been allowable per existing HUD regulations. However, the latest revision includes two policy changes that exercise the regulatory flexibility allowed by MTW. LMHA has instituted a five-year time limitation on residency in the new scattered-site, single family public housing ACC rental units created off-site under the Clarksdale HOPE VI Revitalization program. Heads of household must be employed and work at least 30 hours per week to be eligible for these units. The work requirement may be temporarily waived for single heads of household enrolled as full-time students in an accredited post-secondary educational institution. The elderly and people with disabilities are exempt from the employment or school requirement and time limitations.

The ACOP has also been revised to provide LMHA with the option to re-examine / re-certify elderly and disabled families once every two or three years, instead of annually. The Authority decided to exercise this option in its FY2008 MTW Annual Plan, and will begin biannual re-certification of these families in early CY2008. For all other families, LMHA will continue to re-examine tenant income and characteristics and submit updated MTCS data to HUD annually.

Given LMHA's new MTW initiative regarding biannual re-certification, as well as two additional rent simplification initiatives (a standard medical deduction and earned income disregard for elderly residents) outlined in its FY2008 MTW Annual Plan, LMHA plans to update both its ACOP and

Administrative Plan during FY2008. The updated documents will be submitted as appendices to the Authority's FY2009 MTW Annual Plan.

In addition to its ACOP for owned and managed public housing units, the Authority maintains another ACOP for public housing units in the Park DuValle mixed-income development and a separate ACOP policy related to each mixed-finance transaction (each rental sub-phase) associated with on-site public housing at Liberty Green. These sites also maintain separate site-based waitlists, which were developed with public notice and hearing. The ACOP for Park DuValle was included in the Appendix of the FY2002 MTW Annual Plan, while two ACOP policies related to Liberty Green Rental Sub-Phases I and II (both of which closed in FY2007) are included in the Appendix of this report. Additional ACOP policies for Rental Sub-Phases III and IV will be included in next year's report as these phases are expected to close during FY2008.

Community Service Policy

The Quality Housing and Work Responsibility Act of 1998 (QHWRA) originally required that all housing authorities implement a Community Service (CS) policy for public housing residents. Elderly and disabled residents may be exempt from this requirement. The former HAL had first proposed a plan for the Resident Advisory Board's Self-Sufficiency Mentoring program to fulfill the CS requirement. While HUD did not approve the Agency's proposed plan, it did temporarily suspend the CS requirement in general.

On February 21, 2003, a HUD/VA appropriations act was signed reinstating the CS and Self-Sufficiency requirements. In response, LMHA adopted a local CS policy, notified residents of the requirement, and included this requirement in its revised ACOP. LMHA's Board of Commissioners approved adoption of the policy. (The resolution approving the CS requirement was included in the Appendix of the FY2005 MTW Annual Plan.) LMHA's policy requires all non-exempt public housing residents ages 18 and over to perform 8 hours of CS each month or participate in 8 hours of training, counseling, classes, or other activities that will help move the resident toward self-sufficiency and economic independence. LMHA staff reviews and determines compliance with the requirement at least 30 days before the expiration of each resident's lease term.

Rent Policy

The former HAL adopted an Interim Rent Policy that went into affect on January 1, 2002, in conformance with QWHRA. HAJC's rent policy was also in conformance with QWHRA. As described previously, LMHA's rent policy is now incorporated into its comprehensively revised ACOP and Administrative Plan. Both merger and the HOPE VI planning process were crucial in defining the parameters of the revised policies.

Rent Policy - Housing Choice Voucher (HCV) Program

For the HCV program, the total tenant payment is equal to the highest of:

1. 10% of the family's monthly income;

2. 30% of the family's adjusted monthly income;
3. The Minimum rent;
4. Or, if the family is receiving payments for welfare assistance from a public agency and a part of those payments, adjusted in accordance with the family's actual housing costs, is specifically designated by such agency to meet the family's housing costs, the portion of those payments which is so designated. If the family's welfare assistance is ratably reduced from the standard of need by applying a percentage, the amount calculated under this provision is the amount resulting from one application of the percentage, plus any rent above the payment standard.

LMHA has set the minimum rent at $0. A hardship provision exists in the Administrative Plan should LMHA revise this policy and establish a minimum rent above zero.

Rent Policy - Public Housing Program

At admission and each year in preparation for their annual re-examination, each family is given the choice of having their rent determined under the income method or having their rent set at the flat rent amount.

Families who opt for the flat rent will be required to go through the income re-examination process every three years, rather than the annual review they would otherwise undergo. Their family composition must still be reviewed annually.

Families who opt for the flat rent may request to have a re-examination and return to the income- based method at any time if income has decreased, circumstances have changed increasing their expenses for childcare, medical care, etc., or other circumstances create a hardship on the family such that the income method would be more financially feasible for the family.

Families have only one choice per year except for financial hardship cases. In order for families to make informed choices about their rent options, LMHA provides them with the following information whenever they have to make rent decisions:

1. The Authority’s policies on switching types of rent in case of a financial hardship; and
2. The dollar amount of tenant rent for the family under each option. If the family chose a flat rent for the previous year, LMHA will provide the amount of income-based rent for the subsequent year only in the year the Authority conducts an income re-examination or if the family specifically requests it and submits updated income information.

The total tenant payment is equal to the highest of:

1. 10% of the family's monthly income;
2. 30% of the family's adjusted monthly income; or

3. If the family is receiving payments for welfare assistance from a public agency and a part of those payments, adjusted in accordance with the family's actual housing costs, is specifically designated by such agency to meet the family's housing costs, the portion of those payments which is so designated. If the family's welfare assistance is ratably reduced from the standard of need by applying a percentage, the amount calculated under this provision is the amount resulting from one application of the percentage; or
4. The minimum rent of $0.

LMHA has set the minimum rent at $0. A hardship provision exists in the Administrative Plan should LMHA revise this policy to an amount above zero.

Deconcentration

LMHA's efforts toward deconcentration of poverty and income diversification are woven throughout the Authority's development plans, management policies, and resident programs. Providing residents with an expanding variety of housing choices is an essential objective of LMHA's deconcentration efforts as can be seen in the following list of deconcentration tactics used by the Authority:

- a one-for-one unit replacement policy that is a stated and Board-approved policy of the Authority
- the construction and/or acquisition of smaller apartment complexes and single family homes scattered throughout the city;
- the purchase of mixed-income sites (including St. Martin's) or a few units in market rate developments (like Village Manor);
- the complete demolition and redevelopment of Clarksdale into a mixed-income development as described in the Agency's HOPE VI Revitalization grant applications, which were awarded in March 2003 and June 2004;
- the continued, phased demolition of all dwelling units at Iroquois Homes;
- the implementation of new approaches to mixed-income development such as the "Lease-to-Own" homeownership units which will be built in conjunction with the Clarksdale HOPE VI revitalization;
- the expansion of Housing Choice Voucher (HCV) opportunities including the Agency's very successful HCV homeownership program;
- designated elderly-only units or buildings such as those in the mixed-income Senior Building at Park DuValle Phase III and St. Catherine Court; and,
- using flexibility provided through MTW, the Authority has revised its HCV Administrative Plan to limit new Housing Assistance Payments Contracts with Owners or Landlords to 25% of the units in complexes with more than 100 units assisted under either HCV or the public housing program. This restriction will not apply to developments that are designated as housing for the elderly or the disabled, or to developments that were built or rehabilitated under the Project-Based Voucher program.

Changes in the Housing Stock

As of June 30, 2007, the Louisville Metro Housing Authority (LMHA) had a total of 4,699 Annual Contributions Contract (ACC) units in its public housing stock, 4,209 of which are LMHA owned and managed, and 490 of which are privately managed. The Agency also had 8,119 families using Housing Choice Vouchers (HCV) in its leased housing program. This brought LMHA's total number of available assisted units at the fiscal year's end to 12,818.

Changes in Housing Stock from End of FY1998 through FY2007

Table 5-1 shows the changes in inventory from the close of FY1998 (December 30, 1998) to the close of FY2007 (June 30, 2007). Table 5-1 also compares the numbers that were projected in LMHA's FY2007 MTW Annual Plan with its actual housing stock at the close of FY2007. During the year, available public housing stock increased as additional on-site and scattered off-site public housing units became available through the Clarksdale HOPE VI Revitalization.

The change in the number of vouchers at the transition between 12/31/02 and 6/30/04 reflects the merger of the former Housing Authority of Louisville and the Housing Authority of Jefferson County. The program has grown slightly under LMHA as replacement vouchers have been added. As of June 30, 2007 the MTW HCV program was funded at a level that could support 9,636 units. However, LMHA does not aim to increase its HCV program to this size. Rather, LMHA determines the desired size of its HCV program through a number of factors including anticipated HUD funding levels and the Authority's desire to reserve 5% of HCV funds to supplement HOPE VI Revitalization projects. Based on information supplied by HUD in late 2006, LMHA believed its HCV program would be funded at 89% of eligibility during CY2007. As a result of this anticipated funding shortfall, the Authority stopped scheduling HCV applicants for New Family Orientations in October 2006. It was only after FY2007 ended that LMHA learned that CY2007 would actually be funded at 105% of eligibility. As a result, LMHA is now taking steps to increase its HCV utilization.

Clarksdale HOPE VI Revitalization

LMHA first submitted a HOPE VI Revitalization grant application for the severely distressed Clarksdale development in June 2001. Unfortunately the Agency's first submission was not awarded. LMHA reapplied in November 2002 and was fortunate enough to be awarded $20 million from HUD in March 2003, allowing it to begin work on the western four blocks of the Clarksdale site. LMHA submitted an additional HOPE VI Revitalization grant application for the remaining two blocks of the site in January 2004, and received notice of a second $20 million award from HUD in June of that year. Revitalization plans for Clarksdale include the replacement of all 713 existing public housing dwelling units in a wide variety of building types and locations, both on- and off-site. To accomplish this, LMHA has obtained over $200 million in physical development leverage and joined with over twenty for-profit and non-profit developer partners to create 1800+ public housing, low-income tax credit, market rate rental, and homeownership units.

The funding flexibility provided through MTW has been essential to the Authority's HOPE VI acquisition program. HCV administration fee reserves were used towards the purchase of the Velvet Rose nightclub, which was located directly across from the Clarksdale site, and is now part of the HOPE VI revitalization effort. HCV reserves also financed the first phase of construction on the actual Clarksdale footprint. LMHA has also used Section 5(h) funds generated from mortgages serviced by its affiliate, Louisville Housing Services for the purchase of 21 scattered site replacement units.

Both the on- and off-site components of the Clarksdale HOPE VI project are moving forward steadily. On-site, the first rental units were occupied in June 2006, and as of June 30, 2007, 119 rental units (including 67 public housing units) and the site's management office had been constructed. The first on-site homeownership units will likely break ground this winter.

Off-site, the 69 scattered-site tax credit replacement units are complete, and the Authority is well on its way to meeting its public housing replacement commitment, having acquired or built 263 units. During FY2007, the Authority also submitted and received approval of its development proposal to build off-site replacement units at 801 E. Broadway. This new mixed-use development will combine street-level, neighborhood-scale retail development with 22 dwelling units using a combination of HOPE VI funds, HCV reserves, Replacement Housing Factor (RHF) Funds, and program income from the Authority's mixed-income developments.

Clarksdale Disposition and Homeownership Plans

On August 25, 2004, LMHA submitted a proposal to HUD's Special Application Center (SAC) for disposition activity planned in conjunction with the Clarksdale HOPE VI Revitalization. LMHA asked HUD to release the Declaration of Trust on the entire 29.10 acres of Clarksdale so the Agency could have the flexibility to convey pieces of the tract to various development entities in a timely manner. Approval of this proposal was obtained during FY 2005, and LMHA has since disposed of several parcels containing new rental construction. Additionally, the Authority developed a Homeownership Plan for the lease-to-purchase units included in the Clarksdale revitalization.

Iroquois Demolition

LMHA completed the first phase of partial demolition at Iroquois Homes (146 dwelling units in twelve buildings) in the spring of 2003. A second phase (72 dwelling units in six buildings) was completed during FY2006 with the aid of a $540,000 HOPE VI Demolition grant. In FY2007, LMHA submitted and received approval for the demolition of additional 11 buildings (Buildings 54-64), which will be razed during FY2008. During FY2008, the Authority will seek SAC approval to demolish 16 more buildings (Buildings 46-53 and 65-72). LMHA plans to continue this phased approach until all remaining dwelling units at Iroquois Homes have been removed.

Louisville Metro Housing Authority
Changes in Housing Stock
(Annual Contribution Contract Units)

TABLE 5-1

	ACTUAL								PLANNED	ACTUAL
	12/31 1998	12/31 1999	12/31 2000	12/31 2001	12/31 2002	6/30 2004	6/30 2005	6/30 2006	6/30 2007	6/30 2007
PUBLIC HOUSING										
Family Developments										
KY 1-1 Clarksdale - Demolition Complete	724	724	724	714	714	713	308	0	0	0
KY 1-2 Beecher Terrace	766	763	763	760	760	760	760	760	760	760
KY 1-3 Parkway Place	636	635	635	634	634	634	634	633	633	633
KY 1-4 Sheppard Square	327	326	326	325	325	325	325	326	326	326
KY 1-5 Iroquois Homes	853	853	853	850	704	628	632	632	632	632
Elderly/Disabled Developments										
KY 1-10,11,12 Dosker Manor A,B, & C Buildings	675	681	681	679	679	679	679	684	684	684
KY 1-13 St. Catherine Court	172	169	169	169	159	159	159	159	159	159
KY 1-14 Avenue Plaza	224	224	224	224	225	225	225	225	225	225
KY 1-18 Lourdes Hall	62	62	62	62	62	62	62	62	62	62
KY 1-40 Bishop Lane Plaza						89	89	90	90	90
Scattered Sites										
KY 1-17 Scattered Sites I	50	50	50	50	50	50	50	50	50	50
KY 1-19 Scattered Sites II	40	36	36	36	40	40	40	40	40	40
KY 1-22 Scattered Sites III	50	47	47	48	48	48	48	49	49	49
KY 1-24 Scattered Sites IV	45	45	45	45	45	45	45	45	45	45
KY 1-34 Park DuValle/Clarksdale I Repl.	0	0	0	9	112	124	163	159	169	159
KY1-35 Section 5(h) C'dale I & I Repl.					4	21	22	21	21	21
KY 1-38 St. Martin's & Other C'dale I Repl.						0	29	29	29	29
KY1-39 Scattered Sites (Newburg S.F. Homes)						6	6	4	4	4
KY 1-41 Scattered Sites V						83	83	84	89	84
KY1-44 Friary								24	48	24
KY1-45 C'dale I Misc. Repl.									5	64
KY1-47 ND/HPI C'dale I Repl.									73	69
Privately Managed Sites										
KY 1-27 The Oaks of Park DuValle		59	59	59	59	59	59	59	59	59
KY 1-30 The Villages of Park DuValle				92	92	92	92	92	92	92
KY1-31 Park DuValle III					78	78	78	78	78	78
KY1-32 Park DuValle IV					43	134	134	134	134	134
KY1-36 St. Francis (Clarksdale I Replacement)						10	10	10	10	10
KY 1-43 Steven Foster (Park DuValle Repl.)								16	16	16
KY 1-46 Village Manor								10	10	10
KY1-49 Liberty Green Rental I								22	94	94
KY1-50 Liberty Green Rental II										23
TOTAL PUBLIC HOUSING DWELLING UNITS	**4624**	**4674**	**4674**	**4756**	**4833**	**5064**	**4732**	**4471**	**4660**	**4699**
HOUSING CHOICE VOUCHER PROGRAM										
Housing Choice Vouchers	684	684	760	982	1087	8684	8838	8147	8650	8119
TOTAL HCV UNITS	**684**	**684**	**760**	**982**	**1087**	**8684**	**8838**	**8147**	**8650**	**8119**
TOTAL HOUSING STOCK	**5308**	**5358**	**5434**	**5738**	**5920**	**13748**	**13570**	**12618**	**13310**	**12818**

Sources and Uses of Funds

The Sources and Uses of Funds and other pertinent financial information are contained in two separate sections. First, this section of the Annual Report narrative contains a streamlined presentation of the Agency's fiscal year in a brief sources and uses format, including a "Variance Analysis" that examines some of the more significant variances between the Authority's "actual" and "budget" numbers for FY2007. Also contained in this section is a presentation of LMHA's operating reserves, including an analysis of FY-end reserve levels.

In addition, the Appendices include a more comprehensive presentation of LMHA's financial statements, offering a consolidated balance sheet, statement of revenue and expenses, analysis of net assets, and management's discussion and analysis of financial conditions and results of operations as of June 30, 2007. These financial statements are unaudited; LMHA expects to present the FY2007 audit to its Board of Commissioners by December 2007. The Appendix includes the most recent audited financial statements available, those for FY2006.

Although the MTW Program allows funding fungibility only among the Conventional Public Housing, Capital, and Housing Choice Voucher (HCV) Programs, the financial statements included in the Appendix contain all LMHA-managed programs. This provides a more comprehensive look at the Authority's financial position, as well as presenting the financial statements in a format that is in keeping with that required by HUD's Real Estate Assessment Center (REAC).

Sources and Uses Overview

The Operating Program (public housing) produced a $92,000 deficit for FY2007, compared to a "break-even" budget. Variances of any significance are explained in the "Variance Analysis" below.

The HCV Program operated at a $6.4M surplus for the year. This surplus is primarily the result of HUD's decision to fund CY2007 at 105% of eligibility ($4.9M applicable to FY2007). Other contributing factors are substantial increases in investment income (due to higher interest rates) and reductions in expenses that LMHA imposed when it believed it would be funded at only 89% of eligibility. Variances of any significance are explained in the "Variance Analysis" below.

The Other Programs area produced a $609,000 surplus. However, it should be noted that approximately $250,000 of that surplus was used to pay principle and interest on bond indebtedness. Most of the balance of the surplus was created when a commercial client paid back delinquent rent that had previously been written off. Variances of any significance are explained below.

Sources and Uses – By Program *(All numbers in $1,000's)*

	Operations				Capital Budget				Housing Choice Voucher (HCV)				Other Programs Budget				Consolidated Budget		
	05-'06	**06-'07**	**06-'07**		**05-'06**	**06-'07**	**06-'07**		**05-'06**	**06-'07**	**06-'07**		**05-'06**	**06-'07**	**06-'07**		**05-'06**	**06-'07**	**06-'**
Sources of Funding	**Actua l**	**Planne d**	**Actua l**		**Actua l**	**Planne d**	**Actua l**		**Actual**	**Planned**	**Actual**		**Actua l**	**Planne d**	**Actua l**		**Actua l**	**Planne d**	**Act l**
Federal Subsidy	17,636	17,582	13,899	a	12,727	10,285	13,651	l	53,634	57,093	58,278	o					**83,997**	**84,960**	**85,8**
Dwelling Rental	5,597	5,803	5,887														**5,597**	**5,803**	**5,8**
Excess Utilities	213	205	190														**213**	**205**	**1**
Non-dwelling Rental	13	12	12										368	386	519	r	**381**	**398**	**5**
Interest Income	485	410	663	b					518	434	782	b	20	16	26		**1,023**	**860**	**1,4**
Other Income	485	442	551	c									755	645	484	s	**1,240**	**1,087**	**1,0**
Transfers from Other Funds	1,770	3,581	3,729	d													**1,770**	**3,581**	**3,7**
Total Sources	**26,199**	**28,035**	**24,931**		**12,727**	**10,285**	**13,651**		**54,152**	**57,527**	**59,060**		**1,143**	**1,047**	**1,029**		**94,221**	**96,894**	**98,6**
Uses of Funding																			
Administration	6,181	6,616	6,228	e	2,798	2,287	2,100		3,578	3,923	3,661	p	379	314	154	s	**12,936**	**13,140**	**12,1**
Resident Services	392	568	466	f	104	100	92		648	661	612		39				**1,183**	**1,329**	**1,1**
Utilities	7,292	7,950	6,478	g									9	3	18		**7,301**	**7,953**	**6,4**
Maintenance	9,360	9,637	9,466	h	293	253	332		19	4	17		175	206	174		**9,847**	**10,100**	**9,9**
Protective Services	1,119	1,097	1,027							14					1		**1,119**	**1,111**	**1,0**
General	1,006	1,284	1,172	i					29	28	74		84	68	73		**1,119**	**1,380**	**1,3**
Capital Expense					7,762	5,293	7,398	m									**7,762**	**5,293**	**7,3**
Rental Assistance Payments	849	883	81	j					46,733	50,922	48,274	q					**47,582**	**51,805**	**48,3**
Transfers to Other Funds			105	k	1,770	2,352	3,729	n									**1,770**	**2,352**	**3,8**
Total Uses	**26,199**	**28,035**	**25,023**		**12,727**	**10,285**	**13,651**		**51,007**	**55,552**	**52,638**		**686**	**591**	**420**		**90,619**	**94,463**	**91,7**
Surplus (Deficit)	**0**	**0**	**(92)**		**0**	**0**	**0**		**3,145**	**1,975**	**6,422**		**457**	**456**	**609**		**3,602**	**2,431**	**6,9**

Variance Analysis for Sources and Uses – By Program
(Letters Reference Footnotes in Table Above – All numbers in $1,000's)

a. Federal Subsidy ($3,683 under budget) – When LMHA prepared its FY2007 budget, it faced numerous uncertainties regarding the federal subsidy level; at the time, there was simply no way to know what the funding pro-ration level might be. LMHA had been told it would be a "gainer" in its federal subsidy allocation because of the conversion to asset management. As a result of this combination of factors, LMHA chose to budget its federal subsidy at 100%. Only later did the Authority learn that HUD would fund CY2006 at 86% of eligibility. As of 8/10/07, LMHA was still awaiting a final determination of the pro-ration level for CY2007. The Authority had thus far heard two HUD estimates for CY2007 – first, that the year would be funded at 76% of eligibility and later that it would be funded at 83%. Further complicating matters, LMHA's July 1– June 30 fiscal year spans two HUD funding years (2006 & 2007), making the estimation of federal subsidy amount even more difficult.
b. Interest Income ($253 over budget for Operations; $348 over budget for HCV Program) – When the budget was prepared, interest rates were very low (approx. 2% - 2.5%). LMHA used these rates, what had been earned to date in the current year, and anticipated cash balances in the coming year to prepare its budget estimates. Rates later increased to about 5%. In addition, LMHA made an effort to purchase longer term investments to lock in rates and provide a better return.
c. Other Income ($109 over budget) - This line item exceeded budget due to an oversight. Receipt of asset management fees from one of LMHA's mixed-finance projects was accidentally excluded from the budget.
d. Transfers from Other Funds ($148 over budget) - This overage was primarily due to operating subsidy shortfalls. To keep the amount of transfers from growing further, LMHA curtailed expenses and other additional income (see "b" and "c" above).
e. Administration ($388 under budget) - $301 generated by vacancy credits. Remainder due to savings in other administrative categories including legal and telephone expenses, office supplies, etc.
f. Resident Services ($102 under budget) - $11 generated by vacancy credits. FSS contract with Dept. of Human Services came in $18 under budget. Resident councils spent $46 less than budgeted. Family Resource Centers spent $7 less than budgeted.
g. Utilities ($1,472 under budget) - The summer months of July 2006 - September 2006 were unusually mild as were the fall and winter months of October 2006 - February 2007, resulting in less electricity and natural gas consumption. Natural gas rates also declined significantly during the year, a welcome relief after a 40% increase in rates during the prior year. LMHA did not expect this decline in rates.
h. Maintenance ($171 under budget) - $414 generated by vacancy credits; however, maintenance materials exceeded budget by $276. Balance of variance was from maintenance contracts.
i. General Expense ($112 under budget) - Insurance costs were less than budgeted. LMHA is self-insured through a local insurance trust that includes the City of Louisville, the Metro Sewer District, the Transit Authority, and other public entities. This partnership has usually resulted in a savings in premiums.

j. Rental Assistance Payments ($802 under budget) - This occurred due to a change in accounting methodology during the fiscal year. LMHA had previously included the funds received from HUD and disbursed to its mixed-finance partners for their respective projects in its operating budget. However, because of developing changes relative to asset management, these projects have been removed from LMHA's "general fund," and re-established in their own unique funds as separate projects. The HUD-generate funds distributed to each project now appear in a separate fund at the project level. The 2007-2008 budget has been changed to reflect this.
k. Transfers to Other Funds ($105 over budget) - Property acquired for a potential mixed-finance deal required security and other miscellaneous services. This project was set up in its own "fund" (for asset management purposes), and transfers were made into that fund to pay for those services.
l. Federal Subsidy ($3,366 over budget) - This line item exceed budget primarily because: 1) the original budget underestimated the amount of capital funding; 2) it was necessary to draw down additional capital funds to pay for higher than anticipated construction costs; and 3) transfers to Operations exceeded expected levels.
m. Capital Expense ($2,105 over budget) - Capital costs exceeded planned budget amounts thanks to exceptionally good weather conditions (a mild winter), which allowed construction of Liberty Green (Clarksdale HOPE VI Revitalization) to proceed faster than scheduled.
n. Transfers to Other Funds ($1,377 over budget) - Additional transfers to the Public Housing Program became necessary when HUD funded CY2006 at only 86% of eligibility, and estimated that CY2007 would be funded at only 83% of eligibility. While LMHA was classified as a "gainer" under the revised operating fund computation (a component of "asset management"), any gains realized by LMHA have been offset by the reduced funding pro-ration. In order to sustain public housing programs and services at current levels, larger transfers of capital funds were required.
o. Federal Subsidy ($1,185 over budget) - LMHA used the best information available at the time to prepare its budget. Later, HUD made the final determination to fund 2006 at only 94.5% of eligibility and provided advance funding for 2007 at 89% of eligibility. In July 2007, HUD determined that 2007 funding eligibility would actually be 105%. The uncertain funding levels and the fact that LMHA's fiscal year (6/30) incorporates two HUD funding years (calendar) make it extremely difficult to accurately calculate federal subsidy income.
p. Administration ($262 under budget) - $158 reduction in the cost of leasing office space for LMHA’s HCV staff. Also, the cost of LMHA's contract for inspection services was $68 less than budgeted.
q. Rental Assistance Payments ($2,648 under budget) - When it appeared that HCV would be funded at only 89% of eligibility (see "o" above), LMHA stopped issuing vouchers and replacing voucher holders who left the program. This created a budget surplus in this line item.
r. Non-Dwelling Rental ($133 over budget) – LMHA collected delinquent rent from a commercial tenant that had previously been written off.
s. Other Income ($161 under budget) - Due to internal realignment of positions and salaries, LMHA's Mortgage Services function incurred less expense than expected. Because these expenses are reimbursed on an "actual cost" basis by another entity, both income and Administration Expense ($160 under budget) were less than originally budgeted.

Fungibility and HOPE VI

MTW's funding fungibility allows LMHA to utilize available resources outside the general guidelines that apply to traditional PHAs. During FY2007, LMHA used this authority to allocate HCV operating reserves for the following projects:

- LMHA worked with local utility provider Louisville Gas & Electric to determine which of its HCV participants used natural gas to heat their units. Natural gas rates had soared more than 40% over the previous year, and the increased rates were a significant hardship for these HCV tenants. Some residents incurred late charges, while a few were about to have their utilities turned off. Because it would take up to a year for all existing HCV tenants to be re-certified and have their utility allowance payments adjusted, LMHA worked with the utility provider to credit approximately $624,000 to HCV tenants' utility accounts. This allowed HCV households to receive the advantage of an increased utility allowance before they were actually re-certified. This credit went directly to their utility account (so that it could not be used for any other purpose), and utility cut-offs and late fees were curtailed.
- LMHA contributed approximately $153,000 to the HOPE VI Liberty Green project in an effort to leverage other public and private funding in this innovative mixed-finance, mixed-income neighborhood revitalization effort. HCV reserves have allowed the Authority to expand its revitalization efforts by supplementing the Capital and Replacement Housing Factor Funding typically used for this type of development. The end result is an exceptional neighborhood design representing a broader mix of incomes than would have been possible absent the additional HCV leverage.
- LMHA used approximately $102,000 of HCV reserves to accelerate the relocation of residents and demolition of public housing at Iroquois Homes. Due to their age and poor physical condition, the Authority plans to completely demolish all remaining dwelling units at the site over the next several years.

Operating Reserves
(As of June 30, 2007 – All numbers in $1,000's)

Program	Estimated Balance @ 6/30/06	Actual Balance @ 6/30/06	Est Increase or (Decrease) 6/30/2007	Actual Increase or (Decrease) 6/30/2007	Estimated Balance @ 6/30/07	Actual Balance @ 6/30/07
Public Housing	$ 8,480	$ 8,705	$ -	$ (92)	$ 8,480	$ 8,613
HCV (All Programs)	$ 8,218	$ 13,018	$ 1,975	$ 6,422	$ 10,193	$ 19,440
Total Operating Reserves	$ 16,698	$ 21,723	$ 1,975	$ 6,330	$ 18,673	$ 28,053

Analysis of Operating Reserves *(All numbers in $1,000's)*
The public housing program was budgeted for "break even" for FYE 6/30/07, and met this goal with a small change of just ($92). This level of Operating Reserves was established by LMHA's Board of Commissioners many years ago. The Board requested that operating reserve levels remain in the vicinity of 120 days of operating expenses. They are currently just below that level. This practice is considered

prudent to allow for delays in receipt of operating subsidy from HUD, shortfalls in operating subsidy, cash flow for emergency situations (fire, earthquake, etc.), and operating deficits.

The operating reserve level for the HCV Program increased significantly for FYE 6/30/07. This was primarily due to additional block grant funding for 32 vouchers and HUD's decision to fund the HCV Program at 105% of eligibility for 2007. HUD had previously indicated that the HCV Programs would be funded at only 89% of eligibility. PHA's were not notified of the significantly higher funding level until July 2007. By that time, LMHA's fiscal year had come to a close and more than $4.9M was recorded on LMHA's books as income for FY2007. Since learning of the funding level increase for CY2007, LMHA has begun taking steps to increase its voucher utilization rate. However, it will take time to adequately increase this rate as approximately 50 voucher holders leave the program each month.

The Authority's Board of Commissioners has endorsed a high level of reserves for the HCV Program to protect for several purposes. LMHA's HCV reserves include:

- one month of HAP payments to cover HUD delays in funding [$4,023]
- 120 days of operations (administrative) [$1,220]
- operating fund shortfalls in public housing program (1 year) [$3,500]
- numerous other items related to the Clarksdale HOPE VI and demolition [$5,676]

Additionally, in FY2008 LMHA will attempt to use some of the HCV reserves to acquire new public housing units.

Capital Planning

The preservation and continued viability of its current rental housing inventory is core to the Louisville Metro Housing Authority's (LMHA) capital investment strategies. The Construction Administration Department continues to aggressively carry out the improvements outlined in the Agency's five-year capital plan so that our sites are in the best possible physical conditions despite their age.

While preservation is desirable for many sites, LMHA also recognizes the need to revitalize its severely distressed and obsolete developments. To this end, LMHA has embarked on a long-term plan to systematically demolish or substantially modify its obsolete public housing stock and replace it with affordable apartments and homes. Clarksdale and Iroquois Homes have been the focus of these efforts over recent years.

Clarksdale HOPE VI Capital Funding

Capital Funds are a key component of this HOPE VI Revitalization, and include monies for critical soft costs such as Architectural and Engineering firms, Planning Consultants, and Attorneys as well as for Demolition, Infrastructure, and Rehab (in the case of the St. Peter Claver Chapel). New contracts that were executed in FY2007 included Phase III Infrastructure, Sidewalks for Block C, Rental Phase II Permanent Financing, and a Task Order with the Community Builders, the on-site developers.

Iroquois Demolition

The Authority has completed two phases of partial demolition at Iroquois Homes, removing a total of 18 buildings from the site. In FY2007, LMHA submitted and received approval for the demolition of another 11 buildings (Buildings 54-64), which will be razed during FY2008. During FY2008, the Authority also plans to submit its fourth partial demolition application for the site, in which it will request approval to demolish 16 more buildings (Buildings 46-53 and 65-72). Through this phased approach, LMHA plans to remove all remaining dwelling units at Iroquois Homes within the next several years.

Homeownership

LMHA's Park DuValle HOPE VI Revitalization includes an extensive homeownership component. As of June 30, 2007, 341 of the 450 for sale homes planned in the Park DuValle Revitalization area had been constructed.

Homeownership is also an important component of the Clarksdale HOPE VI Revitalization efforts. Plans currently include over 200 homeownership units on-site and 466 homeownership and 8 lease-to-own units off-site. The Authority has also continued its focus on expanding homeownership opportunities for public housing and Housing Choice Voucher (HCV) families through its HCV Homeownership Program (For more details on this program, please refer to the "Occupancy Policies" section of this report).

Capital Plans

As previously mentioned, a significant portion of LMHA's current and future capital funds have been earmarked for the Clarksdale Revitalization. While other sites such as Iroquois Homes, Sheppard Square, Parkway Place, and Avenue Plaza also need improvements or renovation, the Agency simply doesn't have the resources to fully address all those requirements. Therefore, LMHA has judiciously selected modernization and extraordinary maintenance projects that best preserve its existing housing stock.

The following "Capital & Clarksdale HOPE VI Projects" chart (Table 7-1) summarizes those projects by site, along with the amount expended or budgeted for the project, and its status or completion date. These projects were funded through a combination of Comprehensive Grant, Capital and HOPE VI Funds received in years 1999-2007. The appendix includes a depiction of the actual obligated and expended funds for each grant year as of June 30, 2007. All Comprehensive, Capital, and Replacement Housing grant funds were 100% obligated. The Performance and Evaluation (P & E) Reports, which delineate obligation and expenditures by each budget line item, are also included in the appendix as are the Five-Year Capital Plan and Capital Fund Annual Statements.

Capital Improvement contracts completed in FY2007 include:

- Piping replacement at Beecher Terrace ($1,038,793)
- Replacement of emergency power transfer switch at Dosker Manor ($110,000)
- Roof Replacement at Central Stores, Mabel Wiggins Center, and Baxter City Center ($317,000)

Active contracts include:

- Renovations at 1448 S. Hancock St, Apt. 2 ($57,000)
- Replacement of basement doors at Parkway Place ($118,000)
- Annual architectural, environmental consultant, and hazard abatement contracts to address various needs as they develop

Contracts currently budgeted for future implementation include:

- Roof repairs at Beecher Terrace ($100,000)
- Three-car garage for Sheppard Square ($85,000)
- Elevator rehab at Dosker Manor ($20,000)
- Roof replacement at Lourdes Hall ($20,000)

Façade improvements and gutter replacement at Sheppard Square are on hold as the City continues master planning efforts for the surrounding Smoketown Neighborhood.

Also on hold is a landscaping and comprehensive modernization project for Iroquois Homes, as the Authority has determined that rehabilitating this site is cost prohibitive. Instead, LMHA continues its complete, phased demolition of the site.

Louisville Metro Housing Authority
Capital & Clarksdale HOPE VI Projects (1999 – 2007)
Table 7-1

SITE	BUDGETED $$	YEAR COMPLETED
Clarksdale		
Dumpster Enclosures (99)	$308,200	2001
Beecher Terrace		
Piping Replacement (06)	$1,038,793	2007
Air Conditioners (Health Related) (00)	$246,991	2002
Fencing (99)	$31,048	2002
Boiler Replacement (00)	$296,991	2002
AE Fees Boiler Design (00)	$50,000	2002
Landscaping/Drainage (99)	$31,443	2002
Cart Garage (01)	$60,000	2002
Parkway Place		
Rehab Tubs & Toilets (99,00,01)	$9,183,787	2005
California Day Care (01,02)	$500,000	2005
Replacement Roofs (02)	$1,061,000	2004
Backflow Preventers (02)	$525,000	2003
AE Fees California Day Care (01)	$11,804	2003
AE Fees Tubs & Toilets (00)	$10,000	2002
Dumpster Enclosures (99)	$309,394	2001
Handicapped Ramp (Res council #49) (99)	$9,064	2001
Sheppard Square		
Replace Boilers (01,03)	$2,625,774	2005
AE Boiler Replacement (01)	$160,515	2005
Central Air for Office & Laundry (03)	$100,000	2004
Replace Basement Doors (02)	$72,000	2004
AE Fees Facade Improvements (01)	$50,000	2003
Handicapped Ramp (00)	$45,000	2001
Playground (99)	$120,860	2001
Iroquois Homes		
Demolition of 6 homes (HOPE VI Demolition Grant)	$399,600	2005
Day Care Center (01, 02)	$500,000	2005
AE Fees Day Care (01)	$11,804	2003
Roof/Gutters/Downspouts-South (99)	$501,435	2001
Roofs/Gutters/Downspouts – North (02)	$550,000	2003
Dosker Manor		
Emergency Power Transfer Switch Replacement	$110,000	2006
Card Key Access System	$200,00	2006
Sidewalk Replacement (02)	$150,000	2002
Landscaping (99)	$2,826	2000
Avenue Plaza		
Range Hood Exhaust Systems (02)	$35,000	2004
Heating System Upgrade (00)	$149,250	2002
St. Catherine		
Comprehensive Renovation (99,00, 01)	$3,477,891	2003
Comprehensive Renovation –AE fees (99,01)	$356,000	2003
Lourdes Hall		2003
Maintenance Facility (01)	$225,000	2003
Air Condition Hallways (99)	$58,628	2000
Scattered Sites		
960 S. 6th Street (01)	$174,000	2004
	$600,000	2005
Park DuValle		
Soil Remediation (03)	$301,000	2003
Ctrl Stores, Mabel Wiggins Ctr & Baxter Cty Ctr		
Roof Replacement	$317,000	2007
Annual Contracts		
Environmental Consultant	$100,000	2003
TOTAL	**$24,572,098**	

Management Information for Owned/Managed Units

This section of the Annual Report describes the Louisville Metro Housing Authority's (LMHA) targeted versus actual performance for both LMHA-managed public housing inventory and privately-managed public housing inventory. Figures represent performance by site, and averages of overall site performance. The former Housing Authority of Louisville was rated a high performer under PHMAP for FY98 with a score of 93, and retains this score throughout the Moving to Work demonstration.

Occupancy Levels

As shown in Table 8-1, LMHA had a 91% actual occupancy level for its LMHA-managed public housing developments at the end of FY2007. This was 4% less than the targeted 95%. Although actual occupancy levels were lower than targeted, LMHA made significant strides in increasing leasing levels at its elderly/disabled sites during the year and has plans to increase these efforts during FY2008. To encourage elderly residents to move to St. Catherine Court, which had an occupancy rate of 53% on July 1, 2006, the Authority began covering moving costs for current residents willing to relocate to the site (URA payment standards were used to determine reimbursement amounts.). As a result of this initiative and other intense efforts by LMHA staff, occupancy at this development increased to 76% over the course of the year.

To improve leasing levels at its elderly sites further during FY2008, LMHA will implement a new MTW initiative, reducing the local elderly age from 62+ to 55+. This change will allow the Authority to immediately place near-elderly applicants (those ages 55-61) desiring 1-BR units into housing instead of placing them on the 1-BR family unit waitlist.

Scattered-site units and units at family developments have also been held open to accommodate the 148 families currently relocating from Iroquois Homes in preparation for the demolition of 11 buildings at that site during FY2008. This relocation effort should be complete by the end of CY2007, and these units will be made available to new applicants at that time.

Actual occupancy levels at the Agency's privately managed public housing were 90%, 6% lower than the 96% projection. This was largely due to the Authority's continued difficulty leasing units at Steven Foster; the lowering of the elderly age to 55+ during FY2008 should help improve the occupancy rate at this site. Otherwise, occupancy levels continue to be high at the Authority's privately-managed sites due to the general desirability of this type of mixed-income housing.

Rent Collections

LMHA has a consistently strong record in rent collections. The average rent collection level for LMHA-managed properties has remained above 95% for the last six years. At the end of FY2007, the actual rent collection level was 96%, 1% below the projected level of 97%. The actual rent collection rate for LMHA's privately-managed units was 98% as projected (See Table 8-2.).

Work Orders

LMHA work orders are generated in several ways: in response to resident or staff reports of problems in units, buildings, or on grounds; in response to LMHA's periodic housekeeping inspections conducted in conjunction with extermination services four times per year; from deficiencies or problems discovered during annual inspections; or in cases of emergency. Work order response time has been a traditional measurement used by HUD to assess a public housing authority's maintenance performance.

During FY2007, LMHA responded to non-emergency work orders within an average of 2.1 business days and emergency work orders within 24 hours (See Table 8-3). This was slightly better than the targeted response rate of 2.3 days. The improved level of performance over the last several years can be attributed to the new work control management system that became operational in November of 2002.

Inspections

Annual Unit Inspections

LMHA inspected 100% of its conventional public housing inventory during FY2007 (See Table 8-4). Each site's housing service specialist and manager inspected every unit within their development to assess housekeeping standards and the need for routine maintenance repairs or major capital improvements. In addition, four times during the year, housekeeping and smoke detector inspections were conducted in conjunction with extermination services. LMHA plans to continue this level of inspections during FY2008.

REAC Property Inspections and Resident Surveys

HUD's Real Estate Assessment Center (REAC) measures the performance of public housing agencies using the Public Housing Assessment System (PHAS). The PHAS evaluates the physical condition, financial health, management operations, and resident services of a public housing agency. However, during the course of the Moving to Work Demonstration, HUD will evaluate LMHA on the basis of its MTW Annual Report in lieu of the PHAS.

While LMHA is not subject to the PHAS during the MTW Demonstration, HUD continues to reserve the right to physically inspect LMHA's properties. These inspections assess overall site, building, and unit conditions and do not supplant LMHA's annual in-house inspection process. A summary of the PHAS physical inspection scores from 1998 through 2006 is shown in Table 8-5. During the most recent inspections (2006), the Authority received an annual score of 71.2%, a 4.6% decrease from the prior year's average score, 75.8%.

In response to this decrease, LMHA is redoubling its efforts to encourage all staff and residents to report health and safety issues. Central Office management has reinforced to all Property Managers the importance of doing a more thorough and detailed inspection of units and holding residents responsible for calling in work orders to address issues both inside and outside of their units. This reporting requirement will extend to all LMHA staff regardless of their level or work location.

In addition, the Authority sent approximately 60 staff including Regional Directors, Managers, Supervisors, and Housing Service Specialists to Uniform Physical Conditions Standards (UPCS) training offered by the local HUD field office and REAC staff. REAC and local field office staff then toured LMHA properties to develop a better understanding of sites conditions, especially at the Authority's older, family developments. During this training and related discussions with REAC management, LMHA staff learned that they are permitted to discuss potential deficiencies with REAC inspectors as they are examining the sites. While Authority staff has always accompanied inspectors as they visit the developments, staff was unaware that they could speak with inspectors during the inspection process. Given this new information, Authority staff plans to discuss possible defects with inspectors as they are noted. Hopefully, this will enable LMHA to better prepare for future inspections and prevent possible inspector error.

Finally, Iroquois Homes – which received a score of 44b* – is slated for complete demolition over the next several years. There is simply no cost effective method to rehabilitate the site's obsolete physical condition and assorted environmental concerns. During FY2008, the Authority plans to raze 11 buildings at the site and to submit a partial demolition application to the Special Applications Center (SAC) requesting permission to demolish 16 more. LMHA estimates the site will be completely demolished by FY2012, and all residents will be relocated to the Authority's other public housing developments, scattered-sites, or Housing Choice Voucher units.

In addition to physical inspections, HUD's Real Estate Assessment Center (REAC) mails a Resident Service and Satisfaction Survey to a sample of LMHA residents annually to assess their satisfaction level with the following five areas in their development: maintenance and repair, services, communication, safety, and development appearance. According to data currently available online from REAC, a sample of LMHA residents was surveyed in May 2007. However, the results of this survey are not yet available.

Security

LMHA's management policies reinforce the safety and security of residents. Strong lease enforcement forbids illegal drug use, violence, and other unlawful activities. In addition, LMHA has a "one-strike and you're out" drug and criminal activity policy and, in cooperation with the city, tracks all arrests made on Agency property. All new modernization and maintenance projects utilize crime prevention through environmental design (CPTED) principles in an effort to keep developments as safe as possible.

LMHA provided a variety of security arrangements at its sites during FY2007 (See Table 8-6.) All elderly developments were equipped with card-access entry systems and security cameras. During FY2007, LMHA began contracting with Corporate Security (replacing Commonwealth Securitiy) for security personnel at Dosker Manor, St. Catherine Court, Avenue Plaza, and Bishop Lane Plaza.

Corporate Security also provided security services at the Villager, an off-site acquisition that will be adaptively reused as Clarksdale replacement housing.

LMHA also contracted with the Louisville Metro Police Department for "community" officers at each family development. The two Housing Authority Liaison Officers (HALO) assigned to these sites provided additional security beyond the regular police patrols. Aware of the critical link between resident involvement and community safety, HALO officers train residents to be vigilant about strangers in the community and to readily report any suspicious behavior. All of these security services were funded with operating subsidies, as PHDEP funding was no longer available. LMHA will continue to use operating funds to provide a similar level of service during FY2008.

Louisville Metro Housing Authority
Occupancy Levels
Target vs. Actual FY2007

TABLE 8-1 PUBLIC HOUSING	6/30/07 TARGET	6/30/07 ACTUAL
LMHA-Managed Developments		
Family Developments		
KY 1-2 Beecher Terrace	97%	97%
KY 1-3 Parkway Place	92%	93%
KY 1-4 Sheppard Square	95%	96%
KY 1-5 Iroquois Homes	94%	92%
Elderly/Disabled Developments		
KY 1-10,11,12 Dosker Manor A,B, & C	97%	90%
KY 1-13 St. Catherine Court	77%	76%
KY 1-14 Avenue Plaza	97%	96%
KY 1-18 Lourdes Hall	100%	98%
KY 1-40 Bishop Lane Plaza	99%	94%
Scattered Sites		
KY 1-17 Scattered Sites I	98%	84%
KY 1-19 Scattered Sites II	78%	78%
KY 1-22 Scattered Sites III	86%	82%
KY 1-24 Scattered Sites IV	98%	93%
KY 1-34 Park DuValle/Clarksdale I Repl.	98%	87%
KY1-35 Section 5(h) C'dale I & I Repl.	95%	81%
KY 1-38 St. Martin's & Other C'dale I Repl.	100%	79%
KY1-39 Scattered Sites (Newburg S.F. Homes)	100%	100%
KY 1-41 Scattered Sites V	92%	90%
KY1-44 Friary	88%	71%
KY1-45 C'dale I Misc. Repl.*	N/A	56%
KY1-47 ND/HPI C'dale I Repl.*	N/A	87%
AVERAGE OCCUPANCY LEVEL**	**95%**	**91%**
Privately-Managed Developments		
KY 1-27 The Oaks of Park DuValle	100%	95%
KY 1-30 The Villages of Park DuValle	95%	96%
KY1-31 Park DuValle III	95%	95%
KY1-32 Park DuValle IV	95%	96%
KY1-36 St. Francis (Clarksdale I Repl.)	90%	100%
KY 1-43 Steven Foster (Park DuValle Repl.)*	N/A	19%
KY 1-46 Village Manor	100%	90%
KY1-49 Liberty Green Rental I	95%	80%
AVERAGE OCCUPANCY LEVEL**	**96%**	**90%**

*At the time the Agency's FY2007 Annual Plan was written, acquisition and/or construction of units within these project numbers was still underway, making projections unreliable; thus, they were not included. Projections for these projects are included in the Agency's FY2008 Annual Plan.

**Weighted to reflect number of units in each development.

Louisville Metro Housing Authority
Rent Collection Levels
Target vs. Actual FY2007

TABLE 8-2 PUBLIC HOUSING	6/30/07 TARGET	6/30/07 ACTUAL
LMHA Managed Developments		
Family Developments		
KY 1-2 Beecher Terrace	97%	95%
KY 1-3 Parkway Place	97%	95%
KY 1-4 Sheppard Square	97%	93%
KY 1-5 Iroquois Homes	96%	95%
Elderly/Disabled Developments		
KY 1-10, 11, 12 Dosker Manor A, B, & C	97%	94%
KY 1-13 St. Catherine Ct.	99%	99%
KY 1-14 Avenue Plaza	99%	100%
KY 1-18 Lourdes Hall	98%	99%
KY1-40 Bishop Lane Plaza	98%	99%
Scattered Sites		
KY 1-17 Scattered Sites I	100%	97%
KY 1-19 Scattered Sites II	95%	97%
KY 1-22 Scattered Sites III	100%	97%
KY 1-24 Scattered Sites IV	100%	97%
KY 1-34 Park DuValle/Clarksdale I Repl.	97%	98%
KY 1-35 Section 5(h) C'dale I & I Repl.	100%	98%
KY1-38 St. Martin's & Other C'dale I Repl.	100%	97%
KY1-39 Scattered Sites (Newburg SF Homes)	85%	97%
KY1-41 Scattered Sites V	97%	97%
KY1-44 Friary	100%	99%
KY1-45 C'dale I Misc. Repl.*	N/A	98%
KY1-47 ND/HPI C'dale I Repl.*	N/A	98%
AVERAGE RENT COLLECTION LEVEL**	**97%**	**96%**
Privately Managed Developments		
Mixed Income Sites		
KY 1-27 The Oaks of Park DuValle	100%	98%
KY 1-30 The Villages of Park DuValle	98%	98%
KY1-31 Park DuValle III	98%	98%
KY1-32 Park DuValle IV	98%	98%
KY1-36 St. Francis (Clarksdale I Replacement)	97%	90%
KY 1-43 Steven Foster (Park DuValle Repl.)*	N/A	100%
KY 1-46 Village Manor*	N/A	100%
KY 1-49 Liberty Green (Clarksdale I On-Site)	98%	98%
AVERAGE RENT COLLECTION LEVEL**	**98%**	**98%**

*At the time the Agency's FY2007 Annual Plan was written, acquisition and/or construction of units within these project numbers was still underway, making projections unreliable; thus, they were not included. Projections for these projects are included in the Agency's FY2008 Annual Plan.

**Weighted to reflect number of units in each development.

Louisville Metro Housing Authority
Work Order Response
Target vs. Actual FY2007

TABLE 8-3	6/30/2007 TARGET		6/30/2007 ACTUAL	
	Emergency	Non-Emergency	Emergency	Non-Emergency
PUBLIC HOUSING	**% Completed**	**Avg. Days to**	**% Completed**	**Avg. Days to**
LMHA Managed Developments				
Family Developments				
Family Developments				
KY 1-2 Beecher Terrace	100%	0.90	100%	1.8
KY 1-3 Parkway Place	100%	1.72	100%	1.8
KY 1-4 Sheppard Square	100%	1.45	100%	2.7
KY 1-5 Iroquois Homes	100%	2.43	100%	1.0
Elderly/Disabled Developments				
KY 1-10, 11, 12 Dosker Manor A, B, & C	100%	2.10	100%	2.6
KY 1-13 St. Catherine Ct.	100%	5.00	100%	3.0
KY 1-14 Avenue Plaza	100%	2.71	100%	3.9
KY 1-18 Lourdes Hall	100%	1.55	100%	1.8
KY1-40 Bishop Lane Plaza	100%	1.38	100%	2.0
Scattered Sites				
KY 1-17 Scattered Sites I	100%	3.70	100%	2.6
KY 1-19 Scattered Sites II	100%	3.70	100%	3.0
KY 1-22 Scattered Sites III	100%	3.70	100%	2.5
KY 1-24 Scattered Sites IV	100%	3.70	100%	2.0
KY 1-34 Park DuValle/Clarksdale I Repl.	100%	3.70	100%	1.7
KY 1-35 Section 5(h) C'dale I & I Repl.	100%	3.70	100%	2.4
KY1-38 St. Martin's & Other C'dale I Repl.	100%	3.70	100%	2.6
KY1-39 Scattered Sites (Newburg SF Homes)	100%	5.00	100%	4.3
KY1-41 Scattered Sites V	100%	5.00	100%	2.9
KY1-44 Friary	100%	2.46	100%	2.4
KY1-45 C'dale I Misc. Repl.*	N/A	N/A	100%	2.0
KY1-47 ND/HPI C'dale I Repl.*	N/A	N/A	100%	2.0
AVERAGE RENT COLLECTION LEVEL**	**100%**	**2.30**	**100%**	**2.1**
Privately Managed Developments				
Mixed Income Sites				
KY 1-27 The Oaks of Park DuValle	100%	2.50	100%	2.5
KY 1-30 The Villages of Park DuValle	100%	2.50	100%	2.5
KY1-31 Park DuValle III	100%	2.50	100%	2.5
KY1-32 Park DuValle IV	100%	2.50	100%	2.5
KY1-36 St. Francis (Clarksdale I Replacement)	100%	2.50	100%	2.5
KY 1-43 Steven Foster (Park DuValle Repl.)*	100%	N/A	100%	2.5
KY 1-46 Village Manor*	100%	N/A	100%	2.5
KY1-49 Liberty Green (Clarksdale I On-Site)	100%	2.00	100%	2.0
AVERAGE RENT COLLECTION LEVEL**	**100%**	**2.48**	**100%**	**2.4**

*At the time the Agency's FY2007 Annual Plan was written, acquisition and/or construction of units within these project numbers was still underway, making projections unreliable; thus, they were not included. Projections for these projects are included in the Agency's FY2008 Annual Plan.
**Weighted to reflect number of units in each development.

Louisville Metro Housing Authority
Inspections
Planned vs. Actual FY2007

TABLE 8-4

PUBLIC HOUSING	FY06 % Inspected	FY06 ACTUAL % Inspected
LMHA Managed Developments		
Family Developments		
KY 1-2 Beecher Terrace	100%	100%
KY 1-3 Parkway Place	100%	100%
KY 1-4 Sheppard Square	100%	100%
KY 1-5 Iroquois Homes	100%	100%
Elderly/Disabled Developments		
KY 1-10, 11, 12 Dosker Manor A, B, & C	100%	100%
KY 1-13 St. Catherine Ct.	100%	100%
KY 1-14 Avenue Plaza	100%	100%
KY 1-18 Lourdes Hall	100%	100%
KY1-40 Bishop Lane Plaza	100%	100%
Scattered Sites		
KY 1-17 Scattered Sites I	100%	100%
KY 1-19 Scattered Sites II	100%	100%
KY 1-22 Scattered Sites III	100%	100%
KY 1-24 Scattered Sites IV	100%	100%
KY 1-34 Park DuValle/Clarksdale I Repl.	100%	100%
KY 1-35 Section 5(h) C'dale I & I Repl.	NA	100%
KY 1-38 St. Martin's & Other C'dale I Repl.	100%	100%
KY 1-39 Scattered Sites (Newburg S.F. Homes)	100%	100%
KY 1-41 Scattered Sites V	100%	100%
KY 1-43 Steven Foster (Park DuValle Repl.)	100%	100%
KY 1-44 Friary	100%	100%
KY 1-45 C'dale I Misc. Repl.	100%	100%
KY 1-47 ND/HPI C'dale I Repl.	100%	100%
AVERAGE INSPECTION RATE	**100%**	**100%**

Privately Managed Developments		
Mixed Income Sites		
KY 1-27 The Oaks of Park DuVa lle	100%	100%
KY 1-30 The Villages of Park DuValle	100%	100%
KY 1-31 Park DuValle III	100%	100%
KY 1-32 Park DuValle IV	100%	100%
KY 1-36 St. Francis (Clarksdale I Replacement)	100%	100%
KY 1-43 Steven Foster	100%	100%
KY 1-46 Village Manor	100%	100%
KY 1-49 Liberty Green (Clarksdale I On-Site)	100%	100%
AVERAGE INSPECTION RATE	**100%**	**100%**

*At the time the Agency's FY2007 Annual Plan was written, acquisition and/or construction of units within these project numbers was still underway, making projections unreliable; thus, they were not included. Projections for these projects are included in the Agency's FY2008 Annual Plan.

Public Housing Assessment System (PHAS) Inspection Scores

TABLE 8-5	INSPECTION SCORING							
Family Developments	**2006**	**2005**	**2004**	**2002****	**2001****	**2000**	**1999**	**1998**
KY 1-1 Clarksdale	N/A	N/A	69c*	95c*	95c*	68c*	37c*	54c
KY 1-2 Beecher Terrace	49c*	76c*	88c*	92c	92c	81c*	55b	65a
KY 1-3 Parkway Place	36c*	70c*	72*	75c*	75c*	58c*	50b	47b*
KY1-4 Sheppard Square	47b*	53*	62c*	88c	88c	66c*	54b*	68b*
KY1-5 Iroquois Homes	44b*	60c*	71c*	74c*	74c*	51c*	40c*	36b*
Elderly/Disabled Developments								
KY1-10 Dosker Manor A Building	69c	73c	75b	58c	58c	87c	55b	68b*
KY1-11 Dosker Manor B Building	76c	72c	82c	94b	94b	95b	62b	58c*
KY 1-12 Dosker Manor C Building	77c	61c	81b*	85b	85b	92c	70b	57b
KY 1-13 St. Catherine Court	91b	90b	94b	N/A	N/A	N/A	57c	60c
KY 1-14 Avenue Plaza	80b	75b	81c	56c	56c	97b	68b	54b*
KY 1-18 Lourdes Hall	79b	68c	88c*	99a	99a	60c	73b	60a
KY1-40 Bishop Lane Plaza	N/A	N/A	92b*	N/A	N/A	N/A	N/A	N/A
Scattered Sites								
KY 1-17 Scattered Sites I	56b*	80b	73c*	69c*	69c*	75b	46b*	78b
KY1-19 Scattered Sites II	53c*	46c	59c	84b*	84b*	81c	63b	75b
KY1-22 Scattered Sites III	73c	80b	65c*	73c	73c	66c*	45b	80b
KY1-24 Scattered Sites IV	72c*	84b*	92c	87c*	87c*	93c*	72b	95b
KY1-34 Park DuValle/Clarksdale I Repl.	68c*	N/A	81c*	N/A	N/A	N/A	N/A	N/A
KY1-35 Section 5(h) C'dale I & I Repl.	68c*	N/A	74b	N/A	N/A	N/A	N/A	N/A
KY1-38 St. Martin's & Other C'dale I Repl.	84b	80c	N/A	N/A	N/A	N/A	N/A	N/A
KY1-39 Scattered Sites (Newburg S.F. Homes)	N/A	N/A	88c	N/A	N/A	N/A	N/A	N/A
KY1-41 Scattered Sites V	N/A	N/A	92b*	N/A	N/A	N/A	N/A	N/A
KY 1-44 C'dale II Repl., Friary	72b	N/A	N/A	N/A	N/A	N/A	N/A	N/A
KY 1-45 C'dale I Misc.	94b	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mixed Income Sites								
KY 1-27 The Oaks of Park DuValle	87c	80c	98c	98b*	98b*	99b	88b	99a
KY 1-30 The Villages of Park DuValle	77c	83b	95c	N/A	N/A	N/A	N/A	N/A
KY1-31 Park DuValle III	91c	97b*	91a	N/A	N/A	N/A	N/A	N/A
KY1-32 Park DuValle IV	82c*	97c	N/A	N/A	N/A	N/A	N/A	N/A
KY1-36 St. Francis	84a	91a	N/A	N/A	N/A	N/A	N/A	N/A
Average Score	**71.21%**	**75.80%**	**81.00%**	**81.80%**	**81.80%**	**77.94%**	**58.44%**	**65.88%**

The letter "a" is given if no health and safety deficiencies were observed other than for smoke detectors.
The letter "b" is given if one or more non-life threatening H&S deficiencies, but no life threatening H&S deficiencies were observed other than for smoke detectors.
The letter "c" is given if there were one or more life threatening H&S deficiencies observed.
*Smoke Detector Violation
**If a Housing Authority achieves an average score above 80%, the previous year’s scores are carried over into the following year, and the inspections are conducted every two years, instead of annually, by HUD's Real Estate Assessment Center (REAC).

Louisville Metro Housing Authority
Security Personnel
FY2007

TABLE 8-6

DEVELOPMENT	PROVIDER	HOURS OF SERVICE	FUNDING SOURCE	AMOUNT*
KY 1-2 Beecher Terrace KY 1-3 Parkway Place KY 1-4 Sheppard Square KY 1-5 Iroquois Homes	HALO Metro Police Officers and Alarm System Monitoring (A-Sonic Guard & ADT)	8 hr. shift	Operating Budget	$210,357
KY 1-10,11,12 Dosker Manor	Corporate Security and Alarm System Monitoring (A-Sonic Guard)	8:00PM - 8:00AM	Operating Budget	$468,210
KY 1-13 St. Catherine Court	Corporate Security and Alarm System Monitoring (ADT)	24 hrs.	Operating Budget	$85,092
KY 1-14 Avenue Plaza	Corporate Security and Alarm System Monitoring (ADT)	24 hrs.	Operating Budget	$86,158
KY 1-18 Lourdes Hall KY 1-40 Bishop Lane Plaza Misc. Scattered Sites	Alarm System Monitoring (A-Sonic Guard & ADT) Corporate Security	24 hrs.	Operating Budget	$65,638
KY 1-42 Villager	Corporate Security	24 hr. security guards	Operating Budget	$88,880
Wiggins Family Investment Center & Other Misc. Properties	Alarm System Monitoring (ADT & A-Sonic Guard)	24 hrs.	Operating Budget	$3,870
			Total Security:	**$1,008,205**

* Dollar figures represent budgeted amounts for FY2007. Actuals cannot be determined until audit has been completed.

Management Information for Leased Housing

This section of the Annual Report is describes the Louisville Metro Housing Authority's (LMHA) actual performance in managing its Voucher Program during FY2007. In addition to the previous year's performance, it includes information regarding Block Grant Funding, LMHA's Housing Choice Voucher (HCV) Administrative Plan, the Inspection process, and the Agency's very successful HCV Homeownership Program.

Block Grant Funding

The Authority amended its contract with HUD during FY2005 to treat all of the HCV vouchers absorbed from the Housing Authority of Jefferson County and the Housing Authority of Louisville as Moving to Work vouchers. Now all LMHA vouchers are funded using the block grant methodology (versus the traditional voucher funding), providing a fiscal advantage to the Agency. This move and several other measures described within this section were taken to help remedy the recent payment standard and budgetary reductions executed by HUD.

Administrative Plan

After the two agencies merged in March of 2003, LMHA adopted the former Housing Authority of Jefferson County's "Administrative Plan for Rental Assistance Programs." Revisions were also made to this Administrative Plan to address specific Agency actions including a new "program-based" program at the Center for Women and Families, updates to the Family Self Sufficiency Program, and changes related to revised Housing Quality Standards (HQS) and the Property Maintenance Code.

In FY2005 the Agency revised and updated its entire HCV Administrative Plan. Proposed changes, including several MTW initiatives, were made available for public comment and presented at a public hearing in conjunction with the FY2006 Moving to Work Annual Plan. The final document was approved and implemented during FY 2006.

In addition to the detailed changes, HUD has issued a number of cost controls that it has encouraged housing authorities to consider if they are experiencing budgetary shortfalls within their HCV programs. Given the reduced HUD payment standards and other federal budgetary reductions, LMHA has included these cost controls as potential future options within its revised HCV Administrative Plan. Additional discussion with residents and the general public will take place before any of those measures are adopted.

Leasing Information

The MTW Plan for FY2007 projected that at the end of the fiscal year LMHA would have 8650 HCV units under lease. The actual number of units under lease at June 30, 2007 was 8119. At that time, the HCV Program was funded at a level that could support 9,636 units. However, LMHA does not aim to increase its HCV program to this size. Rather, LMHA determines the desired size of its HCV program through a number of factors including anticipated HUD funding levels and the Authority's desire to reserve 5% of HCV funds to supplement HOPE VI Revitalization projects. Based on information supplied by HUD in late 2006, LMHA believed its HCV program would be funded at 89% of eligibility during CY2007. As a result of this anticipated funding shortfall, the Authority stopped scheduling HCV applicants for New Family Orientations in October 2006. It was only after FY2007 ended that LMHA learned that CY2007 would actually be funded at 105% of eligibility. As a result, LMHA is now taking steps to increase its HCV utilization rate and has again begun scheduling New Family Orientations. This should reduce the size of the waitlist for the HCV program, which grew from 10,549 to 11,918 households during FY2007.

During FY2007, LMHA entered into an agreement with the Kentucky Housing Corporation (KHC) under which KHC will assume the HAP costs for 252 HCV families. This agreement is retroactive to January 1, 2007. In addition, KHC will assume costs for contracts cancelled since this date. The final amount owed to LMHA has not yet been determined, but is believed to be approximately $1.2 million.

Program-Based HCV Program

LMHA has developed several programs with local organizations to provide both housing and supportive services (tying vouchers to specific interventions for example, rather than to a hard unit). During FY2004, and continuing today, the Authority implemented such a program with the Center for Women and Families (the Center) by entering into an agreement to provide vouchers for up to 17 households residing in their new long-term transitional housing program (a copy of the Agreement was included in LMHA's FY2005 Annual Plan). Participants who successfully graduate from the Center's program within a three-year period will receive a portable voucher. This innovative results-based approach gave the Center the flexibility to lease to both HCV vouchers holders and market rate renters while creating an incentive for participants to graduate in a timely manner. This approach also encourages a mixture of incomes without unnecessarily typing up vouchers.

Another "program based" approach that LMHA implemented during FY2004 was to set aside up to 50 vouchers in a partnership with the State Department of Mental Health/Mental Retardation to provide housing assistance as they implemented the Supreme Court's Olmstead decision to allow people to live in the community. Participants received a portable vouchers tied to direct services. MTW provided LMHA with the flexibility to develop opportunities like this for individuals with disabilities through accessible systems of cost-effective community-based services.

During FY2005, LMHA began discussing a potential co-venture agreement with two different service agencies for the Villager property, an off-site acquisition for the Clarksdale HOPE VI revitalization. Both organizations would likely request either project based vouchers or vouchers tied to services as part of their final memorandum of agreement. The site may also include ACC units, including single room occupancy (SRO) units, which would be the first of this unit type in LMHA's public housing inventory. "Flexible suite" unit configurations and shortened lengths of occupancy (6 to 9 months) are also being evaluated for this site. Due to challenges facing both agencies including staff changes at the executive level at the Center, no definitive plan has yet been developed.

HCV Homeownership Program

The Authority has continued its focus on expanding homeownership opportunities for public housing and HCV families. This award-winning program is more comprehensively discussed in the Resident Programs section.

Rent Reasonableness

In FY2005, LMHA contracted with CVR Associates, Inc. to provide a computerized rent reasonableness process. During FY2006, in preparation for the implementation of this system, HCV administrative staff conducted rent reasonableness tests of all units. Rents and rent increase requests were compared with the rents for similar apartments in the neighborhood to assure that charges were consistent with the local market norms. The Voucher program allowed rents for properties in targeted areas up to 120% of the current Fair Market Rents to increase housing choices in non-impacted neighborhoods and further the Authority's deconcentration goals, in addition to providing incentives to landlords.

Inspection Strategy

Inspection practices and staff were transferred from LMHA to the Louisville Metro Inspections and Permits Department during the 4th quarter of FY2004. This was done to allow the municipality to serve multiple inspection functions at once while reducing cost to both LMHA and Metro Louisville by eliminating duplicative inspections. The Authority executed a contractual agreement with Louisville Metro to perform these services.

Louisville Metro inspectors performed four major inspections under the Voucher program including a pre-contract Housing Quality Standards (HQS) inspection, an annual HQS inspection, HQS quality control inspections, and inspections initiated from complaints. As in past years, 100% of pre-contract HQS inspections, HQS inspections, and inspections initiated from complaints were completed during FY2007. Per HUD guidelines, 5% of leased units received follow-up quality control inspections. If a unit failed the annual HQS Inspection, the landlord was expected to bring the unit into compliance. Units were re-inspected for compliance up to a maximum of three times. If the third re-inspection resulted in a failure, the unit was placed in abatement and removed from the program. Units that failed pre-contract HQS inspections were re-inspected only once. If the second inspection resulted in a failure, the unit was not eligible for the program. Owners were charged a $25 fee for re-inspections after the first re-inspection for annual and initial inspections fails, and a $25 fee for fails on other types of inspections after the first inspection.

Steps to Reduce HAP Costs

Recent federal budgets have attempted to contain escalating costs by placing new limitations on HCV funding, and effectively reduced the amount of funding or the number of vouchers allocated to the nation's PHAs. This funding mechanism has also had a negative impact on the block grant. Although

HUD has recently determined that the HCV program will be funded at 105% of eligibility for CY2007, throughout FY2007 the agency estimated the program would be funded at 89%. For this reason, LMHA worked diligently to control Per Unit Costs (PUC), and the overall total HAP payments, continuing and extending cost-control initiatives begun as early as FY2004 including the following:

- Reducing its utilization rate by canceling New Family Orientations from October 2006 through the end of FY2007;
- Eliminating the priority status of referrals from the area's homeless shelters, as these are often high cost households;
- Promoting homeownership opportunities, including the Agency's own HCV Homeownership program;
- Encouraging people to work through aggressive Family Self-Sufficiency (FSS) and Individual Development Account (IDA) programs;
- Consolidating inspections with the city's Inspection Department; and
- Developing an automated software solution to assist in performing rent comparables versus outsourcing this task.

Resident Programs

During FY2007, the Louisville Metro Housing Authority (LMHA) continued to offer residents a wide array of educational and job-training services designed to prepare individuals for success in school and the workplace, and to help them along an incremental path to self-sufficiency. The Agency also continued to collaborate and partner with other social service agencies in the community in an effort to provide the highest quality services and programs to residents.

LMHA spent approximately $1,170,000 for resident services and programs in FY2007 (exclusive of HOPE VI CSS funds) through Operating subsidies, the Agency's Capital Budget, the Housing Choice Voucher (HCV) program, and grants such as ROSS.

Family Self-Sufficiency (FSS)
Through the Family Self Sufficiency program, LMHA residents and HCV participants received extensive supportive services through long-term case management to achieve program and personal goals, with an emphasis on employment. As an added incentive, the rent increases that would occur as family income rises were diverted into an escrow account to be used at the participant's discretion. Homeownership is a key goal of LMHA, with an emphasis on FSS participants. (See additional information on LMHA's HCV Homeownership later in this section.) As of June 30, 2007, 172 public housing residents and 473 HCV residents were participating in the Agency's FSS program. At that time, 66% of these participants were employed at least 20 hours per week (114 public housing residents and 314 HCV residents). 84 public housing residents held escrow accounts totaling $213,839, while 270 HCV residents held escrow accounts totaling $983,509.

CommonWealth Individual Development Account (IDA) Program
This program was designed to help low-income people save money to buy a house, attend post-secondary education, save for their child's education, invest in their own small business, repair or remodel their home, or own their own computer. Each participant has a dedicated savings account (called an IDA) where their savings is matched $2 for every $1 they save. Participants also complete Financial Skill Building workshops and meet with a Case Manager. As of June 30, 2007, 19 LMHA residents were participating in the CommonWealth IDA program including 9 former Clarksdale families. At that time, participants' combined savings totaled $21,151 with additional matching funds totaling $33,314.

Special Access Programs
The former Housing Authority of Jefferson County offered a variety of special access programs, each a partnership with another community agency or agencies and targeting a specific population. LMHA has continued these programs, which combine an LMHA HCV voucher with case management services delivered by the partner agency or agencies. Because the combined voucher program was over-leased after merger and major relocation activities were underway at Clarksdale, the special access programs

were only able to serve a small number of participants for a portion of FY2004 and FY2005. However, the majority of these programs are now able to serve at capacity.

HOPWA (Housing Opportunities for People with AIDS) Program

The HOPWA program provided voucher rental assistance and Case Management services through the House of Ruth. The program's mission is to combine rental assistance with Case Management services for people with HIV/AIDS to improve quality of life, ensure access to services, and ease access to other programs for which they may be eligible. Although program capacity is 60, only a small number of participants were served during FY2007 as the Louisville Metro Department of Housing and Family Services offered two additional direct access programs that also served this population. The Department of Housing's programs also combined subsidized rental assistance with long-term case management services. In general, applicants in need of long-term case management were referred to the Department of Housing's programs, while other applicants were referred to LMHA's program. Participants in the Department of Housing's programs were referred to LMHA's HCV Program when the term of their subsidy had expired.

Mainstream Program

The Mainstream Program combines an LMHA HCV voucher and case management services delivered by the Center for Accessible Living to serve families or individuals whose head of household or spouse is disabled. The program aims to help disabled individuals lead more independent lives.

Family Unification Program (FUP)

The FUP Program combines an LMHA HCV voucher and case management services delivered by Child Protective Services to serve families for whom housing is an issue with regard to reunification of children with parents or the prevention of the removal of children from the household. The program's mission is to preserve and maintain the family unit.

Homeless Families Assistance Program (HFAP):

The HFAP Program combines an LMHA HCV voucher and case management services delivered by day and overnight shelters, transitional housing facilities, the Neighborhood Place, Louisville Metro Human Services staff, and the Family and Children Counseling Center's Homeless Families Prevention Program staff to serve families and individuals who are homeless. The program helps stabilize homeless families and individuals, so they can continue to make positive changes in their lives. This program consistently operates at capacity.

Olmstead Program

The Olmstead Program is a partnership between LMHA and the State of Kentucky's Division of Mental Health. It combines an LMHA HCV voucher and case management services delivered by authorized agencies, including the Center for Accessible Living, Wellspring, Seven Counties Services, and Central State Hospital, to serve families or individuals impacted by the Olmstead decision.

Center for Women and Families Villager Program

The intent of this program is to serve individuals and families affected by domestic violence, sexual assault or economic hardship. Participants in this program were selected by the Center for Women and Families (CWF) via their written criteria. If the CWF chose to refer a participant for the site-based HCV component, that participant had to be HCV-eligible as well. Participants received site-based HCV rental assistance and intensive supportive services from the referring agency while living on CWF's campus, and were potentially eligible for a portable voucher upon completion of CWF's program.

LMHA intends to collaboratively redevelop a former motel, the "Villager" property, but this has yet to materialize. LMHA began discussions with the Center several years ago and was close to consummating an agreement, but the Executive Director left to take a position with another social services agency. A new Director was hired but had a relatively short tenure. The newest Director is amenable to resurrecting our discussions regarding a partnership to develop this site.

Single Room Occupancy (SRO) Program

HCV-eligible single women or men who were homeless or in danger of becoming homeless could self-refer or be referred by other agencies and service providers directly to the SRO Program. Participants received site-based HCV rental assistance at the SRO and case management via SRO staff. Robert's Hall (which can serve 24 women) and the YMCA (which can serve 41 men) remained at program capacity during FY2007.

ROSS-Funded Programs

Public housing residents have benefited from a variety of programs and services over the past years made available through ROSS funds. Staff have applied for and received a number of Resident Service Delivery and Neighborhood Network grants to continue a wide variety of activities and services including:

- CHOICE – teen intervention for middle school students at Meyzeek and Noe Middle Schools (currently funded in part through Clarksdale HOPE VI Revitalization CSS budget);
- Resource Centers and after school tutoring programs at the Beecher Terrace, Sheppard Square, Parkway Place, and Iroquois Homes family developments (ROSS Resident Services Delivery Model);
- GED programs (ROSS Resident Services Delivery Model);
- A 16-station computer lab at the Mabel Wiggins Family Investment Center plus satellite labs at Sheppard Square and Iroquois Homes (ROSS Neighborhood Network);
- Other youth and resident programs including Metro Parks' day camps and field trips (ROSS Resident Services Delivery Model); and
- Special "HALO" officers with the Louisville Metro Police Department at LMHA's family sites and security personnel at LMHA's high-rise sites and the Mabel Wiggins Family Investment Center (Operating Budget).

Community Foundation Grant (Youth IDA Pilot)

LMHA received notification in March 2003 of a $19,000 Community Foundation Grant for start up costs equated with a pilot Youth Independent Development Account (IDA) program. The Center for Women and Families worked with LMHA to implement the area's first such program. IDA programs offer matched savings accounts to encourage regular savings, financial skills building education to improve money management and a variety of eligible assets that can be purchased at the end of the program. LMHA's innovative Youth IDA program provided a multi-generational approach to self-sufficiency. Participants were recruited from LMHA's other youth programs as well as from the children of adult CommonWealth IDA Program participants including families relocating from Clarksdale due to the HOPE VI Revitalization. All participants were required to perform community service in exchange for participation in the Youth IDA program. This one-year grant provided start-up match money for the youth participating in the program.

Earned Income Tax Credit

In conjunction with the Metro Government's Beyond Merger blueprint, LMHA continued its efforts to encourage and assist residents and program participants to take advantage of the Earned Income Tax Credit. LMHA also continued to partner with the Louisville Asset Building Coalition to provide free tax preparation services, which not only provide an alternative to paid tax preparation services, but connections with other financial services.

Traditional and Realizing Academic Potential (RAP) Scholarship Programs

The former Housing Authority of Louisville (HAL) developed two scholarship programs to serve its residents that continued under LMHA. Begun in 1987, the traditional LMHA Scholarship program, which provides scholarships to college-bound high school seniors or adults wishing to return to school, has awarded $1,083,140 in renewable scholarships to 336 students. During FY2007, 16 scholarships with a total value of $23,250 over the life of the award were given to LMHA residents. (See Table 10-1 for a summary of the Authority's Traditional Scholarship Program.) These scholarships are funded by the Louisville Housing Assistance Corporation, an LMHA subsidiary.

The second of LMHA's Scholarship programs was called "RAP" (Realizing Academic Potential). Begun in 1996, RAP was designed to identify, target, support, and provide financial assistance to youth, beginning in the ninth grade year of high school. Each year, if the student maintained acceptable grades, LMHA contributed money to a college scholarship fund established for that student. The program had incentives and a mentoring component to keep students interested and motivated to learn and achieve their academic goals. The existing funding for this program has been completely obligated, and the program ended with the 2005 graduating class.

Computer Training and Neighborhood Networks

Since the early 1990's, research has shown that a "digital divide" exists between affluent and low-income persons. Additionally, disparity in computer skills between young and mature users has been noted. Much has been done to bring the technically disenfranchised into classrooms and to establish learning centers for instruction and training in their immediate communities. However, despite those efforts, recent studies report that the gap persists for low-income, minority and non-English speaking children and adults.

In the summer of 2001, the former HAL partnered with Jefferson Technical College (JTC) and the McConnell Training and Technology Center (MTTC) to apply for a $250,000 grant through the Governor's Office of Technology (GOT) to fund an innovative program to address the ever-increasing technology gap between middle and low-income families, specifically for public housing residents.

The resultant program, eVillage-Louisville, connects public housing residents to the resources necessary to improve education and self-sufficiency opportunities by providing the training and technology necessary for residents to become computer literate, own their own computer, and have access to the Internet. The program began in January 2002 and was open to all public housing residents and students living in Parkway, Clarksdale, Iroquois, Sheppard Square, Park DuValle and Beecher Terrace. Initially housed at the Wiggins Family Investment Center, eVillage offered two phases of training: basic computer instruction (Ready-Set-Go!) and more advanced computer repair classes (A+ training). After a brief seven months, the program was so successful it was replicated at the Sheppard Square public housing development. Louisville Homes Trust donated the equipment to set up this second computer lab.

The former HAL applied for and received a $250,000 ROSS Neighborhood Network grant from HUD in 2002 to help expand the initial pilot and sustain the program for an additional three years. LMHA's Special Programs Department also submitted and was awarded a $200,000 HOPE VI Neighborhood Network in September 2003 and a second $220,101 grant in September 2004 to establish a Neighborhood Network (NN) at the former Clarksdale site (now Liberty Green). The grant included funding to establish a state-of-the art computer lab and training center in the new Active Living facility that will be constructed on the redeveloped site.

LMHA has partnered with Jefferson County Public Schools to continue its basic computer classes at the Neighborhood Network centers at the Family Investment Center and Sheppard Square. Two new labs opened for use in FY2006, Iroquois Homes and the Villages at Park DuValle. Residents now receive a refurbished computer upon completion of the program supplied through New Life, a business that trains persons with visual impairments to rebuild computers. As of June 30, 2007, 73 residents had completed the basic computer class and received a free rebuilt computer.

In addition to the basic nine-week course, LMHA has partners with the Jefferson County Public Schools Department of Workforce Development to offer the Work Readiness Program; the pilot class began in March 2006. Residents who have completed the first, basic Neighborhood Networks course and who have earned a GED or high school diploma are eligible to enroll in this program. Students meet three hours a day for four weeks. In addition to expanding their computer skills, students perform mock job interviews, create a resume, and meet with a number of representatives from area non-profit employment services agencies.

HOPE VI Grant Community Supportive Services

LMHA collaborated extensively with residents, community members, and service providers to develop a comprehensive community supportive service (CSS) component of its HOPE VI programs. The Authority and its partners have provided extensive CSS services through all of its HOPE VI programs (Clarksdale, Park DuValle, and Iroquois Homes), including case management, life skills training, employment and Section 3 opportunities, evaluation and tracking, and mobility counseling and assistance during relocation. As of June 30, 2007, 109 former Clarksdale residents were enrolled in the FSS program, 75 were receiving general case management services, 9 were enrolled in the adult IDA program, and 13 were enrolled in the Youth IDA program.

YouthBuild Louisville Program

LMHA staff continued to work extensively with YouthBuild Louisville to recruit LMHA young adults aged 18 to 24 for their training program that prepares participants for entrance into construction apprenticeships. Instructional training to prepare for high school diplomas, transportation passes with TARC, subsidized daycare, counseling, 900 hours of community service, stipends based on attendance, and a $2,400 college scholarship upon completion are all components of this program. The Authority provided $20,089 for stipend support for the 2004 and 2005/2006 classes of YouthBuild students.

LMHA also continued to provide apartments for YouthBuild participants as per the Memorandum of Understanding signed at the inception of the program. These units provided transitional housing for participants at a location convenient to their training center.

YouthBuild has constructed three housing units in conjunction with the off-site component of the Clarksdale Revitalization and is planning to construct several more. Participants also renovated the St. Peter Claver Chapel in Smoketown, which is now used as a computer center and meeting area by residents of Sheppard Square, Clarksdale relocates, and the surrounding community.

YouthBuild also offered community service projects that impacted the residents of Sheppard Square. Fall and spring sessions of health-related workshops were held at the Presbyterian Community Center during FY2006. In FY2007, five public benches built by YouthBuild were placed in a new community garden recently developed behind the St. Peter Claver Community Center as part of LMHA's Active Living by Design grant described later in this section. YouthBuild also constructed a walkway for the garden and installed two rain gardens adjacent to the community center.

Elderly / Disabled Supportive Services

A limited program of case management, counseling, home care, and recreational services was provided for Dosker Manor residents during FY2007. Staff continued discussions with Dosker Manor residents, management and maintenance, and potential supportive service providers regarding the possibility of future supportive services.

Iroquois Hazelwood Health Coalition

LMHA's Special Programs staff joined the Iroquois Hazelwood Health Coalition in FY2004, and participation continues. LMHA staff was a major partner in submitting a $300,000 Louisville Community Foundation grant that was awarded in September 2004. The funds are being used to improve access to health care and to address key health issues. Staff continues to work with the Coalition to establish and implement programs that target residents of Iroquois Homes.

Annie E. Casey Foundation's Making Connections Louisville
LMHA staff also serves on the Annie E. Casey Foundation's Making Connections Louisville Strategy Advisory Teams. The Teams met to formulate community identified and owned strategies for families in the four targeted neighborhoods of Phoenix Hill, California, Smoketown, and Shelby Park (Clarksdale, Dosker Manor, Sheppard Square and several of the Agency's scattered sites are located within those neighborhoods, and a number of HCV voucher holders live within those neighborhoods.)

Robert Wood Johnson Foundation's Active Living and Healthy Eating by Design
On behalf of Louisville Metro Government, LMHA applied for and received a $200,000 Active Living by Design grant from the Robert Wood Johnson Foundation in November 2003 to make changes in the built environment and implement programs that encourage physical activity. The Agency has since been awarded three additional special-purpose grants from the Foundation, a $50,000 Healthy Eating by Design grant in June 2005 to address the growing risk of overweight and obesity among low-income children and a separate $50,000 grant to increase bicycling and pedestrian activity along Hancock Street. During FY2007, the Authority received an additional award of $35,000 to continue its Healthy Eating by Design work. The initiative's most visible accomplishment has been the creation of a community and educational garden in the Smoketown Neighborhood adjacent to the St. Peter Claver Community Center.

Homeownership Supportive Services
LMHA has one of the strongest HCV Homeownership programs in the country and can boast that 105 families have purchased homes using the program, including 3 families relocating from Clarksdale. Program participants also form part of the post-purchase IDA program. In total, 87 HCV households and 18 public housing residents have received HCV Homeownership vouchers.

The Authority applied for and was awarded a $60,700 grant to expand the supportive services it provides through its Homeownership Program in December 2004, which was used to fund a new Homeownership Specialist position. Current administrative tasks in the HCV Homeownership Program were bifurcated into real estate and counseling-related duties. The Homeownership Specialist is responsible for all aspects of the latter including pre-briefing, working with counseling agencies, and providing case management-related activities including post-purchase counseling and related IDA accounts. This staff member also coordinate the Homeownership programs for LMHA's Clarksdale HOPE VI Section 32 lease-purchase units and the Section 5(h) units in Newburg.

LMHA continues to provide Homeownership Supportive Services through a $500,000 ROSS grant received in FY2007. These funds are currently being used to:

- conduct orientations at public housing developments to promote financial skills training, credit counseling and homeownership;
- provide financial skills training through the Center for Women and Families;
- provide homeownership counseling through the Housing Partnership, Inc. to public housing residents with annual incomes of $12,500 or who meet the income requirements of LMHA's HCV Homeownership program;
- provide life-skills and employement training to youth through the C.H.O.I.C.E. after-school program and Y.O.U., a program that provides educational and career counseling to youth who have dropped out of school; and
- provide adult employment services through three distinct tracks of work-readiness training:
    - Basic job-seeking skills to help residents find employment and soft-skills training including communication, problem-solving, and interpersonal skills to help residents maintain employment;
    - Building maintenance training including carpentry, electrical, and plumbing skills; and
    - Industry-specific job training in the medical field.

Resident Participation

LMHA's commitment to full resident involvement in the Agency's processes continued during FY2007. Two residents continued to serve on the Board of Commissioners, one as the Chair. Resident council presidents were encouraged to attend Board meetings and report on development activities or concerns.

Residents were an essential part of the HOPE VI Revitalization planning process at Clarksdale and continue to be an integral part of the project's implementation. The input gathered over more than four years of resident surveys and focus groups, involvement on task force committees, and participation during design charettes, training sessions, and public hearings proved invaluable in the development of a totally revitalized Clarkdale community. Iroquois residents were also involved in the planning sessions and public meeting regarding the ongoing plans for demolition at their site.

Louisville Metro Housing Authority
Traditional Scholarship Program Awards

TABLE 10-1

	No. of Scholarships Awarded in Fiscal Year	Cumulative Number of Scholarships Awarded	Total Value of the Life of the Award	Cumulative Total Value of the Life of the Award
1987-95	59	59	$268,540	$268,540
1996	29	88	$94,000	$362,540
1997	24	112	$65,600	$428,140
1998	28	140	$84,000	$512,140
1999	25	165	$73,000	$585,140
2000	19	184	$61,000	$646,140
2001	27	211	$107,750	$753,890
2002	23	234	$85,000	$838,890

2003	34	268	$143,000	$981,890
2004	14	282	$21,000	$1,002,890
2005	17	299	$25,500	$1,028,390
2006	21	320	$31,500	$1,059,890
2007	16	336	$23,250	$1,083,140

Appendix A

Audited Financial Statement (FYE June 30, 2006)

[Insert Contents of File “Audited Financial Statement.pdf” Here]

Appendix B

Detailed Unaudited Financial Statements (FYE June 30, 2007)

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS JUNE 30, 2007

Overview

The Louisville Metro Housing Authority, or LMHA, is a non-profit agency responsible for the development, operation, and management of federally sponsored low-rent housing in the City of Louisville and Jefferson County. The agency was created by state legislation and derives its authority from KRS Chapter 80. The LMHA operates under state statutes and federal U.S. Department of Housing and Urban Development (HUD) regulations, which are applicable to management of housing that receives federal funding assistance.

HUD has direct responsibility for administering the Low-Rent Housing Program under the United States Housing Act of 1937, as amended. HUD is authorized to enter into contracts with housing authorities to make loans to assist in financing the acquisition, construction, and leasing of housing units and to make housing assistance payments and annual contributions available to the housing authorities for the purpose of maintaining the low-rent character of the housing programs.

A nine member Board of Commissioners governs LMHA, which is appointed by the Mayor of the Louisville-Jefferson County Metro Government (LJCMG). The Board recruits and employs the executive staff and has substantial legal authority to control the affairs of LMHA, including approval of its budgets. The Board is solely responsible for its deficits, surplus funds, and other fiscal matters. Therefore, LMHA is not included in any other governmental "reporting entity" as defined in Section 2100, *Codification of Governmental Accounting and Reporting Standards*. The financial statements include all of the programs and funds under the control and administration of LMHA.

LMHA's Management's Discussion and Analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Authority's financial activity, (c) identify changes in the Authority's financial position, and (d) identify individual fund issues or concerns.

Since the Management's Discussion and Analysis (MDA) is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the Authority's financial statements.

The Authority consists of exclusively Enterprise Funds. Enterprise funds utilize the full accrual basis of accounting. The Enterprise method of accounting is similar to accounting utilized by the private sector.

Many of the funds maintained by the Authority are required by the U. S. Department of Housing and Urban Development. Others are segregated to enhance accountability and control.

Financial Highlights

- The Governmental Accounting Standards Board (GASB) issued Statement No. 34, "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments" (GASB 34), which required LMHA to change its financial statement presentation. As of January 1, 2002 LMHA has adopted GASB 34. Management's Discussion and Analysis (MDA) will be presented along with each year's financial statements.

- Interfund receivables and payables have been eliminated.

- A Statement of Cash Flows accompanies the financial statements.

Analysis of Financial Condition (all numbers in 1000s)
LMHA's total assets increased from fiscal year ending June 30, 2006 to fiscal year ending June 30, 2007 by $8,581. The primary items or circumstances that contributed to that increase are as follows:

- The value of "Total Fixed Assets, Net of Accumulated Depreciation" decreased by $11,246. The largest part of this decrease ($8,249) was due to writing off the value (and associated accumulated depreciation) of assets in the Development Program relative to the HOPE VI effort at Cotter and Lang Homes (i.e. Park Duvalle). The costs had been erroneously capitalized in the early years of the Development and HOPE VI programs, although LMHA did not actually own the asset. With the final close-out of the Development Program in the current fiscal year, that has been corrected on the balance sheet. Additionally, depreciation expense for the fiscal year exceeded the value of new purchases of fixed assets, contributing to the decrease.
- This was offset by a net increase in current assets of $6,130 for 2007. This increase had two major contributors. They were:

  Cash and Investments – increased by $3,252. The Low Rent Program had a net increase of $1,574. That increase is substantially due to HOPE VI funds that the Low Rent Program is holding that belong to and are reserved for the Liberty Green project. The Section 8 MTW program increased $1,867. This is due to the repayment of a short term bridge loan by the developer on the Liberty Green project. Other various programs recorded smaller increases and decreases in cash to make up the balance.

  Accounts and Notes Receivable – increased by $2,705. This increase is primarily applicable to the Section 8 MTW program. HUD did not determine the final funding level for the Section 8 MTW Program until July, 2007 (after the close of LMHA's fiscal year). Consequently, a large receivable was booked resulting in a net increase from 2006 of $3,004. Various other programs had smaller net decreases in their accounts receivable.

- Additionally, "Other Non-Current Assets" increased $13,697. This occurred due to LMHA recording the value of two new, long term loans (Liberty Green Phases I and II) involved in its mixed-finance, tax-credit transactions on the balance sheet. Also, interest accruing on the prior loans increases this category annually as well.

LMHA's total liabilities decreased by $60 from June 2006 to June 2007. The primary items or circumstances that contributed to that decrease were as follows:

- "Other Accrued Liabilities" decreased by $1,118. The largest component of that decrease occurred within the Comprehensive Grant Program ($1,004). This was due to the utilization of deferred revenue for the Clarksdale HOPE VI Revitalization for the same amount.
- "Other Non-Current Liabilities" increased by $924. That net increase is primarily due to HOPE VI funds that the Low Rent Program is holding that belong to and are reserved for the Liberty Green project (also see explanation for "Cash and Investments above).
- The balance ($134) of the change in total liabilities is attributable to an increase in general accounts payable among various programs.

LMHA's total Net Assets as of June 30, 2007 increased by $8,641 from June 2006 levels. The primary items or circumstances that contributed to that increase are as follows:

- "Invested in Capital Assets, Net of Related Debt" declined by $11,011. As mentioned in the explanation above for changes to total assets, the value (and accumulated depreciation) associated with fixed assets for the Development Program have been written off. These assets were not actually owned by LMHA, and the balance sheet has been adjusted accordingly. As a result, the equity relative to those assets was also reduced. Also, depreciation expense for the current year exceeded the value of new purchases of fixed assets. Consequently, the net equity of all fixed assets was less at June 2007 then at the end of the previous fiscal year.

- "Restricted Net Assets" increased by $13,990. As mentioned in "Other Non-Current Assets" above, most of this increase occurred due to recording two new, mixed-finance, tax-credit loans (Liberty Green Phases I and II) on the balance sheet. The interest accruing on these loans also produces a significant annual surplus that increases this category.
- "Unrestricted Net Assets" increased by $5,662. This was due primarily to an operating surplus of $6,422 in the Section 8 MTW fund. There were also "net prior year adjustments" ($879) in the Section 8 MTW fund that decreased the net surplus of revenue over expenses to $5,543.

Results of Operations (all numbers in 1000s)

Low Rent Program:
The conventional, Low Rent Program operated at a $5,336 deficit for fiscal year ending June 30, 2007. This deficit is almost entirely comprised of $5,244 in depreciation expense. After allowing for depreciation expense, the Low Rent Program operated at a small deficit of $92.

It should be noted, however, that LMHA transferred $3,729 to the Low-Rent Program from the Capital Fund. The interfund transfer from the Capital program would have been greatly reduced if LMHA had received 100% of operating subsidy eligibility from HUD. However, LMHA was funded at approx. 86% of eligibility for the six months ending December 31, 2006; and current indications are that the six months ending June 30, 2007 will be funded at approx. 83%.[1]

Investment income was $253 more than budgeted for fiscal year 2007. This was primarily due to rising interest rates and the purchase of longer term investments that produced higher yields.

Other income also exceeded budgeted levels by $106. This was due to the receipt of asset management fees that were not included in the budget.

One of the major expense categories that finished the fiscal year under budget was utility expense. Utility expenses were $1,472 under budget. The factors that affected this line item were: 1) decreased utility consumption due to very mild summer months in 2006; a very mild winter (October 2006 through February 2007); and 2) significantly reduced rates for natural gas. Natural gas rates had increased by over 40% the previous year.

Additionally, total administrative expense was $384 under budget. This occurred due primarily to vacancy credits in the administrative salaries category.

It will continue to be necessary to assist the Low Rent Program with transfers from other funds (i.e. Capital and Section 8) until LMHA is able to replace a significant number of the units lost in its Park DuValle HOPE VI Program, the Clarksdale Homes HOPE VI Program, and those units demolished at Iroquois Homes. The replacement of those units will increase both rental and operating subsidy income.

Section 8 Rental MTW Program (Housing Choice Vouchers):
The Section 8 Rental MTW Program operated at a $6,422 surplus for the year. There are a number of factors that helped produce the surplus.

More than $4,900 in Section 8 subsidies were received from HUD that were not anticipated. This occurred because the 2007 funding level for the Section 8 Program was not determined until July, 2007. HUD had been providing Section 8 funding at 89% of eligibility. However, the final level of eligibility was 105%. This resulted in a large amount of unexpected income, which was recorded at fiscal year end close. The budgeted amount of federal subsidy is extremely difficult to estimate due to wide variations in funding eligibility from year to year, and also because HUD's *funding year* spans two of LMHA's *fiscal years.*

Investment income also exceeded budget by $383 due to higher cash balances, higher interest rates, and longer term investments that produced higher yields.

Overall, Section 8 expenses were just slightly under budgeted levels ($49).

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1 The calendar year 2007 operating fund calculation has not yet been HUD approved and returned to LMHA. However, both HUD and housing industry groups have indicated that the funding level will be approx. 83%.

New Construction and Substantial Rehabilitation Section 8 Program:
This program generated a $3 surplus for the fiscal year ending June 30, 2007. LMHA earns administrative fees from HUD for providing administrative oversight to this program. The housing assistance payments are attached to units owned and operated by private developers.

Beginning in July, 2007, LMHA will no longer be the "contract administrator" for this program. Responsibility and oversight for this program has been transferred to the Kentucky Housing Corporation.

Section 8 Moderate Rehabilitation Program:
This unit-based Section 8 Program operated at a $6 deficit for the fiscal year ending June 30, 2007. The small size of this program makes it difficult to generate operating efficiencies, thus annual deficits may sometimes occur.

Development, Comprehensive Grant, HOPE VI, and Capital Fund Programs:
Any surpluses or deficits generated by these programs are entirely attributable to the way that HUD funds the purchase of fixed assets. HUD advances the entire cost of an asset to LMHA at the time of purchase. Of course, the advance is recorded as income in the fiscal year received. Depreciation expense is then recorded appropriately from that time forward. This may result in significant surpluses in the years when the grant income from HUD is recorded, and significant deficits in years when the depreciation expense is recorded, but there is no offsetting income. If the assets owned by each of these funds were fully depreciated, none of the funds would generate a surplus or deficit.

As explained previously in the analysis of the Low Rent Program, $3,729 was transferred from the Capital Fund Program to the Low Rent Program during the fiscal year ending June 30, 2007.

Other Business Activities:
The $356 surplus in this group of programs was produced primarily by the 5(h) Program and the Building Fund.

The 5(h) program receives mortgage funds from former public housing residents who have purchased their units subsequent to being converted to condominiums. A portion of those funds is retained by the mortgage servicer, and the balance is remitted to LMHA for utilization in other housing related programs. The 5(h) programs generated a $173 surplus.

The Building Fund is used to record the amortization of bond indebtedness on a building that LMHA owns and leases. Additionally, expenses related to maintenance and upkeep for the building are recorded here as well. The building fund produced a $204 surplus for the year. That surplus is utilized to pay the principle on the outstanding bonds.

Other programs in this category generate small surpluses and deficits as they are expended for health, housing, educational, training and other similar purposes.

Mixed-Finance Programs:
The $1,610 surplus in this program results from the annual interest income that is recorded on the long-term notes involved in LMHA's mixed-finance, tax-credit projects (see comments under "Analysis of Financial Condition"). All of this interest accrues until the notes become due and payable.

Contacting Financial Management Personnel:

This financial report is designed to provide readers with a general overview of Louisville Metro Housing Authority's programs and related finances. If you have questions about this report, please contact LMHA's Finance Department at 420 So. 8th Street, Louisville, KY, 40203.

JUNE 30, 2007

FINANCIAL

STATEMENTS

(unaudited)

CONSOLIDATED BALANCE SHEET

	Low Rent 14.850a	N/C S/R Section 8 Program 14.182	Section 8 Moderate Rehabilitation 14.856	Section 8 Rental MTW Program 14.871	Devt. 14.174	CIAP & CGP 14.852 14.859	HOPE VI 14.866	CFP 14.872	Mixed-Finance Programs	Resident Opportunities and Supportive Services (ROSS) 14.870	MTW Technical Assistance 14.227	State & Local	Other Business Activities	Child & Adult Care Food Pgm 10.558	Eliminations	Total 39,263
Assets																
Cash	17,284,836	723,61	2,442	15,446,38	0	0	0	0	0	0	0	0	460,863	0	0	33,918,146
Accounts & Notes Receivable	228,945	31,662	153,805	4,909,980	0	0	434,986	522,855	160,309	26,744	0	0	105,446	0	0	6,574,732
Investments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Prepaid Expenses & Deferred Charges	1,072,666	0	0	285	0	0	0	0	0	0	0	0	34,340	0	0	1,107,291
Inventory	1,052,889	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,052,889
Amounts Due from Other Programs	1,549,491	0	5,932	423,500	0	0	116,637	1,366,224	1,774	0	0	78,000	3,381,133	1,166	(6,923,857)	0
Other Current Assets	0	0	0	0	0	0	0	0	0	0	0	0	100,446	0	0	100,446
Total Current Assets	21,188,827	755,28	162,179	20,780,15	0	0	551,623	1,889,07	162,083	26,744	0	78,000	4,082,228	1,166	(6,923,857	42,753,504
Land, Bldngs, Eqpt,	175,394,623	0	0	841,160	0	81,649	9,730,970	6,321,64	0	0	0	0	4,542,160	0	0	196,912,206
Less Accumulated Depreciation	(128,467,63	0	0	(841,160)	0	(58,932)	(1,792,592	(590,999)	0	0	0	0	(1,712,711	0	0	(133,464,029
Total Fixed Assets, Net of Accumulated Depreciation	46,926,988	0	0	0	0	22,717	7,938,378	5,730,645	0	0	0	0	2,829,449	0	0	63,448,177
Construction in Progress	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Non-Current Assets	0	0	0	0	0	0	0	0	45,326,88	0	0	0	60,788	0	0	45,387,675
Total Non-Current Assets	46,926,988	0	0	0	0	22,717	7,938,378	5,730,64	45,326,88	0	0	0	2,890,237	0	0	108,835,852
Total Assets	68,115,815	755,28	162,179	20,780,15	0	22,717	8,490,001	7,619,72	45,488,97	26,744	0	78,000	6,972,465	1,166	(6,923,857	151,589,356
Liabilities																
Accounts Payable	149,226	138,73	52,959	84,721	0	0	116,637	32,653	1,924	8,551	0	0	2,227	0	0	587,628
Other Accrued Liabilities	1,394,911	0	0	149,177	0	0	12,452	1,359,23	268	4,257	0	0	264,016	0	0	3,184,318
Amounts Due to Other	5,374,366	9,248	0	0	0	0	422,534	506,706	359,891	13,936	0	0	237,176	0	(6,923,857	0
Total Current Liabilities	6,918,503	147,97	52,959	233,898	0	0	551,623	1,898,59	362,083	26,744	0	0	503,419	0	(6,923,857	3,771,946
Other Non-Current Liabilities	4,991,144	0	0	1,105,809	0	0	0	0	0	0	0	0	1,175,000	0	0	7,271,953
Total Non-Current Liabilities	4,991,144	0	0	1,105,809	0	0	0	0	0	0	0	0	1,175,000	0	0	7,271,953
Total Liabilities	11,909,647	147,97	52,959	1,339,707	0	0	551,623	1,898,59	362,083	26,744	0	0	1,678,419	0	(6,923,857	11,043,899
Equity																
Investment in General Fixed	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Contributed Capital	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Invested in Capital Assets, Net of Related Debt	46,926,988	0	0	0	0	22,717	7,938,378	5,721,128	0	0	0	0	1,394,449	0	0	62,003,660
Restricted Net Assets	665,993	0	0	0	0	0	0	0	45,126,88	0	0	78,000	4,051,467	1,166	0	49,923,513
Undesignated Fund Balance / Unrestricted Net Assets	8,613,187	607,30	109,220	19,440,44	0	0	0	0	0	0	0	0	(151,870)	0	0	28,618,284

Total Equity	56,206,168	607,30	109,220	19,440,44	0	22,717	7,938,378	5,721,12	45,126,88	0	0	78,000	5,294,046	1,166	0	140,545,457
Total Liabilities & Equity	68,115,815	755,28	162,179	20,780,15	0	22,717	8,490,001	7,619,72	45,488,97	26,744	0	78,000	6,972,465	1,166	(6,923,857	151,589,356

JUNE 30, 2007

FINANCIAL

STATEMENTS

(unaudited)

CONSOLIDATED STATEMENT OF REVENUE AND EXPENSES

Louisville Metro Housing Authority
Consolidated Income Statement
June 30, 2007

	Low Rent 14.850a	N/C S/R Section 8 Program 14.182	Section 8 Moderate Rehabilitation 14.856	Section 8 Rental MTW Program 14.871	Devt. 14.174	CIAP & CGP 14.852 14.859	HOPE VI 14.866	CFP 14.872	Mixed-Finance Programs	Resident Opportunities and Supportive Services (ROSS) 14.870	MTW Technical Assistance 14.227	State & Local	Other Business Activities	Child & Adult Care Food Pgm 10.558	Total
Revenue															
Tenant Revenue	6.637.605												519.639		7.157.244
HUD PHA Grants	13,899,34	2,259,35	633,275	58,277,89		1,003,86	12,234,57	13,650,83	776,473	228,731	194,684				103,159,03
Other Government Grants												2,400,000			2,400,000
Investment Income - Unrestricted	662,744	14,687	1,912	781,897					1,609,553				6,479		3,077,272
Investment Income - Restricted													19,369		19,369
Other Revenue	3,117			1					116,199				558,909	6,714	684,940
Proceeds from Disposition of Assets Held for Sale															
Gain or Loss on Sale of Fixed Assets															
Total Revenue	21,202,806	2,274,039	635,187	59,059,794		1,003,866	12,234,579	13,650,838	2,502,225	228,731	194,684	2,400,000	1,104,396	6,714	116,497,859
Expenses															
Administrative	6,227,712	50,861	54,009	3,661,316		790,727	969,263	2,099,750	34,472	559	192,484	65,340	217,694		14,364,187
Tenant Services	465,512	73,994	9,023	611,682			872,982	92,069	1,888	228,172	2,200		35,889	5,548	2,398,959
Utilities	6,478,415								28,395				18,211		6,525,021
Maintenance	9,465,848		250	17,053				332,027	54,250				173,480		10,042,908
Protective Services	1,026,851								88,880				637		1,116,368
General Expenses	1,173,564	2,503	1,098	74,420					11,725				73,059		1,336,369
Total Operating Expenses	24,837,902	127,358	64,380	4,364,471		790,727	1,842,245	2,523,846	219,610	228,731	194,684	65,340	518,970	5,548	35,783,812
Excess Operating Revenue Over Operating Expenses	(3,635,096)	2,146,681	570,807	54,695,323		213,139	10,392,334	11,126,992	2,282,615			2,334,660	585,426	1,166	80,714,047
Extraordinary Maint / Casualty Losses						213,139	10,392,334	4,170,884				2,334,660			17,111,017
Housing Assistance Payments		2,144,028	577,154	48,273,508					4,340						50,999,030
Depreciation Expense	5,244,526					9,386	428,697	322,772					229,090		6,234,471
Capital Outlays															
Dwelling Units Rent Expense	80,907								773,355						854,262
Other															
Total Expenses	30,163,335	2,271,386	641,534	52,637,979		1,013,252	12,663,276	7,017,502	997,305	228,731	194,684	2,400,000	748,060	5,548	110,982,592

Other Financing Sources (Uses)															
Operating Transfers In	3,728,654								104,634						3,833,288
Operating Transfers Out	(104,634)							(3,728,654)							(3,833,288)
Prior Period Adjustments, Equity / Net Assets															
Proceeds from Property Sales															
Other Sources / (Uses)															
Total Other Financing Sources (Uses)	3,624,020							(3,728,654)	104,634						
Excess (Deficiency) of Revenue over Expenses	(5,336,509)	2,653	(6,347)	6,421,815		(9,386)	(428,697)	2,904,682	1,609,554				356,336	1,166	5,515,267

JUNE 30, 2007

FINANCIAL

STATEMENTS

(unaudited)

CONSOLIDATED ANALYSIS OF NET ASSETS

Louisville Metro Housing Authority
Analysis of Net Assets
June 30, 2007

	Low Rent 14.850a	N/C S/R Section 8 Program 14.182	Section 8 Moderate Rehabilitation 14.856	Section 8 Rental MTW Program 14.871	Devt. 14.174	CIAP & CGP 14.852 14.859	HOPE VI 14.866	CFP 14.872	Mixed-Finance Programs	Resident Opportunities and Supportive Services (ROSS) 14.870	MTW Technical Assistance 14.227	State & Local	Other Business Activities	Child & Adult Care Food Pgm 10.558	Total
Balance @ June 30, 2006	58,800,635	604,650	115,093	13,897,243	10,038,633	32,103	8,367,075	3,576,742	31,423,556			78,000	4,971,034		131,904,764
Equity Transfers / Other Misc Adjustments	2,742,042		474	(878,614)	(10,038,633)			(760,296)	12,093,777				(33,324)		3,125,426
Current Year Surplus / (Deficit)	(5,336,509)	2,653	(6,347)	6,421,815		(9,386)	(428,697)	2,904,682	1,609,554				356,336	1,166	5,515,267
Balance @ June 30, 2007	56,206,168	607,303	109,220	19,440,444		22,717	7,938,378	5,721,128	45,126,887			78,000	5,294,046	1,166	140,545,457

Appendix C
Capital Plan and Reports

Site	Prior Funding	Total Funding	CFP - 03 504	CFP - 04 505	CFP - 05 506	CFP - 06 507	CFP - 07 508	CFP - 08 Proposed	CFP - 09 Proposed	CFP - 10 Proposed	CFP - 11 Proposed	CFP - 12 Proposed	
	1999 thru 2006	1999 thru 2012	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET						
CLARKSDALE													
wnsize Dumpster Pads	308,200	308,200											
Fees & Master Planning	380,339	616,250					235,911						
ase I	19,245,320	20,000,000	-	3,531,561	4,200,000	2,180,856	754,680						
ase II	2,118,881	4,500,000			1,000,000	1,118,881	1,541,119	840,000					
location	207,500	207,500	207,500										
vitalization Reserve	754,680	754,680	754,680										
Site Total	23,014,920	26,386,630	962,180	3,531,561	5,200,000	3,299,737	2,531,710	840,000	-	-	-	-	
BEECHER TERRACE													
Conditioners (Health Related)	327	327											
terior Lighting (West Side)	-	150,000									150,000		
ncing	171,811	171,811											
Fees Boiler design	-	-											
ndscaping / Drainage Remediation	589,022	589,022											
iler Replacement	309,896	309,896											
echer Legal	755	755											
xter Community Center	2,651	2,651											
t Garage	53,827	53,827											
of Repairs (Baxter Court)	330,000	430,000		330,000							100,000		
ing	1,173,107	1,873,107	1,033,107	140,000						700,000			
sident Council Office Improvements	-	-											
Site Total	2,631,396	3,581,396	1,033,107	470,000	-	-	-	-	-	700,000	250,000	-	
PARKWAY PLACE													
terior Lighting	-	290,000									290,000		
king Lot Paving / Speed Bumps	-	105,000									105,000		
mpster Enclosures	309,394	309,394											
ndicapped Ramp (Res Council / Bldng 49)	9,064	9,064											
ncing (FY2001)	173,180	173,180											
hab Tubs & Toilets	8,764,396	8,764,396											
Rehab Tubs & Toilets	31,840	31,840											
location Rehab Tubs & Toilets	229,337	229,337											
nergency procurement backflow preventer	-	-											
ndrails & Walk repairs at stoops	-	-											

khill Community Center	-	-											
lifornia Day Care	489,969	489,969											
y Care Center Dishwasher	8,235	8,235											
Fees California Day Care	36,427	36,427											
ndscaping	49,814	49,814											
place Roofs on Bldg and Stairwells	1,189,772	1,189,772	1,187,342										
place Basement Doors	-	-											
Day	121,810	121,810	121,810										
place Sidewalks/correct drainage	-	-											
place water heaters or get heat exchanger	-	-											
place Power Poles and Cross Arms	-	-											
sident Council Office Improvements	-	-											
Site Total	11,413,238	11,808,238	1,309,152	-	-	-	-	-	-	-	395,000	-	
SHEPPARD SQUARE													
tters Cleaned & Replacement	-	-											
ndicapped Ramp - Res Council Office & SCS	8,273	8,273											
sident Council Office Improvements	-	-											
yground	120,860	120,860											
;ade Improvements	1,821,010	1,821,010		1,336,000									
Sheppard Square Façade	32,711	32,711											
location for Lead Abatement	39,234	39,234	37,218										
place Boilers	4,165,942	4,165,942											
E Boiler Replacement	50,234	50,234											
place Basement Doors	72,000	72,000		72,000									
of Replacement	800,000	1,700,000		200,000	600,000					900,000			
age - three car	-	85,000									85,000		
ve Streets	50,000	50,000		50,000									
Site Total	7,160,264	8,145,264	37,218	1,658,000	600,000	-	-	-	-	900,000	85,000	-	
IROQUOIS HOMES													
of / Gutters / Downspouts	1,187,256	1,187,256											
ndscaping	555	555											
ncing	1,288	1,288											
king Lot Paving (Mgmt Office/ Daycare)	10,169	10,169											
mprehensive Renovation (fy2001-2002)	753,920	753,920											Martin Comp
Fees & Master Planning	459	459											
location	16,929	60,834						43,905					
sident Council Office Upgrade	4,760	4,760											
y Care Center	492,874	492,874											
yground	36,698	36,698											

mp to Maintenance Shop	-	25,000									25,000		
Fees Day Care	34,839	34,839											
Site Total	2,539,747	2,608,652	-	-	-	-	-	43,905	-	-	25,000	-	
PARK DUVALLE (COTTER / LANG)													
cavation and Backfill	496,300	496,300											
Site Total	496,300	496,300	-	-	-	-	-	-	-	-	-	-	
DOSKER MANOR													
terior Panel / Stairwells / Screen Doors	-	-											
tomatic Doors in elevator vestibules Bldg A	-	144,000									144,000		
w Door Locks in A, B, C	68,646	168,646	68,646								100,000		
ilding Lobby B & C	-	150,000									150,000		
E Fees Windows	17,940	17,940											
ndscaping	2,818	2,818											
ewalk Repairs	152,799	152,799											
nt Hallways	69,740	150,000				50,000					80,260		
or tile - Bldg A	-	450,000									450,000		
vator Cab rehab - 9 elevators	-	85,000					85,000						
E Hot Water	160,515	160,515											
nsfer Switches	87,383	197,383	87,383							110,000			
vator replacement	1,300,000	1,300,000				1,300,000							
location Costs	15,321	15,321											
Site Total	1,875,162	2,994,422	156,029	-	-	1,350,000	85,000	-	-	110,000	924,260	-	
ST CATHERINE COURT													
mprehensive Renovation	2,479,244	2,479,244											
P - AE Fees	970,151	970,151											
location	59,444	59,444											
sident Council Office Upgrade	4,458	4,458											
Site Total	3,513,297	3,513,297	-	-	-	-	-	-	-	-	-	-	
AVENUE PLAZA													
terior Lighting	-	20,000									20,000		
irwell Lighting	-	20,000									20,000		
at AC Unit Replacement	129,350	129,350											
tomatic Lobby Doors	27	24,027									24,000		
nge Hood Exhaust Systems	-	-											
sident Council Office Upgrade	6,908	6,908											
ndscaping	1,764	1,764											
mprehensive Renovation	-	7,838,640						2,065,038	2,265,276	508,326	-	3,000,000	
location	-	-											

Site Total	138,049	8,040,689	-	-	-	-	-	2,065,038	2,265,276	508,326	64,000	3,000,000	
LOURDES HALL													
Condition Hallways	58,628	58,628											
ıergency Notification / Intercom System	-	200,000									200,000		
sident Council Office Upgrade	4,455	4,455											
ːage	226,066	226,066											
e Escape Handrail Repairs	-	15,000									15,000		
place Roof	-	20,000									20,000		
ıdscaping	495	495											
Site Total	289,644	524,644	-	-	-	-	-	-	-	-	235,000	-	
SCATTERED SITE LMHA													
1-17 Miscellaneous Site Improvements	23,314	23,314											
1-19 Miscellaneous Site Improvements	153,800	153,800											
1-19 Relocation	2,949	2,949											
31-2733 Algonquin Parkway	887,481	887,481		329,757		354,015							
31 S. 6th Street FA Crew Flooring	172,360	172,360											
1-22 Relocation	12,205	12,205											
1-19 and 1-22 Lead removal	288,760	600,000	288,760								311,240		
Martins Windows	-	300,000								300,000			
ıe Street Windows	-	300,000								300,000			
48 Hancock Renovation	108,675	108,675	23,960	27,715		57,000							
e House Renovations	-	50,000								50,000			
gonquin Apartments	-	-											
ral Avenue	-	60,000								60,000			
) Apartments fence	23,981	23,981											
Site Total	1,673,525	2,694,765	312,720	357,472	-	411,015	-	-	-	710,000	311,240	-	
BISH0P LANE PLAZA													
nt Hallways	10,000	10,000											
of Maintenance Shop	5,000	5,000											
ːpet Hallways	25,000	25,000											
nt Hallways	12,000	12,000											
chen Rehab	474,261	474,261											
ıdscaping	-	-											
rbage Collection	10,198	10,198	10,198										
velling Structures	200,228	200,228	200,228										
ndicapped Access - Sec 504	-	-											
location cost	520	520											
dio/Visual Monitor	4,733	4,733											
place Chiller Compressor	128,496	128,496											

rpet Hallways	3,755	3,755										
ndicap Door	1,649	1,649										
grade Fire Alarm System	10,975	10,975										
ıel Replacement	1,289	1,289	880									
Site Total	888,104	888,104	211,306	-	-	-	-	-	-	-	-	-
SCATTERED SITES HAJC												
/-1-39 Newburg Single Family	-	-										
/-1-41 Other Scattered Sites	-	-										
e Floors	-	90,000						90,000				
chen Cabinets - 54 units	-	200,000						200,000				
rnace and A/C	145,000	145,000										
iter Heaters	45,000	45,000										
l A/C Panels	-	75,000									75,000	
ndow replacement	-	275,000									275,000	
chen Rehab	-	90,000									90,000	
place Siding and Gutters	-	198,000									198,000	
chitectural/Engineering	1,500	1,500	1,500									
tall new Entry Doors	47,542	47,542										
nic Benches and Tables	5,297	5,297										
chen Faucets	12,632	12,632										
e Floors	6,078	6,078										
ntral Air conditioners	107,238	107,238										
ndrails	5,065	5,065										
l and Stripe Parking Lot	750	750										
)A Concrete Work	200	200										
ainage worl @ Noltemeyer	16,343	16,343										
e Floors	87,000	87,000										
atherization of Units	30,058	30,058										
rm door Repair	3,485	3,485										
)H Kitchen Renovations	38,778	181,692									142,914	
velling Structures	5,832	5,832	5,832									
Site Total	557,798	1,628,712	7,332	-	-	-	-	290,000	-	-	780,914	-
Admin Costs HAJC												
ary and Benefits	63,745	63,745	21,745									
ndry Expense	7,766	7,766										
ιE Costs	39,710	39,710	7,485									
Site Total	111,221	111,221	29,230	-	-	-	-	-	-	-	-	-
Mixed Finance Capital Contributions												
ıse II - Park DuValle	250,339	772,625	31,827	70,000	72,800	75,712	78,740	81,890	85,166	88,573	92,116	95,801

ase III - Park DuValle	213,816	449,479	51,590	32,782	33,765	34,778	35,822	36,896	38,372	39,907	41,503	43,163
ase IV - Park DuValle	164,240	546,197		53,140	54,730	56,370	58,060	59,800	62,192	64,680	67,267	69,958
Site Total	628,395	1,768,301	83,417	155,922	161,295	166,860	172,622	178,586	185,730	193,160	200,886	208,922
Annual Capital Purchase/Services Contracts												
vironmental Consultant - Remediation Monitoring	1,664,014	3,464,014		300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
nual Asbestos and Lead Removal Contract	812,831	2,312,831		250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
nual A/E Contract	1,434,835	3,048,835	618,277	216,000	225,000	234,000	243,000	253,000	263,000	274,000	285,000	296,000
nual Lead Paint Removal Contract	1,326,668	1,326,668	795,025	-	-	-	-	-				
cancy Prep Contract	929,343	929,343										
e Trimming	988,801	2,806,801	156,317	150,000	309,000	309,000	309,000	309,000	300,000	300,000	300,000	300,000
ndscaping	35,632	35,632	35,632									
ncing	485,109	485,109	485,109									
ntral Maintenance improvements	-	500,000							500,000			
e Barn floors and doors	-	60,000						30,000	30,000			
Conditioners - Health Related	-	500,000						100,000	100,000	100,000	100,000	100,000
pital Equipment	4,264,656	8,703,656	540,487	594,000	618,000	643,000	669,000	696,000	724,000	753,000	783,000	814,000
pliance Replacement	1,496,578	3,175,578	273,936	225,000	234,000	243,000	253,000	263,000	274,000	285,000	296,000	308,000
Total Annual Contracts	13,438,467	27,348,467	2,904,783	1,735,000	1,936,000	1,979,000	2,024,000	2,201,000	2,741,000	2,262,000	2,314,000	2,368,000
Management Improvements												
ster Specification Upgrade	23,930	23,930	9,394									
chnical Staff Training/Development	23,893	83,893	5,959	5,000	5,000	5,000	10,000	10,000	10,000	10,000	10,000	10,000
toCAD Upgrading/Maintenance	-	-										
tter for Construction Administration	-	-										
D/Logic File Server	-	-										
ser Color Printer for Mod & Dev	-	-										
pends	570,568	1,170,568	63,831	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Total Management Improvements	618,391	1,278,391	79,184	105,000	105,000	105,000	110,000	110,000	110,000	110,000	110,000	110,000
Administrative Costs												
nstruction Administration	5,646,208	7,205,208	1,397,484	600,000	650,000	676,000	224,000	237,000	251,000	266,000	282,000	299,000
nstruction Administration 10% transfer	-	6,346,485					1,197,098	1,010,323	1,020,003	1,029,783	1,039,653	1,049,623
neral Fund for Operations	18,328,260	34,068,260	3,285,734	2,352,000	2,352,000	2,352,000	3,000,000	2,352,000	2,446,000	2,544,000	2,646,000	2,752,000
Total Administrative Costs	23,974,468	47,619,953	4,683,218	2,952,000	3,002,000	3,028,000	4,421,098	3,599,323	3,717,003	3,839,783	3,967,653	4,100,623
Total Capital Projects	56,191,444	73,311,113	4,029,044	6,017,033	5,800,000	5,060,752	2,616,710	3,238,943	2,265,276	2,928,326	3,070,414	3,000,000
Contingency	992,520	3,478,074	49,226	105,905	127,169	595,557	239,483	351,947	757,591	541,131	310,147	285,255
Total Soft Costs	38,770,942	78,126,333	7,779,832	4,947,922	5,204,295	5,278,860	6,727,720	6,088,910	6,753,733	6,404,943	6,592,539	6,787,545
TOTALS USES	95,954,906	154,915,520	11,858,102	11,070,860	11,131,464	10,935,169	9,583,913	9,679,800	9,776,600	9,874,400	9,973,100	10,072,800

Replacement Housing Amount	15,390,286	19,894,521	2,013,031	2,527,776	2,096,029	1,908,607	2,387,070	423,433	423,433	423,433	423,433	423,433
Total	111,345,192	174,810,041	13,871,133	13,598,636	13,227,493	12,843,776	11,970,983	10,103,233	10,200,033	10,297,833	10,396,533	10,496,233
Replacement Housing Budget												
ed for Capital Projects/Misc Development	2,354,162	3,470,000								268,972	423,433	423,433
placement Housing Pledged to Clarksdale Phase I	10,000,000	10,000,000	2,013,031	1,900,000	1,596,288							
placement Housing Pledged to Clarksdale Phase II	3,036,124	6,424,521		627,776	499,741	1,908,607	2,387,070	423,433	423,433	154,461		
Total	15,390,286	19,894,521	2,013,031	2,527,776	2,096,029	1,908,607	2,387,070	423,433	423,433	423,433	423,433	423,433
	0	0	-	-	-	-	-	-	-	-	-	-
Sources												
pital	95,954,905	154,915,518	11,858,102	11,070,860	11,131,464	10,935,169	9,583,913	9,679,800	9,776,600	9,874,400	9,973,100	10,072,800
placement Housing Fund	15,390,287	19,894,523	2,013,031	2,527,776	2,096,029	1,908,607	2,387,070	423,433	423,433	423,433	423,433	423,433
al Funding	111,345,192	174,810,041	13,871,133	13,598,636	13,227,493	12,843,776	11,970,983	10,103,233	10,200,033	10,297,833	10,396,533	10,496,233
plus (Deficit)	0	0	-	-	(0)	(0)	(0)	0	(0)	(0)	(0)	(0)

Annual Statement
Performance and Evaluation Report
Part I: Summary
Comprehensive Grant Program (CGP)

U.S. Department of Housing
and Urban Development
Office of Public and Indian Housing

OMB Approval No. 2577-0157

HA Name	Comprehensive Grant Number	FFY of Grant Approval
Housing Authority of Louisville	**KY36P001501-03**	**2003**

__Original Annual Statement____Reserve for Disasters/Emergencies____Revised Annual Statement/Revision Number______Performance & Evaluation Report for Program Year Ending___x____Final Performance & Evaluation Report

	Total Estimated Cost		Actual Cost	
Line No. Summary by Develpoment Account	Original	Revised	Obligated	Expended
1 Total Non-CGP Funds				
2 1406 Operations				
3 1408 Management Improvements				
4 1410 Administration				
5 1411 Audit				
6 1415 Liquidated Damages				
7 1430 Fees and Costs				
8 1440 Site Acquisiton				
9 1450 Site Improvement				
10 1460 Dwelling Structures				
11 1465.1 Dwelling equipment-Nonexpndble				
12 1470 Nondwelling Structures				
13 1475 Nondwelling Equipment				
14 1485 Demolition				
15 1490 Replacement Reserve				
16 1492 Moving to Work Demonstration	9,306,041	9,306,041	9,306,041	9,306,041
17 1495.1 Relocation Costs				
18 1498 Mod Funds used for Development				
19 1502 Contingency (may not exceed 8% of line 20)				
20 Amount of Annual Grant	**9,306,041**	**9,306,041**	**9,306,041**	**9,306,041**
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				
24 Amount of line 20 Related to Energy Conservation Measures				

Signature of Executive Director and Date	Signature of Field Office Manager and Date

Form HUD-52837

Annual Statement
Performance and Evaluation Report
Part II: Supporting Pages
Capital Fund Program

U.S. Department of Housing
and Urban Development
Office of Public and Indian Housing

502-03

Development Number / Name	General Description of Proposed Work Items	Development Account Number	Estimated Cost			Funds Obligated 3/	Funds Expended 3/	Status of Proposed Work 3/
			Original	Revised 3/	Difference 3/			
Agency wide	Moving to Work Demonstration	1492	2,255,847	2,255,847	0	2,255,847		
	Total		**2,255,847**	**2,255,847**	**0**	**2,255,847**	**0**	

Annual Statement **2/28/07** **U.S. Department of Housing** 504
Performance and Evaluation Report **and Urban Development**
Part II: Supporting Pages Office of Public and Indian Housing
Capital Fund Program

Development Number / Name	General Description of Proposed Work Items	Development Account Number	Estimated Cost			Funds Obligated 3/	Funds Expended 3/	Status of Proposed Work 3/
			Original	Revised 3/	Difference 3/			
Beecher Terrace	Pipe replacement contract			774,433	774,433	774,433	774,433	Coleman
KY 1-2	Pipe replacement misc	461000 146000 504 002		15,462	15,462	15,462	15,462	Key monitor, etc
	Relocation			5,559	5,559	5,559	5,559	
	Subtotal KY 1-2		**0**	**795,454**	**795,454**	**795,454**	**795,454**	
Parkway Place	Replace Roofs	461000 146058 504 003	1,186,938	1,187,342	404	1,187,342	1,187,342	Mid America Roofing Complete
KY 1-3	GE Project at Parkway			121,810	121,810	121,810	121,810	
	Subtotal KY 1-3		**1,186,938**	**1,309,152**	**122,214**	**1,309,152**	**1,309,152**	
Sheppard Square	Relocation for Lead Abatement			37,218	37,218	37,218	37,218	
KY 1-4	Facade Improvements		577,772	0	(577,772)			
	Subtotal KY 1-4		**577,772**	**37,218**	**(540,554)**	**37,218**	**37,218**	
Dosker Manor	Door Locks	461000 146019 504 012	200,000	58,425	(141,575)	58,425	58,425	Dallman Complete
KY 1-12	Elevator Transfer Switch	461000 146061 504 012	30,000	76,450	46,450	76,450	76,450	
	Subtotal KY 1-12		**230,000**	**134,875**	**(95,125)**	**134,875**	**134,875**	134875.47
Scattered Sites	Scattered Site Lead Removal	461000 146000 504 022	600,000	288,760	(311,240)	288,760	288,760	
			600,000	**288,760**	**(311,240)**	**288,760**	**288,760**	
Bishop Lane Plaza KY 1-40	Exterior Panels	461000 146002 503 040		**880**	880	**880**	**880**	
Park DuValle	Phase III Capital Contribution		83,417	83,417	0	83,417	83,417	
	SUBTOTAL Park DuValle		**83,417**	**83,417**	**0**	**83,417**	**83,417**	
Agency	Administration		600,000	665,328	65,328	665,328	665,328	
	Master Spec		1,300	7,075	5,775	7,075	7,075	
	Technical Staff Training/Development		5,000	5,959	959	5,959	5,959	
	Tree Trimming		300,000	155,167	(144,833)	155,167	155,167	
	Stipends		100,000	63,831	(36,169)	63,831	63,831	
	Environmental		300,000	0	(300,000)			
	Asbestos and Lead Removal		250,000	795,025	545,025	795,025	794,575	401727 NEC

	Backfil and Exca						450	381141.2 Abatement Solutions
	Annual A/E		208,000	352,542	144,542	352,542	352,542	264042 Micro Analytics 75721.5 Sherman Carter Barnhart 12778.75 Appraisals
	Landscaping		157,000	35,632	(121,368)	35,632	35,632	
	Fencing	145000 145002 504 -	204,198	485,108	280,910	395,264	395,264	FA Crew Fencing
	(962 S 6th Street)					88,842	88,842	FA Crew 964 S. 6th Street
						1,003	1,003	
	Capital Assets		571,010	530,948	(40,062)	530,948	530,948	Includes Auto
	Appliance Replacement		216,000	273,936	57,936	273,936	273,936	
	Subtotal Agencywide		**2,912,508**	**3,370,551**	**458,043**	**3,370,551**	**3,370,551**	
	Contingency	**150200**	**1,453,406**	**0**	(1,453,406)			
	Funding Operations	**1406**	**2,262,000**	**3,285,734**	**1,023,734**	**3,285,734**	**3,285,734**	
	SUBTOTAL CAPITAL ITEMS		**9,306,041**	**9,306,041**	**0**	**9,306,041**	**9,306,041**	
	Grand Total		**9,306,041**	**9,306,041**	**0**	**9,306,041**	**9,306,041**	

Annual Statement
Performance and Evaluation Report
Part I: Summary
Comprehensive Grant Program (CGP)

OMB Approval No. 2577-0157

HA Name **Housing Authority of Louisville**		Comprehensive Grant Number **KY36P001502-03**		FFY of Grant Approval **2003**
_x_Original Annual Statement____Reserve for Disasters/Emergencies____Revised Annual Statement/Revision Number______Performance & Evaluation Report for Program Year Ending_______Final Performance & Evaluation Report				
	Total Estimated Cost			
Line No. Summary by Develpoment Account	Original	Revised	Obligated	Expended
1 Total Non-CGP Funds				
2 1406 Operations				
3 1408 Management Improvements				
4 1410 Administration				
5 1411 Audit				
6 1415 Liquidated Damages				
7 1430 Fees and Costs				
8 1440 Site Acquisiton				
9 1450 Site Improvement				
10 1460 Dwelling Structures				
11 1465.1 Dwelling equipment-Nonexpndble				
12 1470 Nondwelling Structures				
13 1475 Nondwelling Equipment				
14 1485 Demolition				
15 1490 Replacement Reserve				
16 1492 Moving to Work Demonstration	11,070,860	11,070,860	5,352,292	5,243,158
17 1495.1 Relocation Costs				
18 1498 Mod Funds used for Development				
19 1502 Contingency (may not exceed 8% of line 20)				
20 Amount of Annual Grant	**11,070,860**	**11,070,860**	**5,352,292**	**5,243,158**
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				
24 Amount of line 20 Related to Energy Conservation Measures				
Signature of Executive Director and Date		Signature of Field Office Manager and Date		

Annual Statement
Performance and Evaluation Report
Part II: Supporting Pages
Capital Fund Program

U.S. Department of Housing
and Urban Development
Office of Public and Indian Housing

502-03

Development Number / Name	General Description of Proposed Work Items	Development Account Number	Estimated Cost			Funds Obligated 3/	Funds Expended 3/	Status of Proposed Work 3/
			Original	Revised 3/	Difference 3/			
Agency wide	Moving to Work Demonstration	1492	11,070,860	11,070,860	0	5,352,292	5,243,158	
	Total		**11,070,860**	**11,070,860**	**0**	**5,352,292**	**5,243,158**	

Annual Statement **5/31/07** **U.S. Department of Housing and Urban Development** 505

Performance and Evaluation Report
Part II: Supporting Pages
Capital Fund Program
Office of Public and Indian Housing

Development Number / Name	General Description of Proposed Work Items	Development Account Number	Estimated Cost			Funds Obligated 3/	Funds Expended 3/	Status of Proposed Work 3/
			Original	Revised 3/	Difference 3/			
Clarksdale KY 1-1	Comprehensive Modernization	461000 146000 000 001	3,189,311	3,531,561	342,250	1,879,784	1,879,784	Clarksdale Rental II Construction
			3,189,311	**3,531,561**	**342,250**	1,879,784	1,879,784	
Beecher/Parkway 1-2/1-3	Roof Replacement at Central Stores FIC, and Baxter Community Ctr	461000 146018 000 002	330,000	330,000	0	317,000	322,212	Joseph Bowling award 7/06
	Pipe Replacement	461000 146000 000 002		140,000			0	Coleman Contractors
		423025 149510 000 002					(121)	Relocation
			330,000	**470,000**	**0**	**317,000**	**322,090**	392,482
Sheppard Square KY 1-4	Roofs/Gutters/Downspouts		800,000	200,000				
	Replace Basement Doors		72,000	72,000	0	0	0	
	Façade Improvements		1,336,000	1,336,000	0			
	Pave Streets		50,000	50,000				
	Subtotal KY 1-4		**2,258,000**	**1,658,000**	**0**	**0**	**0**	
	Miscellanous Site Improvement 2731 and 2733 Algonquin Parkway	419027 143010 505 034				53,484	45,665	C.L. Anderson AE
			329,757	329,757			(500)	45,165
	Construction contract for 2731 in 553 and 563 and 505 bid 1/9/07	461000 146000 000 034					0	Martin Contractors
	1448 South Hancock # 2			27,715	27,715		0	Martin Construction
			329,757	**357,472**	**27,715**	**53,484**	**45,165**	
Park DuValle	Phase II Capital Contribution	419000 141019 000 006	70,000	70,000	0			
	Phase III Capital Contribution	419000 141019 000 006	32,782	32,782	0	32,782	32,782	
	Phase IV Capital Contribution	419000 141019 000 006	53,140	53,140	0	53,138	53,138	
	SUBTOTAL Park DuValle/Cutter Homes		**155,922**	**155,922**		**85,920**	**85,920**	

Agency	Administration	411000 141010 - -	600,000	600,000	0	135,161	135,161		
	Section 8 MBE Coord.	411000 141013 - -				13,793	13,793		
	Master Spec								
		419060 140810 - -	0	0		3,394	3,394		
	Technical Staff Training/Development	414000 140810 - -	5,000	5,000	0				
	Plotter		0	0					
	CAD/Logic File Server		0	0	0				
	Tree Trimming	461000 145033 - -	150,000	150,000	0	975	975	sang corp.	
	Stipends	423000 140810 - -	100,000	100,000	0	48,580	48,580	51,975	
	Environmental		300,000	300,000	0				
	Asbestos and Lead Removal	461000 146057 - -	250,000	250,000	0	3,738	3,738	abatement solutions	
	Annual A/E	419027 143010 - -	216,000	216,000	0	56,258	56,258	42,178.04	sherman contractors
	Landscaping		0	0					
	Fencing		0	0	0				
	(962 S 6th Street)								
	Capital Assets	1475**	594,000	594,000	0	97,132	97,132		
	Appliance Replacement	505 442000 146510 - -	225,000	225,000	0	199,167	199,167		
	Subtotal Agencywide		**2,440,000**	**2,440,000**	**0**	**558,198**	**558,199**		
	Contingency	**150200**	**15,870**	**105,905**	90,035	105,905			
	Funding Operations	**505 471100 140600 - -**	**2,352,000**	**2,352,000**	0	2,352,000	2,352,000		
	SUBTOTAL CAPITAL ITEMS		**11,070,860**	**11,070,860**	**460,000**	**5,352,292**	**5,243,158**		
	Grand Total		**11,070,860**	**11,070,860**	**460,000**	**5,352,292**	**5,243,158**		

Annual Statement
Performance and Evaluation Report
Part I: Summary
Comprehensive Grant Program (CGP)

OMB Approval No. 2577-0157

HA Name **Housing Authority of Louisville**	Comprehensive Grant Number **KY36P001502-03**	FFY of Grant Approval **2003**

_x_Original Annual Statement____Reserve for Disasters/Emergencies____Revised Annual Statement/Revision Number______Performance & Evaluation Report for Program Year Ending_______Final Performance & Evaluation Report

	Total Estimated Cost			
Line No. Summary by Develpoment Account	Original	Revised	Obligated	Expended
1 Total Non-CGP Funds				
2 1406 Operations				
3 1408 Management Improvements				
4 1410 Administration				
5 1411 Audit				
6 1415 Liquidated Damages				
7 1430 Fees and Costs				
8 1440 Site Acquisiton				
9 1450 Site Improvement				
10 1460 Dwelling Structures				
11 1465.1 Dwelling equipment-Nonexpndble				
12 1470 Nondwelling Structures				
13 1475 Nondwelling Equipment				
14 1485 Demolition				
15 1490 Replacement Reserve				
16 1492 Moving to Work Demonstration				88,497
17 1495.1 Relocation Costs				
18 1498 Mod Funds used for Development				
19 1502 Contingency (may not exceed 8% of line 20)				
20 Amount of Annual Grant	**0**	**0**	**0**	**88,497**
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				
24 Amount of line 20 Related to Energy Conservation Measures				

Signature of Executive Director and Date	Signature of Field Office Manager and Date

Annual Statement
Performance and Evaluation Report
Part II: Supporting Pages
Capital Fund Program

U.S. Department of Housing
and Urban Development
Office of Public and Indian Housing

502-03

Development Number / Name	General Description of Proposed Work Items	Development Account Number	Estimated Cost			Funds Obligated 3/	Funds Expended 3/	Status of Proposed Work 3/
			Original	Revised 3/	Difference 3/			
Agency wide	Moving to Work Demonstration	1492	11,131,464	11,131,464	0	88,497	88,497	
	Total		**11,131,464**	**11,131,464**	**0**	**88,497**	**88,497**	

Annual Statement **6/30/07** **U.S. Department of Housing** 506
Performance and Evaluation Report **and Urban Development**
Part II: Supporting Pages Office of Public and Indian Housing
Capital Fund Program

Development Number / StStatName	General Description of Proposed Work Items	Development Account Number	Estimated Cost Original	Revised 3/	Difference 3/	Funds Obligated 3/	Funds Expended 3/
Clarksdale	Comprehensive Modernization	146000	5,200,000	5,200,000	0		
KY 1-1			**5,200,000**	**5,200,000**	**0**		
Sheppard Square	Roof Replacement		0	600,000	600,000		
KY 1-4			**0**	**600,000**	**600,000**	**0**	**0**
Park DuValle	Phase II Capital Contribution		72,800	72,800	0		
	Phase III Capital Contribution		33,765	33,765	0	33,765	33,765
	Phase IV Capital Contribution		54,730	54,730	0	54,732	54,732
	SUBTOTAL Park DuValle		**161,295**	**161,295**		**88,497**	**88,497**
Agency	Administration		650,000	650,000	0		
	Master Spec						
	Technical Staff Training/Development		5,000	5,000	0		
	Plotter						
	CAD/Logic File Server				0		
	Tree Trimming		309,000	309,000	0		
	Stipends		100,000	100,000	0		
	Environmental		300,000	300,000	0		
	Asbestos and Lead Removal		250,000	250,000	0		
	Annual A/E		225,000	225,000	0		
	Landscaping						
	Fencing				0		
	(962 S 6th Street)						
	Capital Assets		618,000	618,000	0		
	Appliance Replacement		234,000	234,000	0		
	Subtotal Agencywide		**2,691,000**	**2,691,000**	**0**	**0**	**0**
	Contingency	**150200**	**727,169**	**127,169**	(600,000)		
	Funding Operations	**1406**	**2,352,000**	**2,352,000**	0		
	SUBTOTAL CAPITAL ITEMS		**11,131,464**	**11,131,464**	**0**	**176,994**	**176,994**

Annual Statement

Performance and Evaluation Report
Part I: Summary
Comprehensive Grant Program (CGP)

OMB Approval No. 2577-0157

HA Name **Housing Authority of Louisville**	Comprehensive Grant Number **KY36P001502-03**	FFY of Grant Approval **2003**

_x_Original Annual Statement____Reserve for Disasters/Emergencies____Revised Annual Statement/Revision Number______Performance & Evaluation Report for Program Year Ending_______Final Performance & Evaluation Report

	Total Estimated Cost			
Line No. Summary by Develpoment Account	Original	Revised	Obligated	Expended
1 Total Non-CGP Funds				
2 1406 Operations				
3 1408 Management Improvements				
4 1410 Administration				
5 1411 Audit				
6 1415 Liquidated Damages				
7 1430 Fees and Costs				
8 1440 Site Acquisiton				
9 1450 Site Improvement				
10 1460 Dwelling Structures				
11 1465.1 Dwelling equipment-Nonexpndble				
12 1470 Nondwelling Structures				
13 1475 Nondwelling Equipment				
14 1485 Demolition				
15 1490 Replacement Reserve				
16 1492 Moving to Work Demonstration	10,935,169	10,935,169	91,152	91,152
17 1495.1 Relocation Costs				
18 1498 Mod Funds used for Development				
19 1502 Contingency (may not exceed 8% of line 20)				
20 **Amount of Annual Grant**	**10,935,169**	**10,935,169**	**91,152**	**91,152**
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				
24 Amount of line 20 Related to Energy Conservation Measures				

Signature of Executive Director and Date	Signature of Field Office Manager and Date

Form HUD-52837

Annual Statement
Performance and Evaluation Report
Part II: Supporting Pages
Capital Fund Program

U.S. Department of Housing
and Urban Development
Office of Public and Indian Housing

502-03

Development Number / Name	General Description of Proposed Work Items	Development Account Number	Estimated Cost			Funds Obligated 3/	Funds Expended 3/	Status of Proposed Work 3/
			Original	Revised 3/	Difference 3/			
Agency wide	Moving to Work Demonstration	1492	10,935,169	10,935,169	0	91,152	91,152	
	Total		**10,935,169**	**10,935,169**	**0**	**91,152**	**91,152**	

Annual Statement **6/30/07** **U.S. Department of Housing** 507
Performance and Evaluation Report **and Urban Development**
Part II: Supporting Pages Office of Public and Indian Housing
Capital Fund Program

Development Number / Name	General Description of Proposed Work Items	Development Account Number	Estimated Cost Original	Estimated Cost Revised 3/	Estimated Cost Difference 3/	Funds Obligated 3/	Funds Expended 3/	Status of Proposed Work 3/
Clarksdale	Comprehensive Modernization	146000	3,299,737	3,299,737	0			
KY 1-1			**3,299,737**	**3,299,737**	**0**			
Dosker Manor	Paint Hallways		50,000	50,000	0			
KY 1-12	Elevators		1,300,000	1,300,000	0			
			1,350,000	**1,350,000**	0			
Park DuValle	Phase II Capital Contribution		75,712	75,712	0			
	Phase III Capital Contribution		34,778	34,778	0	34,778	34,778	
	Phase IV Capital Contribution		56,370	56,370	0	56,374	56,374	
	SUBTOTAL Park DuValle		**166,860**	**166,860**		**91,152**	**91,152**	
Agency	Administration		676,000	676,000	0			
	Master Spec							
	Technical Staff Training/Development		5,000	5,000	0			
	Plotter							
	CAD/Logic File Server				0			
	Tree Trimming		309,000	309,000	0			
	Stipends		100,000	100,000	0			
	Environmental		300,000	300,000	0			
	Asbestos and Lead Removal		250,000	250,000	0			
	Annual A/E		234,000	234,000	0			
	Landscaping							
	Fencing				0			
	(962 S 6th Street)							
	Capital Assets		643,000	643,000	0			
	Appliance Replacement		243,000	243,000	0			

	Subtotal Agencywide		**2,760,000**	**2,760,000**	**0**	**0**	**0**	
	Contingency	**150200**	**1,006,572**	**1,006,572**	0			
	Funding Operations	**1406**	**2,352,000**	**2,352,000**	0			
	SUBTOTAL CAPITAL ITEMS		**10,935,169**	**10,935,169**	**0**	**182,304**	**182,304**	

Appendix D
Liberty Green Rental I
Admissions & Continued Occupancy Policy

[Insert contents of file "Liberty Green Rental I ACOP.pdf" here]

Appendix E
Liberty Green Rental II
Admissions & Continued Occupancy Policy

[Insert contents of file "Liberty Green Rental II ACOP.pdf" here]

Appendix F
Board Resolution
&
Signed Certifications

Board Resolution will be mailed under separate cover following October Board Meeting

[Insert contents of file “Signed Certifications.pdf” here]

LOUISVILLE METRO HOUSING AUTHORITY

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2006

TABLE OF CONTENTS

STEPHENS & LAWSON
Certified Public Accountants

October 20, 2006

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Louisville Metro Housing Authority
420 South Eighth Street
Louisville, Kentucky 40203

We have audited the accompanying financial statements of the Louisville Metro Housing Authority (the Authority), as of June 30, 2006 and for the year then ended. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities and net assets of the Louisville Metro Housing Authority as of June 30, 2006 and the results of its operations, changes in net assets and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 20, 2006 on our consideration of the Louisville Metro Housing Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

Our audit was conducted for the purpose of forming an opinion on the financial statements of the Louisville Metro Housing Authority, taken as a whole. The accompanying additional schedules and the schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. 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 financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Stephens & Lawson P.S.C.

Stephens & Lawson, P.S.C.

5203 DIXIE HIGHWAY • LOUISVILLE, KENTUCKY 40216-1758 • (502) 448-4376 • FAX (502) 448-4375

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS JUNE 30, 2006

Overview

The Louisville Metro Housing Authority, or LMHA, is a non-profit agency responsible for the development, operation, and management of federally sponsored low-rent housing in the City of Louisville and Jefferson County. The agency was created by state legislation and derives its authority from KRS Chapter 80. The LMHA operates under state statutes and federal U.S. Department of Housing and Urban Development (HUD) regulations, which are applicable to management of housing that receives federal funding assistance.

HUD has direct responsibility for administering the Low-Rent Housing Program under the United States Housing Act of 1937, as amended. HUD is authorized to enter into contracts with housing authorities to make loans to assist in financing the acquisition, construction, and leasing of housing units and to make housing assistance payments and annual contributions available to the housing authorities for the purpose of maintaining the low-rent character of the housing programs.

A nine member Board of Commissioners governs LMHA, which is appointed by the Mayor of the Louisville-Jefferson County Metro Government (LJCMG). The Board recruits and employs the executive staff and has substantial legal authority to control the affairs of LMHA, including approval of its budgets. The Board is solely responsible for its deficits, surplus funds, and other fiscal matters. Therefore, LMHA is not included in any other governmental "reporting entity" as defined in Section 2100, *Codification of Governmental Accounting and Reporting Standards*. The financial statements include all of the programs and funds under the control and administration of LMHA.

LMHA's Management's Discussion and Analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Authority's financial activity, (c) identify changes in the Authority's financial position, and (d) identify individual fund issues or concerns.

Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the Authority's financial statements.

Traditional users of governmental financial statements will find the Fund Financial Statements presentation familiar. The Authority consists of exclusively Enterprise Funds. Enterprise funds utilize the full accrual basis of accounting. The Enterprise method of accounting is similar to accounting utilized by the private sector.

Many of the funds maintained by the Authority are required by the U. S. Department of Housing and Urban Development. Others are segregated to enhance accountability and control.

Financial Highlights

- The Governmental Accounting Standards Board (GASB) issued Statement No. 34, "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments" (GASB 34), which required LMHA to change its financial statement presentation. As of January 1, 2002 LMHA has adopted GASB 34. Management's Discussion and Analysis (MDA) will be presented along with each year's financial statements.

- Interfund receivables and payables have been eliminated.

- A Statement of Cash Flows accompanies the financial statements.

Analysis of Financial Condition (all numbers in 1000s)

LMHA's total assets decreased from fiscal year ending June 30, 2005 to fiscal year ending June 30, 2006 by $11,016. The primary items or circumstances that contributed to that decrease are as follows:

- The value of "Total Fixed Assets, Net of Accumulated Depreciation" decreased by $23,457. The largest part of this decrease was due to writing off the value (and associated accumulated depreciation) of assets relative to the demolition of Clarksdale Homes as well as Cotter and Lang Homes. All three of these public housing sites are currently involved with revitalization efforts under the HOPE VI program. Additionally, depreciation expense for the fiscal year exceeded the value of new purchases of fixed assets.
- This was offset by a net increase in current assets of $3,063 for 2006. This increase had two major contributors. They were:

  Cash and Investments – increased by $8,410. The Section 8 MTW program contains almost all of the increase ($7,777). This is because a very substantial accounts receivable due from HUD at the end of fiscal year 2005 was finally paid in fiscal year 2006. The Section 8 MTW program also operated at $3,145 surplus for FYE 6/30/06, which added to the increase in cash. Other miscellaneous programs recorded smaller increases in cash.

  Accounts and Notes Receivable – decreased by $5,227. This decrease is primarily applicable to the Section 8 MTW program. As mentioned in the comments above for "Cash and Investments", HUD owed LMHA a significant amount at the end of fiscal year 2005. When that amount was paid in fiscal year 2006, the receivable was relieved.

- Additionally other non-current assets increased $31,410. This occurred due to LMHA recording the value of loans involved in its mixed-finance, tax-credit transactions on the balance sheet. There had been some uncertainty and little HUD guidance on how to treat these transactions in the past. LMHA has now recorded the value of all of these loans in accordance with recommendations from our independent financial auditor.

LMHA's total liabilities decreased by $905 from June 2005 to June 2006. The primary items or circumstances that contributed to that decrease are as follows:

- "Other Accrued Liabilities" within the Capital program decreased by $954. This was due to the utilization of deferred revenue for the Clarksdale HOPE VI Revitalization in the amount of $894.

LMHA's total Net Assets as of June 30, 2006 increased by $11,921 from June 2005 levels. The primary items or circumstances that contributed to that increase are as follows:

- "Invested in Capital Assets, Net of Related Debt" declined by $23,222. As mentioned in the explanation above for changes to total assets, the fixed assets associated with the Clarksdale and Cotter/Lang HOPE VI revitalizations have been written off due to demolition. As a result, the equity relative to those assets was also reduced. Also, depreciation expense for the current year exceeded the value of new purchases of fixed assets. Consequently, the net equity of all fixed assets was less at June 2006 then at the end of the previous fiscal year.
- "Restricted Net Assets" increased by $31,619. Most of this increase occurred due to the recording of the mixed finance, tax-credit loans mentioned above, on the balance sheet. Additionally, there was an operating surplus in the Authority's 5(h) Program. The 5(h) Program receives mortgage funds from former public housing residents who have purchased their units subsequent to being converted to condominiums.
- "Unrestricted Net Assets" increased by $3,524. This was due primarily to an operating surplus of $3,145 in the Section 8 MTW fund. There were also "net prior year adjustments" in the Section 8 MTW fund that increased the total surplus of revenue over expenses to $3,458.

Results of Operations (all numbers in 1000s)

Low Rent Program:

The conventional, Low Rent Program operated at a $24,800 deficit for fiscal year ending June 30, 2006. This deficit is comprised of $5,465 in depreciation expense, and $19,335 written off as a net loss on fixed assets due to demolition of the Clarksdale, Cotter, and Lang Homes housing developments that are all involved in HOPE VI revitalization efforts. After these significant adjustments, the low rent program operated at "break-even" for fiscal year 2006.

It should be noted, however, that LMHA transferred $1,770 to the Low-Rent Program from the Capital Fund. The amount of Capital funds transferred represents approximately 18% of Capital funds authorized. This falls within HUD's 20% cap for utilization of capital funds for operating activities. [1]

[1] However, as a Moving to Work (MTW) participant, HAL is not constrained by HUD's 20% cap. All operating, capital, and Section 8 funds are fungible under the program.

The interfund transfer from the Capital program would have been eliminated if LMHA had received 100% of operating subsidy eligibility from HUD. However, LMHA was funded at approximately 88% of eligibility for the six months ending December 31, 2005; and current indications are that the six months ending June 30, 2006 will be funded at approximately 85%. [2]

Tenant rental revenue was $317 more than budgeted for fiscal year 2006. This was because occupancy levels exceeded expectations and average tenant rents have increased.

Investment income was $293 more than budgeted for fiscal year 2006. This was primarily due to rising interest rates and the purchase of longer term investments that produced higher yields.

One of the major expense categories that exceeded budget was utility expense. Utility expenses were $1,217 over budget. The factors that affected this line item were: (1) increased utility consumption due to very hot summer months in 2005; a very cold December, 2005; and slower than anticipated vacating of Clarksdale Homes relative to the HOPE VI demolition; (2) soaring utility rates, particularly natural gas. LMHA spent $881 more on natural gas in fiscal year 2006 compared to fiscal year 2005.

Additionally, maintenance expense finished the fiscal year $638 under budget. This was primarily due to not filling maintenance positions as they became vacant in an effort to cut costs.

It will continue to be necessary to assist the Low Rent Program with transfers from other funds (i.e. Capital and Section 8) until LMHA is able to replace a significant number of the units lost in its Park DuValle HOPE VI Program, the Clarksdale Homes HOPE VI Program, and those units demolished at Iroquois Homes. The replacement of those units will increase both rental and operating subsidy income.

Section 8 Rental MTW Program (Vouchers):

The Section 8 MTW Program operated at a $3,145 surplus for the fiscal year. There are a number of factors that helped produce the surplus.

More than $3,000 in Section 8 subsidies were received from HUD that were not anticipated. This occurred because HUD allowed 425 HOPE VI vouchers to become part of LMHA's "block grant" funding for the Section 8 program. This revenue is retained by LMHA under the MTW program even if it goes unspent. Additionally, funds were received for the Family Self Sufficiency (FSS) program, and for home ownership incentives. Investment income was also up due to higher cash balances, higher interest rates, and longer term investments that produced higher yields.

Overall, Section 8 expenses slightly exceeded budget. The primary reason was that housing assistance payments (HAP) were up relative to the previous year. The average per unit cost (PUC) has increased. This is affected by numerous factors; e.g. tenants' incomes, unit size, increased utility rates which increase utility allowance payments, etc.

New Construction and Substantial Rehabilitation Section 8 Program:

This program generated a $32 surplus for the fiscal year ending June 30, 2006. LMHA earns administrative fees from HUD for providing administrative oversight to this program. The housing assistance payments are attached to units owned and operated by private developers.

Section 8 Moderate Rehabilitation Program:

This unit-based Section 8 Program operated at a $2 deficit for the fiscal year ending June 30, 2006. The small size of this program makes it difficult to generate operating efficiencies, thus annual deficits may sometimes occur.

Development, Comprehensive Grant, HOPE VI, and Capital Fund Programs:

Any surpluses or deficits generated by these programs are entirely attributable to the way that HUD funds the purchase of fixed assets. HUD advances the entire cost of an asset to LMHA at the time of purchase. Of course, the advance is recorded as income in the fiscal year received. Depreciation expense is then recorded appropriately from that time forward. This may result in significant surpluses in the years when the grant income from HUD is recorded, and significant deficits in years when the depreciation expense is recorded, but there is no offsetting income. If the assets owned by each of these funds were fully depreciated, none of the funds would generate a surplus or deficit.

[2] The calendar year 2006 operating fund calculation has not yet been HUD approved and returned to LMHA. However, both HUD and housing industry groups have indicated that the funding level will be approximately 85%.

As explained previously in the analysis of the Low Rent Program, $1,770 was transferred from the Capital Fund Program to the Low Rent Program during the year fiscal ending June 30, 2006.

State & Local Programs:

The small $7 deficit was in the "Louisville Community Foundation IDA Grant". This grant pays for financial skills, training and other self-sufficiency initiatives. Funds advanced in a prior fiscal year were expended in the current year.

Other Business Activities:

The $228 surplus in this group of programs was produced primarily by the 5(h) Program. The 5(h) program receives mortgage funds from former public housing residents who have purchased their units subsequent to being converted to condominiums. A portion of those funds is retained by the mortgage servicer, and the balance is remitted to LMHA for utilization in other housing related programs. Other programs in this category generate small surpluses and deficits as they are expended for health, housing, educational, training and other similar purposes.

Mixed Finance Activities

The $1,595 surplus in this program results from the annual interest income that is recorded on the long-term notes involved in LMHA's mixed-finance, tax-credit projects (see comments under "Analysis of Financial Condition"). All of this interest accrues until the notes become due and payable.

Contacting Financial Management Personnel:

This financial report is designed to provide readers with a general overview of Louisville Metro Housing Authority's programs and related finances. If you have questions about this report, please contact LMHA's Finance Department at 420 So. 8th Street, Louisville, KY, 40203.

LOUISVILLE METRO HOUSING AUTHORITY
COMBINED BALANCE SHEET - ALL FUND TYPES - PROPRIETARY FUND TYPES - ENTERPRISE FUNDS
JUNE 30, 2006

	CONVENTIONAL LOW RENT PROGRAM	SECTION 8 MTW PROGRAM	SECTION 8 NEW CONSTRUCTION & SUB REHAB PROGRAM	SECTION 8 MODERATE REHABILITATION
ASSETS				
CURRENT ASSETS				
Cash and Cash Equivalents	$ 14,715,424	$ 13,579,163	$ 785,036	$ 115,734
Accounts Receivable	318,369	1,906,323	4,031	2,325
Investments	995,542	-	-	-
Prepaid Expenses and Deferred Charges	951,170	1,192	-	-
Inventory	992,312	-	-	-
Amounts due from Other Programs	1,988,394	-	-	4,946
Other Current Assets	-	-	-	-
TOTAL CURRENT ASSETS	19,961,211	15,486,678	789,067	123,005
NON-CURRENT ASSETS				
FIXED ASSETS				
Land, Buildings and Equipment	173,141,160	841,160	-	-
Less: Accumulated Depreciation	123,519,616	841,160	-	-
Total Fixed Assets	49,621,544	-	-	-
OTHER NON-CURRENT ASSETS	200,000	-	-	-
TOTAL NON-CURRENT ASSETS	49,821,544	-	-	-
TOTAL ASSETS	$ 69,782,755	$ 15,486,678	$ 789,067	$ 123,005
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Accounts Payable	$ 92,438	$ 92,428	$ 180,814	$ 7,912
Other Accrued Liabilities	1,122,466	122,573	-	-
Amounts due to Other Programs	5,937,471	290,990	3,603	-
TOTAL CURRENT LIABILITIES	7,152,375	505,991	184,417	7,912
OTHER NON-CURRENT LIABILITIES	3,829,745	1,083,444	-	-
TOTAL LIABILITIES	10,982,120	1,589,435	184,417	7,912
NET ASSETS				
Invested in Capital Assets, Net of Related Debt	49,621,544	-	-	-
Restricted Net Assets	565,904	-	-	-
Unrestricted Net Assets	8,613,187	13,897,243	604,650	115,093
TOTAL NET ASSETS	58,800,635	13,897,243	604,650	115,093
TOTAL LIABILITIES AND NET ASSETS	$ 69,782,755	$ 15,486,678	$ 789,067	$ 123,005

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

LOUISVILLE METRO HOUSING AUTHORITY
COMBINED BALANCE SHEET - ALL FUND TYPES - CONTINUED
PROPRIETARY FUND TYPES - ENTERPRISE FUNDS
JUNE 30, 2006

	SECTION 8 MTW TECHNICAL ASSISTANCE GRANT	COMPREHENSIVE GRANT PROGRAM	CAPITAL GRANT PROGRAM	DEVELOPMENT PROGRAM
ASSETS				
CURRENT ASSETS				
Cash and Cash Equivalents	$ -	$ -	$ -	$ -
Accounts Receivable	7,194	-	897,461	-
Investments	-	-	-	-
Prepaid Expenses and Deferred Charges	-	-	-	-
Inventory	-	-	-	-
Amounts due from Other Programs	-	1,003,922	1,654,572	-
Other Current Assets	-	-	-	-
TOTAL CURRENT ASSETS	7,194	1,003,922	2,552,033	-
NON-CURRENT ASSETS				
FIXED ASSETS				
Land, Buildings and Equipment	-	81,649	3,930,954	12,369,092
Less: Accumulated Depreciation	-	49,546	354,212	2,330,459
Total Fixed Assets	-	32,103	3,576,742	10,038,633
OTHER NON-CURRENT ASSETS	-	-	-	-
TOTAL NON-CURRENT ASSETS	-	32,103	3,576,742	10,038,633
TOTAL ASSETS	$ 7,194	$ 1,036,025	$ 6,128,775	$ 10,038,633
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Accounts Payable	$ 57	$ 56	$ 69,763	$ -
Other Accrued Liabilities	-	1,003,866	1,682,322	-
Amounts due to Other Programs	7,137	-	799,948	-
TOTAL CURRENT LIABILITIES	7,194	1,003,922	2,552,033	-
OTHER NON-CURRENT LIABILITIES	-	-	-	-
TOTAL LIABILITIES	7,194	1,003,922	2,552,033	-
NET ASSETS				
Invested in Capital Assets, Net of Related Debt	-	32,103	3,576,742	10,038,633
Restricted Net Assets	-	-	-	-
Unrestricted Net Assets	-	-	-	-
TOTAL NET ASSETS	-	32,103	3,576,742	10,038,633
TOTAL LIABILITIES AND NET ASSETS	$ 7,194	$ 1,036,025	$ 6,128,775	$ 10,038,633

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

LOUISVILLE METRO HOUSING AUTHORITY
COMBINED BALANCE SHEET - ALL FUND TYPES - CONTINUED
PROPRIETARY FUND TYPES - ENTERPRISE FUNDS

	HOPE VI PROGRAM	RESIDENT OPPORTUNITIES AND SUPPORT SERVICE PROGRAM	LOCAL PROGRAMS	OTHER PROGRAMS AND BUSINESS ACTIVITIES
ASSETS				
CURRENT ASSETS				
Cash and Cash Equivalents	$ -	$ -	$ -	$ 474,817
Accounts Receivable	458,292	151,844	-	124,219
Investments	-	-	-	-
Prepaid Expenses and Deferred Charges	-	-	-	42,115
Inventory	-	-	-	-
Amounts due from Other Programs	-	-	78,000	3,196,032
Other Current Assets	-	-	-	100,446
TOTAL CURRENT ASSETS	458,292	151,844	78,000	3,937,629
NON-CURRENT ASSETS				
FIXED ASSETS				
Land, Buildings and Equipment	9,730,970	-	-	4,542,159
Less: Accumulated Depreciation	1,363,895	-	-	1,483,620
Total Fixed Assets	8,367,075	-	-	3,058,539
OTHER NON-CURRENT ASSETS	-	-	-	67,019
TOTAL NON-CURRENT ASSETS	8,367,075	-	-	3,125,558
TOTAL ASSETS	$ 8,825,367	$ 151,844	$ 78,000	$ 7,063,187
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Accounts Payable	$ 8,069	$ -	$ -	$ 953
Other Accrued Liabilities	97,495	3,952	-	270,103
Amounts due to Other Programs	352,728	147,892	-	386,097
TOTAL CURRENT LIABILITIES	458,292	151,844	-	657,153
OTHER NON-CURRENT LIABILITIES	-	-	-	1,435,000
TOTAL LIABILITIES	458,292	151,844	-	2,092,153
NET ASSETS				
Invested in Capital Assets, Net of Related Debt	8,367,075	-	-	1,378,539
Restricted Net Assets	-	-	78,000	3,865,885
Unrestricted Net Assets	-	-	-	(273,390)
TOTAL NET ASSETS	8,367,075	-	78,000	4,971,034
TOTAL LIABILITIES AND NET ASSETS	$ 8,825,367	$ 151,844	$ 78,000	$ 7,063,187

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

LOUISVILLE METRO HOUSING AUTHORITY
COMBINED BALANCE SHEET - ALL FUND TYPES - CONTINUED
PROPRIETARY FUND TYPES - ENTERPRISE FUNDS
JUNE 30, 2006

	MIXED FINANCE ACTIVITIES	ELIMINATIONS	CONSOLIDATED TOTAL
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	$ -	$ -	$ 29,670,174
Accounts Receivable	-	-	3,870,058
Investments	-	-	995,542
Prepaid Expenses and Deferred Charges	-	-	994,477
Inventory	-	-	992,312
Amounts due from Other Programs	-	(7,925,866)	-
Other Current Assets	-	-	100,446
TOTAL CURRENT ASSETS	-	(7,925,866)	36,623,009
NON-CURRENT ASSETS			
FIXED ASSETS			
Land, Buildings and Equipment	-	-	204,637,144
Less: Accumulated Depreciation	-	-	129,942,508
Total Fixed Assets	-	-	74,694,636
OTHER NON-CURRENT ASSETS	31,423,556	-	31,690,575
TOTAL NON-CURRENT ASSETS	31,423,556	-	106,385,211
TOTAL ASSETS	$ 31,423,556	$ (7,925,866)	$ 143,008,220
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accounts Payable	$ -	$ -	$ 452,490
Other Accrued Liabilities	-	-	4,302,777
Amounts due to Other Programs	-	(7,925,866)	-
TOTAL CURRENT LIABILITIES	-	(7,925,866)	4,755,267
OTHER NON-CURRENT LIABILITIES	-	-	6,348,189
TOTAL LIABILITIES	-	(7,925,866)	11,103,456
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	-	-	73,014,636
Restricted Net Assets	31,423,556	-	35,933,345
Unrestricted Net Assets	-	-	22,956,783
TOTAL NET ASSETS	31,423,556	-	131,904,764
TOTAL LIABILITIES AND NET ASSETS	$ 31,423,556	$ (7,925,866)	$ 143,008,220

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

LOUISVILLE METRO HOUSING AUTHORITY
COMBINED STATEMENT OF REVENUE AND EXPENSES
PROPRIETARY FUND TYPES - ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2006

	CONVENTIONAL LOW RENT PROGRAM	SECTION 8 MTW PROGRAM	SECTION 8 NEW CONSTRUCTION & SUB REHAB PROGRAM	SECTION 8 MODERATE REHABILITATION
OPERATING REVENUE				
Tenant Revenue	$ 6,308,465	$ -	$ -	$ -
HUD Grants	17,635,516	53,633,863	2,271,732	576,985
Other Government Grants	-	-	-	-
Investment Income	485,159	518,268	20,741	4,692
Other Revenue	-	-	-	-
Gain on Disposal of Assets	-	-	-	-
TOTAL OPERATING REVENUE	24,429,140	54,152,131	2,292,473	581,677
OPERATING EXPENDITURES				
Administrative	6,180,720	3,577,688	52,030	52,976
Tenant Services	391,526	647,956	51,916	9,592
Utilities	7,291,808	-	-	-
Maintenance	9,360,388	19,001	-	281
Protective Services	1,119,638	-	-	-
General Expenses	1,006,182	29,683	2,947	417
TOTAL OPERATING EXPENDITURES	25,350,262	4,274,328	106,893	63,266
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES - OPERATING	(921,122)	49,877,803	2,185,580	518,411
OTHER EXPENDITURES				
Extraordinary Maintenance	-	-	-	-
Housing Assistance Payments	-	46,732,678	2,153,768	520,219
Depreciation Expense	5,464,744	-	-	-
Dwelling Units Rent Expense	848,911	-	-	-
Loss on Disposal of Assets	19,335,704	-	-	-
TOTAL EXPENDITURES	50,999,621	51,007,006	2,260,661	583,485
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	1,770,032	-	-	-
Operating Transfers Out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	1,770,032	-	-	-
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	$ (24,800,449)	$ 3,145,125	$ 31,812	$ (1,808)

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

LOUISVILLE METRO HOUSING AUTHORITY
COMBINED STATEMENT OF REVENUE AND EXPENSES - CONTINUED
PROPRIETARY FUND TYPES - ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2006

	SECTION 8 MTW TECHNICAL ASSISTANCE GRANT	COMPREHENSIVE GRANT PROGRAM	CAPITAL GRANT PROGRAM	DEVELOPMENT PROGRAM
OPERATING REVENUE				
Tenant Revenue	$ -	$ -	$ -	$ -
HUD Grants	21,741	65,269	12,661,886	67,918
Other Government Grants	-	-	-	-
Investment Income	-	-	-	-
Other Revenue	-	-	-	-
Gain on Disposal of Assets	-	-	-	-
TOTAL OPERATING REVENUE	21,741	65,269	12,661,886	67,918
OPERATING EXPENDITURES				
Administrative	21,741	1,319,080	1,479,365	35,143
Tenant Services	-	-	103,504	-
Utilities	-	-	-	-
Maintenance	-	-	292,526	-
Protective Services	-	-	-	-
General Expenses	-	-	-	-
TOTAL OPERATING EXPENDITURES	21,741	1,319,080	1,875,395	35,143
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES - OPERATING	-	(1,253,811)	10,786,491	32,775
OTHER EXPENDITURES				
Extraordinary Maintenance	-	(1,253,811)	7,042,127	2,682
Housing Assistance Payments	-	-	-	-
Depreciation Expense	-	11,010	209,746	528,971
Dwelling Units Rent Expense	-	-	-	-
Loss on Disposal of Assets	-	-	-	-
TOTAL EXPENDITURES	21,741	76,279	9,127,268	566,796
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	-	-	-	-
Operating Transfers Out	-	-	(1,770,032)	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	(1,770,032)	-
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	$ -	$ (11,010)	$ 1,764,586	$ (498,878)

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

LOUISVILLE METRO HOUSING AUTHORITY
COMBINED STATEMENT OF REVENUE AND EXPENSES - CONTINUED
PROPRIETARY FUND TYPES - ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2006

	HOPE VI PROGRAM	RESIDENT OPPORTUNITIES AND SUPPORT SERVICE PROGRAM	LOCAL PROGRAMS	OTHER PROGRAMS AND BUSINESS ACTIVITIES
OPERATING REVENUE				
Tenant Revenue	$ -	$ -	$ -	$ 368,183
HUD Grants	6,222,895	672,239	2,400,000	-
Other Government Grants	-	-	5,809	-
Investment Income	-	-	-	15,132
Other Revenue	-	-	-	753,972
Gain on Disposal of Assets	15,771	-	-	-
TOTAL OPERATING REVENUE	6,238,666	672,239	2,405,809	1,137,287
OPERATING EXPENDITURES				
Administrative	1,523,639	-	219,719	372,931
Tenant Services	952,511	672,239	7,147	39,376
Utilities	-	-	-	8,333
Maintenance	-	-	-	174,896
Protective Services	-	-	-	464
General Expenses	-	-	-	84,023
TOTAL OPERATING EXPENDITURES	2,476,150	672,239	226,866	680,023
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES - OPERATING	3,762,516	-	2,178,943	457,264
OTHER EXPENDITURES				
Extraordinary Maintenance	3,014,947	-	2,186,090	-
Housing Assistance Payments	-	-	-	-
Depreciation Expense	416,271	-	-	229,091
Dwelling Units Rent Expense	-	-	-	110
Loss on Disposal of Assets	-	-	-	-
TOTAL EXPENDITURES	5,907,368	672,239	2,412,956	909,224
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	-	-	-	-
Operating Transfers Out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	$ 331,298	$ -	$ (7,147)	$ 228,063

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

LOUISVILLE METRO HOUSING AUTHORITY
COMBINED STATEMENT OF REVENUE AND EXPENSES - CONTINUED
PROPRIETARY FUND TYPES - ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2006

	MIXED FINANCE ACTIVITIES	ELIMINATIONS	CONSOLIDATED TOTAL
OPERATING REVENUE			
Tenant Revenue	$ -	$ -	$ 6,676,648
HUD Grants	-	-	96,230,044
Other Government Grants	-	-	5,809
Investment Income	-	-	1,043,992
Other Revenue	1,595,003	-	2,348,975
Gain on Disposal of Assets	-	-	15,771
TOTAL OPERATING REVENUE	1,595,003	-	106,321,239
OPERATING EXPENDITURES			
Administrative	-	-	14,835,032
Tenant Services	-	-	2,875,767
Utilities	-	-	7,300,141
Maintenance	-	-	9,847,092
Protective Services	-	-	1,120,102
General Expenses	-	-	1,123,252
TOTAL OPERATING EXPENDITURES	-	-	37,101,386
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES - OPERATING	1,595,003	-	69,219,853
OTHER EXPENDITURES			
Extraordinary Maintenance	-	-	10,992,035
Housing Assistance Payments	-	-	49,406,665
Depreciation Expense	-	-	6,859,833
Dwelling Units Rent Expense	-	-	849,021
Loss on Disposal of Assets	-	-	19,335,704
TOTAL EXPENDITURES	-	-	124,544,644
OTHER FINANCING SOURCES (USES)			
Operating Transfers In	-	-	1,770,032
Operating Transfers Out	-	-	(1,770,032)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	$ 1,595,003	$ -	$ (18,223,405)

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

LOUISVILLE METRO HOUSING AUTHORITY
ANALYSIS OF NET ASSETS
PROPRIETARY FUND TYPES - ENTERPRISE FUNDS
JUNE 30, 2006

	CONVENTIONAL LOW RENT PROGRAM	SECTION 8 MTW PROGRAM	SECTION 8 NEW CONSTRUCTION & SUB REHAB PROGRAM	SECTION 8 MODERATE REHABILITATION
BALANCE AT JUNE 30, 2005	$ 82,919,162	$ 10,438,857	$ 572,838	$ 110,354
PRIOR PERIOD ADJUSTMENTS, EQUITY TRANSFERS AND CORRECTION OF ERRORS	681,922	313,261	-	6,547
CURRENT YEAR EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(24,800,449)	3,145,125	31,812	(1,808)
BALANCE AT JUNE 30, 2006	$ 58,800,635	$ 13,897,243	$ 604,650	$ 115,093

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

LOUISVILLE METRO HOUSING AUTHORITY
ANALYSIS OF NET ASSETS - CONTINUED
PROPRIETARY FUND TYPES - ENTERPRISE FUNDS
JUNE 30, 2006

	SECTION 8 MTW TECHNICAL ASSISTANCE GRANT	COMPREHENSIVE GRANT PROGRAM	CAPITAL GRANT PROGRAM	DEVELOPMENT PROGRAM
BALANCE AT JUNE 30, 2005	$ -	$ 43,113	$ 2,497,993	$ 10,537,511
PRIOR PERIOD ADJUSTMENTS, EQUITY TRANSFERS AND CORRECTION OF ERRORS	-	-	(685,837)	-
CURRENT YEAR EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	-	(11,010)	1,764,586	(498,878)
BALANCE AT JUNE 30, 2006	$ -	$ 32,103	$ 3,576,742	$ 10,038,633

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

LOUISVILLE METRO HOUSING AUTHORITY
ANALYSIS OF NET ASSETS - CONTINUED
PROPRIETARY FUND TYPES - ENTERPRISE FUNDS
JUNE 30, 2006

	HOPE VI PROGRAM	RESIDENT OPPORTUNITIES AND SUPPORT SERVICE PROGRAM	LOCAL PROGRAMS	OTHER PROGRAMS AND BUSINESS ACTIVITIES
BALANCE AT JUNE 30, 2005	$ 8,035,777	$ -	$ 85,147	$ 4,742,971
PRIOR PERIOD ADJUSTMENTS, EQUITY TRANSFERS AND CORRECTION OF ERRORS	-	-	-	-
CURRENT YEAR EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	331,298	-	(7,147)	228,063
BALANCE AT JUNE 30, 2006	$ 8,367,075	$ -	$ 78,000	$ 4,971,034

LOUISVILLE METRO HOUSING AUTHORITY
ANALYSIS OF NET ASSETS - CONTINUED
PROPRIETARY FUND TYPES - ENTERPRISE FUNDS
JUNE 30, 2006

	MIXED FINANCE ACTIVITIES	ELIMINATIONS	CONSOLIDATED TOTAL
BALANCE AT JUNE 30, 2005	$ 29,828,553	$ -	$ 149,812,276
PRIOR PERIOD ADJUSTMENTS, EQUITY TRANSFERS AND CORRECTION OF ERRORS	-	-	315,893
CURRENT YEAR EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	1,595,003	-	(18,223,405)
BALANCE AT JUNE 30, 2006	$ 31,423,556	$ -	$ 131,904,764

LOUISVILLE METRO HOUSING AUTHORITY
COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES - ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2006

	CONVENTIONAL LOW RENT PROGRAM	SECTION 8 MTW PROGRAM	SECTION 8 NEW CONSTRUCTION & SUB. REHAB PROGRAM	SECTION 8 MODERATE REHABILITATION
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Tenants	$ 6,330,826	$ -	$ -	$ -
HUD Grants	17,635,516	59,918,369	2,129,379	489,784
Other Government Grants	-	-	-	-
Other Revenue	539,911	518,268	20,741	4,692
Proceeds from Sale of Assets	-	-	-	-
Transfers from Other Programs	1,770,032	-	-	-
Advances from Other Programs	898,257	-	762	-
	27,174,542	60,436,637	2,150,882	494,476
Administrative Expenses	6,108,909	3,530,429	52,030	52,976
Tenant Services Expenses	376,581	370,324	51,916	9,592
Utility Expenses	7,289,117	-	-	-
Maintenance Expenses	9,285,637	19,001	-	281
Protective Services Expenses	1,134,436	-	-	-
General Expenses	998,725	29,013	2,947	417
Extraordinary Maintenance Expenses	-	-	-	-
Housing Assistance Payments	-	46,732,678	2,153,768	520,219
Other Expenses	401,796	-	-	-
Transfers to Other Programs	-	-	-	-
Advances to Other Programs	794,768	71,432	-	2,623
	26,389,969	50,752,877	2,260,661	586,108
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	784,573	9,683,760	(109,779)	(91,632)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	-	-	-	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Repayment of Long Term Debt	-	-	-	-
Loan to The Community Builders	-	(1,906,323)	-	-
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	-	(1,906,323)	-	-
CASH FLOWS FROM INVESTING ACTIVITIES				
Investments	(995,542)	-	-	-
Land, Buildings, Equipment and Infrastructure	35,657	-	-	-
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(959,885)	-	-	-
NET INCREASE (DECREASE) IN CASH	(175,312)	7,777,437	(109,779)	(91,632)
CASH AND CASH EQUIVALENTS - Beginning of Year	14,890,736	5,801,726	894,815	207,366
CASH AND CASH EQUIVALENTS - End of Year	$ 14,715,424	$ 13,579,163	$ 785,036	$ 115,734

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

LOUISVILLE METRO HOUSING AUTHORITY
COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES - ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2006

	CONVENTIONAL LOW RENT PROGRAM	SECTION 8 MTW PROGRAM	SECTION 8 NEW CONSTRUCTION & SUB. REHAB PROGRAM	SECTION 8 MODERATE REHABILITATION
RECONCILIATION OF EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Excess (Deficiency) of Revenue Over Expenditures	$ (24,800,449)	$ 3,145,125	$ 31,812	$ (1,808)
Adjustments to Reconcile Excess (Deficiency) of Revenue over Expenditures to Net Cash Provided by Operating Activities:				
Depreciation	5,464,744	-	-	-
(Gain) Loss on Disposal of Assets	19,335,704	-	-	-
(Increase) Decrease in:				
Accounts Receivable	43,838	6,284,506	(4,031)	5,115
Prepaid Expenses and Deferred Charges	46,871	1,055	-	-
Inventory	60,578	-	-	-
Amounts Due from Other Programs	898,257	-	-	(2,623)
Other Non-Current Assets	-	-	-	-
Increase (Decrease) in:				
Accounts Payable	426,704	113,369	(138,322)	(92,316)
Other Accrued Liabilities	55,088	211,137	-	-
Amounts Due to Other Programs	(794,768)	(71,432)	762	-
Other Non-Current Liabilities	48,006	-	-	-
NET CASH PROVIDED (USED) BY OPERATIONS	$ 784,573	$ 9,683,760	$ (109,779)	$ (91,632)

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

LOUISVILLE METRO HOUSING AUTHORITY
COMBINED STATEMENT OF CASH FLOWS - CONTINUED
ALL PROPRIETARY FUND TYPES - ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2006

	SECTION 8 MTW TECHNICAL ASSISTANCE GRANT	COMPREHENSIVE GRANT PROGRAM	CAPITAL GRANT PROGRAM	DEVELOPMENT PROGRAM
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Tenants	$ -	$ -	$ -	$ -
HUD Grants	14,547	-	12,523,948	76,063
Other Government Grants	-	-	-	-
Other Revenue	-	-	-	-
Proceeds from Sale of Assets	-	-	-	-
Transfers from Other Programs	-	-	-	-
Advances from Other Programs	7,137	193,983	800,813	-
	21,684	193,983	13,324,761	76,063
Administrative Expenses	21,684	1,322,280	1,484,995	35,143
Tenant Services Expenses	-	-	102,238	-
Utility Expenses	-	-	-	-
Maintenance Expenses	-	-	291,669	-
Protective Services Expenses	-	-	-	-
General Expenses	-	-	-	-
Extraordinary Maintenance Expenses	-	(1,128,297)	7,055,343	2,682
Housing Assistance Payments	-	-	-	-
Other Expenses	-	-	-	-
Transfers to Other Programs	-	-	1,770,032	-
Advances to Other Programs	-	-	646,152	8,145
	21,684	193,983	11,350,429	45,970
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	-	-	1,974,332	30,093
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	-	-	-	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Repayment of Long Term Debt	-	-	-	-
Loan to The Community Builders	-	-	-	-
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIE	-	-	-	-
CASH FLOWS FROM INVESTING ACTIVITIES				
Investments	-	-	-	-
Land, Buildings, Equipment and Infrastructure	-	-	(1,974,332)	(30,093)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	-	-	(1,974,332)	(30,093)
NET INCREASE (DECREASE) IN CASH	-	-	-	-
CASH AND CASH EQUIVALENTS - Beginning of Year	-	-	-	-
CASH AND CASH EQUIVALENTS - End of Year	$ -	$ -	$ -	$ -

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

LOUISVILLE METRO HOUSING AUTHORITY
COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES - ENTERPRISE FUNDS - CONTINUED
FOR THE YEAR ENDED JUNE 30, 2006

	SECTION 8 MTW TECHNICAL ASSISTANCE GRANT	COMPREHENSIVE GRANT PROGRAM	CAPITAL GRANT PROGRAM	DEVELOPMENT PROGRAM
RECONCILIATION OF EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Excess (Deficiency) of Revenue Over Expenditures	$ -	$ (11,010)	$ 1,764,586	$ (498,878)
Adjustments to Reconcile Excess (Deficiency) of Revenue over Expenditures to Net Cash Provided by Operating Activities:				
Depreciation	-	11,010	209,746	528,971
(Gain) Loss on Disposal of Assets	-	-	-	-
(Increase) Decrease in:				
Accounts Receivable	(7,194)	-	755,888	8,145
Prepaid Expenses and Deferred Charges	-	-	-	-
Inventory	-	-	-	-
Amounts Due from Other Programs	-	193,983	800,813	-
Other Non-Current Assets	-	-	-	-
Increase (Decrease) in:				
Accounts Payable	57	(128,714)	(16,723)	-
Other Accrued Liabilities	-	(65,269)	(893,826)	-
Amounts Due to Other Programs	7,137	-	(646,152)	(8,145)
Other Non-Current Liabilities	-	-	-	-
NET CASH PROVIDED (USED) BY OPERATIO	$ -	$ -	$ 1,974,332	$ 30,093

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

LOUISVILLE METRO HOUSING AUTHORITY
COMBINED STATEMENT OF CASH FLOWS - CONTINUED
ALL PROPRIETARY FUND TYPES - ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2006

	HOPE VI PROGRAM	RESIDENT OPPORTUNITIES AND SUPPORT SERVICE PROGRAM	LOCAL PROGRAMS	OTHER PROGRAMS AND BUSINESS ACTIVITIES
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Tenants	$ -	$ -	$ -	$ 368,183
HUD Grants	6,751,958	565,819	2,400,000	-
Other Government Grants	-	-	5,809	-
Other Revenue	-	-	-	720,154
Proceeds from Sale of Assets	-	-	-	-
Transfers from Other Programs	-	-	-	-
Advances from Other Programs	-	103,503	7,147	55,293
	6,751,958	669,322	2,412,956	1,143,630
Administrative Expenses	1,515,570	669,322	219,719	360,411
Tenant Services Expenses	965,011	-	7,147	39,376
Utility Expenses	-	-	-	8,333
Maintenance Expenses	-	-	-	175,570
Protective Services Expenses	-	-	-	464
General Expenses	-	-	-	84,023
Extraordinary Maintenance Expenses	3,199,321	-	2,186,090	-
Housing Assistance Payments	-	-	-	110
Other Expenses	-	-	-	-
Transfers to Other Programs	-	-	-	-
Advances to Other Programs	339,222	-	-	204,553
	6,019,124	669,322	2,412,956	872,840
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	732,834	-	-	270,790
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	-	-	-	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Repayment of Long Term Debt	-	-	-	(235,000)
Loan to The Community Builders	-	-	-	-
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	-	-	-	(235,000)
CASH FLOWS FROM INVESTING ACTIVITIES				
Investments	-	-	-	-
Land, Buildings, Equipment and Infrastructure	(732,834)	-	-	(22,127)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(732,834)	-	-	(22,127)
NET INCREASE (DECREASE) IN CASH	-	-	-	13,663
CASH AND CASH EQUIVALENTS - Beginning of Year	-	-	-	461,154
CASH AND CASH EQUIVALENTS - End of Year	$ -	$ -	$ -	$ 474,817

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

LOUISVILLE METRO HOUSING AUTHORITY
COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES - ENTERPRISE FUNDS - CONTINUED
FOR THE YEAR ENDED JUNE 30, 2006

	HOPE VI PROGRAM	RESIDENT OPPORTUNITIES AND SUPPORT SERVICE PROGRAM	LOCAL PROGRAMS	OTHER PROGRAMS AND BUSINESS ACTIVITIES
RECONCILIATION OF EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Excess (Deficiency) of Revenue Over Expenditures	$ 331,298	$ -	$ (7,147)	$ 228,063
Adjustments to Reconcile Excess (Deficiency) of Revenue over Expenditures to Net Cash Provided by Operating Activities:				
Depreciation	416,271	-		229,091
(Gain) Loss on Disposal of Assets	(15,771)	-	-	-
(Increase) Decrease in:				
Accounts Receivable	529,063	(106,420)	-	(48,950)
Prepaid Expenses and Deferred Charges	-	-	-	7,775
Inventory	-	-	-	-
Amounts Due from Other Programs	-	-	7,147	(204,553)
Other Non-Current Assets	-	-	-	-
Increase (Decrease) in:				
Accounts Payable	(188,805)	-	-	(231)
Other Accrued Liabilities	-	2,917	-	4,302
Amounts Due to Other Programs	(339,222)	103,503	-	55,293
Other Non-Current Liabilities	-	-	-	-
NET CASH PROVIDED (USED) BY OPERATIONS	$ 732,834	$ -	$ -	$ 270,790

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

LOUISVILLE METRO HOUSING AUTHORITY
COMBINED STATEMENT OF CASH FLOWS - CONTINUED
ALL PROPRIETARY FUND TYPES - ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2006

	MIXED FINANCE ACTIVITIES	ELIMINATIONS	CONSOLIDATED TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Tenants	$ -	$ -	$ 6,699,009
HUD Grants	-	-	102,505,383
Other Government Grants	-	-	5,809
Other Revenue	-	-	1,803,766
Proceeds from Sale of Assets	-	-	-
Transfers from Other Programs	-	-	1,770,032
Advances from Other Programs	-	-	2,066,895
	-	-	114,850,894
Administrative Expenses	-	-	15,373,468
Tenant Services Expenses	-	-	1,922,185
Utility Expenses	-	-	7,297,450
Maintenance Expenses	-	-	9,772,158
Protective Services Expenses	-	-	1,134,900
General Expenses	-	-	1,115,125
Extraordinary Maintenance Expenses	-	-	11,315,139
Housing Assistance Payments	-	-	49,406,775
Other Expenses	-	-	401,796
Transfers to Other Programs	-	-	1,770,032
Advances to Other Programs	-	-	2,066,895
	-	-	101,575,923
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	-	-	13,274,971
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	-	-	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Repayment of Long Term Debt	-	-	(235,000)
Loan to The Community Builders	-	-	(1,906,323)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	-	-	(2,141,323)
CASH FLOWS FROM INVESTING ACTIVITIES			
Investments	-	-	(995,542)
Land, Buildings, Equipment and Infrastructure	-	-	(2,723,729)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	-	-	(3,719,271)
NET INCREASE (DECREASE) IN CASH	-	-	7,414,377
CASH AND CASH EQUIVALENTS - Beginning of Year	-	-	22,255,797
CASH AND CASH EQUIVALENTS - End of Year	$ -	$ -	$ 29,670,174

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

LOUISVILLE METRO HOUSING AUTHORITY
COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES - ENTERPRISE FUNDS - CONTINUED
FOR THE YEAR ENDED JUNE 30, 2006

	MIXED FINANCE ACTIVITIES	ELIMINATIONS	CONSOLIDATED TOTAL
RECONCILIATION OF EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Excess (Deficiency) of Revenue Over Expenditures	$ 1,595,003	$ -	$ (18,223,405)
Adjustments to Reconcile Excess (Deficiency) of Revenue over Expenditures to Net Cash Provided by Operating Activities:			
Depreciation	-	-	6,859,833
(Gain) Loss on Disposal of Assets	-	-	19,319,933
(Increase) Decrease in:			
Accounts Receivable	(1,595,003)	-	5,864,957
Prepaid Expenses and Deferred Charges	-	-	55,701
Inventory	-	-	60,578
Amounts Due from Other Programs	-	-	1,693,024
Other Non-Current Assets	-	-	-
Increase (Decrease) in:			
Accounts Payable	-	-	(24,981)
Other Accrued Liabilities	-	-	(685,651)
Amounts Due to Other Programs	-	-	(1,693,024)
Other Non-Current Liabilities	-	-	48,006
NET CASH PROVIDED (USED) BY OPERATIONS	$ -	$ -	$ 13,274,971

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS.

LOUISVILLE METRO HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. *Reporting Entity*

The Louisville Metro Housing Authority (the Authority) is a non-profit agency organized under the laws of the Commonwealth of Kentucky for the purpose of engaging in the development, acquisition, operation and administration of housing programs for low-income families and the elderly. Subsequent to the merger of Louisville City Government and Jefferson County Governments in January 2003, the Authority was formed by the merger of the former Housing Authority of Louisville and the former Housing Authority of Jefferson County.

The United States Department of Housing and Urban Development (HUD) has direct responsibility for administering the Low-Rent Housing Program under the United States Housing Act of 1937, as amended. HUD is authorized to enter into contracts with housing authorities to make loans to assist in financing the acquisition, construction and leasing of housing units and to make housing assistance payments and annual contributions (subsidies) to the housing authorities for the purpose of maintaining the low-rent character of the housing programs.

A nine member Board of Commissioners governs the Authority, which is appointed by the Mayor of the City of Louisville. The Board recruits and employs the executive staff and has substantial legal authority to control the affairs of the Authority, including approval of its budgets. The Board is solely responsible for its deficits, surplus funds and other fiscal matters. Therefore, the Authority is not included in any other governmental "reporting entity" as defined in Section 2100, *Codification of Governmental Accounting and Reporting Standards.*

The financial statements included in this report comprise of all of the programs and funds under the control and administration of the former Housing Authority of Louisville and the Housing Authority of Jefferson County.

B. *Basis of Accounting*

1. *Enterprise Fund Accounting*

The accounts of the Authority are organized on the basis of funds as discussed below. All the funds are proprietary fund types (Enterprise Funds). The measurement focus in enterprise fund accounting is upon the flow of economic resources and uses the full accrual basis of accounting to determine net income, financial position, changes in fund balances and changes in cash flows, similar to the accounting found in private business.

Proprietary Fund Types used by the Authority are as follows:

CONVENTIONAL LOW RENT PROGRAM

This fund is used to account for the administration and operation of approximately 4,138 units owned by the Authority. It is the largest and most active of the funds and is controlled through an annual operating budget, which is approved by The Board of Commissioners.

SECTION 8 MTW PROGRAM

This fund is used to account for the administration of the Authority's Section 8 vouchers program. It is funded by HUD and seeks to provide prospective residents with greater choice in selection of assisted housing.

SECTION 8 NEW CONSTRUCTION AND SUBSTANTIAL REHAB PROGRAM

This fund accounts for the administration of a program to help eligible low-income families or individuals obtain decent, safe and sanitary housing through a system of rental subsidies.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

B. ***Basis of Accounting** – Continued*

1. ***Enterprise Fund Accounting** - Continued*

SECTION 8 MODERATE REHABILITATION PROGRAM

This is a unit-based Section 8 program whereby landlords undertake to lease units in multi-unit buildings that have undergone significant rehabilitation.

SECTION 8 MTW TECHNICAL ASSISTANCE GRANT

This grant is used to assist with the implementation of the Section 8 MTW Program. It provides funding for various consulting services, as well as for computer systems upgrades and training.

COMPREHENSIVE GRANT PROGRAM AND CAPITAL FUND PROGRAM

These funds account for the administration of programs to improve the physical quality of housing provided to low income households through modernization and development.

DEVELOPMENT PROGRAM

This fund accounts for the administration of a program funded by HUD, which provides housing development grants for low-income residents.

HOPE VI PROGRAM

This fund has been created to account for the administration of a program funded by the Department of Housing and Urban Development. The goals of this program are to create "mixed income" communities, revitalize distressed areas, leverage private capital and the promotion of home ownership among economically disadvantaged persons.

RESIDENT OPPORTUNITY AND SUPPORT SERVICES PROGRAM

This fund accounts for the resident opportunity and support services program funded by HUD.

LOCAL PROGRAMS

This fund accounts for two federal pass-through programs and two locally funded programs administered by the Authority.

OTHER PROGRAMS AND BUSINESS ACTIVITIES

This fund accounts for all programs that are neither federal, state nor local, that are administered by the Authority.

MIXED FINANCE ACTIVITIES

This fund is used to record long term loans and accrued interest thereon, made by the Authority, to equity investors/owners of the Park DuValle and Clarksdale Redevelopment Projects, in accordance with tax credit regulations of the Internal Revenue Service.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

B. *Basis of Accounting – Continued*

2. ***Inventory***

Inventories of materials and supplies are stated at the lower of cost (determined by the weighted average method) or market.

3. ***Land, Buildings and Equipment***

All land, buildings and equipment are valued at historical cost. Donated property and equipment are valued at their estimated fair market value on the date donated. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. The estimated useful lives of the assets are as follows:

Buildings and Improvements	10 – 20 years
Fixtures and Equipment	3 – 7 Years
Automotive Equipment	5 Years

4. ***Income Taxes***

The Organization is exempt from federal income taxes under Section 501 of the Internal Revenue Code, as an organization described in Section 501(c)(3).

NOTE 2 - CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of funds held in financial institutions, checking accounts and petty cash. Deposits in excess of the amount of depository insurance are required by state law and federal regulations to be secured by collateral pledged by the depositories. At June 30, 2006 the carrying amount of the Authority's cash and cash equivalents was $29,670,174 and the bank balance was $31,062,756. All the deposits, except for $7,000 petty cash were covered by federal depository insurance or by securities pledged by the financial institution as collateral.

The cash deposits held in financial institutions can be categorized according to the three levels of risk as follows:

Category 1:	Deposits that are insured or collateralized with securities held by the Authority or its agent in the Authority's name.	$ 226,765
Category 2:	Deposits that are collateralized with securities held by the Pledging financial institution's trust department or agent in the Authority's name	$ 30,835,991
Category 3:	Deposits that are not collateralized or insured	$ -

NOTE 3 - INVESTMENTS

Investments consist of the cost of 3.125% Federal National Mortgage Association due to mature on July 15, 2006

NOTE 4 - LAND, BUILDINGS AND EQUIPMENT

A summarized activity of major classes of fixed assets follows:

	BALANCE 06/30/05	TRANSFERS/ ADDITIONS	TRANSFERS/ DISPOSITIONS	BALANCE 6/30/06
Land and Buildings	$ 245,276,433	$ 3,453,556	$ 49,266,959	$ 199,463,030
Fixtures and Equipment	2,526,643	154,900	381,002	2,300,541
Automotive Equipment	2,690,009	414,965	231,401	2,873,573
TOTAL	250,493,085	4,023,421	49,879,362	204,637,144
Less: Accumulated Depreciation	152,341,376	7,123,635	29,522,503	129,942,508
TOTAL FIXED ASSETS	$ 98,151,709	$(3,100,214)	$ 20,356,859	$ 74,694,636

NOTE 5 - PENSION PLAN

The Louisville Metro Housing Authority provides pension benefits for all of its employees through a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate after one year of employment. The contribution rate for the Louisville Metro Housing Authority is 13.715% of the base salary of administrative and salaried employees' and 7.5% of the base salary of maintenance employees of the former Housing Authority of Louisville, who are represented by a Union. The contribution for all the employees of the former Jefferson County Housing Authority is 13.5% of their base salary. Administrative and salaried employees are not required to make any contribution and maintenance employees of the former Housing Authority of Louisville represented by the union must contribute 5.5% of their base salary. Employees may contribute up to an additional 10% of their base salary on a voluntary basis. Interest attributable to such contributions is non-forfeitable. The balance of the Authority's contributions and interest attributable to such contributions are vested 20% for each year of participation and fully vested after five (5) years.

The Authority's contributions for, and interest forfeited by, employees who leave employment before five years of service are used to reduce the Authority's current-period administrative costs of the plan.

The total payroll for the Authority for the year ending June 30, 2006 was $13,469,391. Contributions to the plan were calculated using the base salary of $12,023,603.

The required contributions were made and consisted of $1,604,671 from the Authority and $291,135 from the employees for a total of $1,895,806. In addition, employees voluntarily contributed $67,742.

In an effort to provide additional incentives to those employees that have worked for the Authority in excess of 15 years, are 55 years of age or older and are considering retirement, the Authority decided optional health insurance benefits should remain available for these individuals and their families should they decide to retire early. This benefit would be optional until the employee reaches the age of full eligibility as determined by the Social Security Administration.

The Authority pays the following percentages of the insurance premiums for the employees described above:

Years of Service	Percentage of Premium Paid by the Authority
15	50
20	75
25	100

Currently, only a few employees participate in this plan.

NOTE 6 - LITIGATION AND CONTINGENCIES

During the year ended June 30, 2006, the Authority was involved in various ongoing legal proceedings in the ordinary course of business. Several of the aforementioned proceedings are considered individually significant. The Authority's attorneys are aggressively defending all cases. The Authority is insured by the Louisville Area Government – Self Insurance Trust – (LAGIT) against losses exceeding $150,000 per occurrence in most of these cases.

On July 10, 2003, a Jefferson County jury awarded an individual $500,000 in compensatory damages and $3,000,000 in punitive damages, in a suit claiming exposure to lead based paint and injuries arising there from. LAGIT did not appeal the compensatory damages awarded to the plaintiff but appealed the propriety of the punitive damages to the Kentucky Court of Appeals. This court set aside the punitive damages awarded on October 28, 2005. LAGIT will pay the compensatory damages of $500,000. LAGIT contends it is immune from payment of post-judgment interest on the compensatory damages, which has yet to be decided by the court..

NOTE 7 - PARK DuVALLE REVITALIZATION PROJECT

The Park DuValle Redevelopment Project is a unique and complicated undertaking. This project uses public housing development funds to leverage other public and private capital to develop an entire neighborhood in which public housing units will co-exist with private housing. The impact to the Louisville Metro Housing Authority, upon demolition of 1116 units, has resulted in reductions of revenue. Transition funding through this phase was provided by the Department of Housing and Urban Development. Transitional funding ended during 2000.

During the year ended December 31, 1996, the Louisville Metro Housing Authority (the Authority) moved from research phases to implementation phases on the total re-development of an area classified as a blighted neighborhood. The effect of this activity involved the creation of multiple affiliates to which various types of grants and loans have been made. Additionally, Louisville Housing Services Corporation (an affiliate of the Louisville Metro Housing Authority) and Park DuValle Development Corporation have been involved as pass-through agencies for funds from both the City of Louisville and the Authority.

Affiliate organizations include:

Park DuValle Development Corporation (a non-profit entity)
Chauncey Development Corporation (a non-profit entity)

Knowledge of the transactions involved between the Authority and the affiliates involved in the Park DuValle Revitalization Project is imperative to an overall understanding of the Authority's future commitments and contingencies as well as the full scope of its current activities involving Community Development Block Grants and Comprehensive Grant Program Development Grants. The rental development has been completed and the homeownership portion will continue to be built out through April, 2008.

Transaction participants and their roles in the redevelopment are as follows:

Louisville Housing Services Corporation (LHS) - LHS is an affiliate of the Authority's. LHS is tax exempt under Section 501(c)(3) of the Internal Revenue Code. LHS acted as the lender for the first phase of this transaction. All public housing development funds and CDBG funds are transferred to LHS. LHS in turn makes construction/permanent loans to Chauncey Louisville, LLC. LHS will also act as the property management entity for the Chauncey project.

Park DuValle Development Corporation (PDDC) - PDDC was created as an affiliate of the Authority. PDDC is tax exempt under Section 501 (c)(3) of the Internal Revenue Code and the IRS has determined that PDDC is a publicly supported organization as described in Section 509 (a)(1) of the Code. PDDC's Board of Directors must contain at all times two and no more than two commissioners, officers or staff of the Louisville Metro Housing Authority. The remaining three board members cannot be commissioners, officers or employees of the Authority or any entity affiliated with the Authority or related to any such persons. The three non-Louisville Metro Housing Authority directors represent local residents and businesses. The Authority appointed the two initial Authority directors to the PDDC Board of Directors. Those two members elected the three non-Authority board members. PDDC is a lender for phases II, III, and IV.

NOTE 7 - PARK DuVALLE REVITALIZATION PROJECT - CONTINUED

Chauncey Development Corporation, Inc. (CDC) - CDC is tax exempt under Section 501 (c)(3) of the Internal Revenue Code. The IRS has determined that the organization is exempt as a supporting organization of PDDC under Section 509 (a)(3) of the Code. CDC's Board of Directors mirrors PDDC's. CDC is the managing member of Chauncey Louisville, LLC, which is the ownership entity for the project.

City of Louisville - The City is providing a forgivable loan of CDBG monies to LHS. At the end of 20 years, the loan to LHS will have been fully forgiven. LHS will use those funds to make a loan to the LLC pursuant to the construction/permanent loan agreement between LHS and the LLC. LHS will assign its interest in the CDBG mortgage with the LLC to the City.

NOTE 8 - CLARKDSALE REVITALIZATION PROJECT

The Clarksdale Revitalization Project is a unique and complicated undertaking, similar to LMHA's Park DuValle Redevelopment Project. This project uses public housing funds to leverage other public and private capital to develop an entire neighborhood in which public housing units will co-exist with private housing. The impact to the Louisville Metro Housing Authority, upon demolition of 725 units has resulted in reductions of revenue. Transition funding was provided by the U.S. Department of Housing and Urban Development. Transition funding will end in 2007.

LMHA received two HOPE VI Grants of $20 million each, the first in 2002 and the second in 2003. The effect of this will actively involve the creation of multiple affiliates to which various types of grants and loans will be made.

Knowledge of the transactions between the Authority and the affiliates involved in the Clarksdale Revitalization Project is imperative to an overall understanding of the Authority's future commitments and contingencies as well the full scope of its current activities involving Community Development Block Grants and Comprehensive Grant Program Development Grants. The rental development and homeownership will be completed within the next few years.

Transaction participants and their roles in the redevelopment are as follows:

The Community Builders (TCB) has been selected as both the rental and homeownership developer for the onsite portion of the Clarksdale Revitalization Project. TCB will develop up to 6 rental phases and up to 2 homeownership phases. For the rental development, TCB will create a limited partnership that will own each development as well as a corporation to function as the general partner of the ownership entity. The general partner will own .01% and the investor limited partner will own 99.99%. An LMHA entity and a TCB entity will have ownership interest in the corporate general partner of 49% and 51%, respectively, effectively allowing LMHA a total ownership position of .0049%. For the homeownership development, TCB will create a limited liability company (LLC) in which TCB and LMHA will be 51% and 49% members, respectively. The LLC will market the LMHA owned land to various developers in a very market driven approach to development.

The City of Louisville (the City) is providing Community Development Block Grant (CDBG) funding for infrastructure costs over the entire onsite footprint of the development as well as $ 2.4 million in Home funds for housing development in the first phase of development. Individuals buying homes in the development area may also qualify for other programs offered b the City to promote homeownership.

Kentucky Housing Corporation (KHC) is providing Low Income Tax Credits (LIHTC) to almost every phase of development. In addition to the traditional 9% LIHTC, KHC is supplying Tax Exempt Bond financing and corresponding 4% LIHTC as well as $ 1 million in Home funds for the first onsite rental development phase.

Other Development Partners are also involved. Off-site rental and homeownership development has been facilitated by several other developers partners including but not limited to Habitat for Humanity, River City Housing, The Housing Partnership, New Directions and Metro Housing Resource Center.

NOTE 9 - ESTIMATES

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

SUPPLEMENTAL INFORMATION

LOUISVILLE METRO HOUSING AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2006

	FEDERAL C.F.D.A NUMBER	FEDERAL EXPENDITURES
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT		
Direct Cash Assistance:		
Public Housing – Conventional Low Rent Program	14.850	$ 17,635,516
Section 8 MTW Program	14.871	53,633,863
Section 8 New Construction/Substantial Rehabilitation	14.182	2,271,732
Section 8 MTW Technical Grant	14.227	21,741
Section 8 Moderate Rehabilitation Program	14.856	576,985
Comprehensive Grants	14.859	65,269
Capital Fund Program	14.872	12,661,886
Housing Development Grants	14.174	67,918
Revitalization of Severely Distressed Public Housing (HOPE VI)	14.866	6,222,895
Resident Opportunity and Support Services	14.870	672,239
Passed Through the State of Kentucky and the City of Louisville		
Community Development Block Grant/Entitlement Grants	14.218	2,400,000
TOTAL EXPENDITURES OF FEDERAL AWARDS FROM U.S. DEPARTMENT OF HOUSING AND URGAN DEVELOPMENT		96,230,044
U.S. DEPARTMENT OF HOMELAND SECURITY, EMERGENCY PREPAREDNESS AND RESPONSE, FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA)		
Passed Through the State of Kentucky and the City of Louisville		
Disaster Housing Assistance to Individuals and Households in Presidential Declared Disaster Zones	97.048	5,809
TOTAL EXPENDITURES OF FEDERAL AWARDS FROM FEMA		5,809
TOTAL FEDERAL EXPENDITURES		$ 96,235,853

BASIS OF PRESENTATION:

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Authority and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations.* Therefore, some of the amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

LOUISVILLE METRO HOUSING AUTHORITY
STATEMENT AND CERTIFICATION OF ACTUAL CAPITAL FUND PROGRAM COSTS
JUNE 30, 2006

	KY36P001501-02
Funds Advanced	$ 11,432,479
Funds Expended	11,432,479
Excess Funds	$ -
Funds Approved	$ 11,432,479
Funds Expended	11,432,479
Excess Funds	$ -

	KY36R001501-02
Funds Advanced	$ 2,363,688
Funds Expended	2,363,688
Excess Funds	$ -
Funds Approved	$ 2,363,688
Funds Expended	2,363,688
Excess Funds	$ -

	KY36R001501-03
Funds Advanced	$ 90,985
Funds Expended	90,985
Excess Funds	$ -
Funds Approved	$ 90,985
Funds Expended	90,985
Excess Funds	$ -

LOUISVILLE METRO HOUSING AUTHORITY
STATEMENT AND CERTIFICATION OF ACTUAL CAPITAL FUND PROGRAM COSTS
JUNE 30, 2006

	KY36R001501-04
Funds Advanced	$ 301,843
Funds Expended	301,843
Excess Funds	$ -
Funds Approved	$ 301,843
Funds Expended	301,843
Excess Funds	$ -

	KY36R001502-03
Funds Advanced	$ 1,922,046
Funds Expended	1,922,046
Excess Funds	$ -
Funds Approved	$ 1,922,046
Funds Expended	1,922,046
Excess Funds	$ -

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

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

LOUISVILLE METRO HOUSING AUTHORITY
STATEMENT AND CERTIFICATION OF ACTUAL RESIDENT OPPORTUNITIES AND SUPPORT SERVICE PROGRAM COSTS
JUNE 30, 2006

	KY001RFS060A004
Funds Advanced	$ 60,428
Funds Expended	60,428
Excess Funds	$ -
Funds Approved	$ 60,428
Funds Expended	60,428
Excess Funds	$ -

	KY02RNN001P0054
Funds Advanced	$ 249,864
Funds Expended	249,864
Excess Funds	$ -
Funds Approved	$ 249,864
Funds Expended	249,864
Excess Funds	$ -

STEPHENS & LAWSON
Certified Public Accountants

October 20, 2006

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

Board of Commissioners
Louisville Metro Housing Authority
420 South Eighth Street
Louisville, Kentucky 40203

We have audited the financial statements of the Louisville Metro Housing Authority (the Authority) as of and for the year ended June 30, 2006, and have issued our report thereon dated October 20, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States.

Internal Control over Financial Reporting
In planning and performing our audit, we considered the Authority's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we considered to be material weaknesses.

Compliance and Other Matters
As part of obtaining reasonable assurance about whether the Authority'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.*

This report is intended solely for the information of the governing body, 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.

Stephens & Lawson, P.S.C.

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STEPHENS & LAWSON
Certified Public Accountants

October 20, 2006

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
Louisville Metro Housing Authority
420 South Eighth Street
Louisville, Kentucky 40203

Compliance

We have audited the compliance of the Louisville Metro Housing Authority (the Authority) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2006. The Louisville Metro Housing Authority'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 Authority's management. Our responsibility is to express an opinion on the Authority's compliance based on our audit.

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

In our opinion, the Authority complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2006.

Internal Control over Compliance

The management of the Authority is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Authority'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 and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

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

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operations that we considered to be material weaknesses.

This report is intended solely for the information of the governing body, 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.

Stephens & Lawson, P.S.C.

Stephens & Lawson, P.S.C.

LOUISVILLE METRO HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2006

SUMMARY OF AUDITOR'S RESULTS

1. The independent auditor's report expresses an unqualified opinion on the financial statements of the Louisville Metro Housing Authority (the Authority).

2. No reportable conditions in internal control over financial reporting were disclosed by the audit of the financial statements, as required to be reported in accordance with *Government Auditing Standards.*

3. No instances of noncompliance material to the financial statements of the Authority were disclosed during the audit.

4. No reportable condition in the internal control over major programs were disclosed during the audit of the financial statements reported in the Report on Compliance with Requirements Applicable to each Major Program and Internal Control over compliance in accordance with OMB Circular A-133.

5. The auditor's report on compliance for major federal award programs for the Authority expresses an unqualified opinion on all major programs.

6. The audit disclosed no findings that are required to be reported under Section 510(a) of Circular A-133.

7. Identification of major federal programs:

Public Housing – Conventional Low Rent Program	C.F.D.A. Number 14.850
Section 8 MTW Program –	C.F.D.A. Number 14.871
Revitalization of Severely Distressed Public Housing (HOPE VI) Program –	C.F.D.A. Number 14.866
Capital Fund Program	C.F.D.A. Number 14.872

8. The dollar threshold for distinguishing Type A and B programs was $2,887,076.

9. The Authority did not qualify as a low-risk auditee.

FINDINGS – FINANCIAL STATEMENT AUDIT

REPORTABLE CONDITIONS AND NONCOMPLIANCES

None.

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAM AUDIT

None.

LOUISVILLE METRO HOUSING AUTHORITY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2006

The audit report for the year ended June 30, 2005 contained no findings or questioned costs.