

PHILADELPHIA HOUSING AUTHORITY

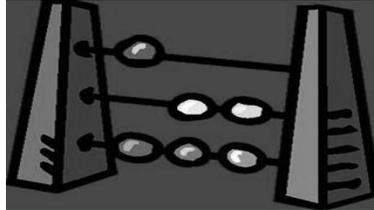


**ISDANER & COMPANY, LLC
PRESENTATION TO PHA BOARD OF
DIRECTORS
FISCAL YEAR 2010**

AGENDA



- FINANCIAL INFORMATION**
 - COMPONENT UNITS**
 - AUDIT HIGHLIGHTS**
 - COMPLIANCE TESTING**
-



FINANCIAL INFORMATION

BALANCE SHEET



- ***TOTAL ASSETS***
 - ***CASH AND INVESTMENTS***
 - ***NET ASSETS***
 - ***TOTAL LIABILITIES***
-

TOTAL ASSETS



- 3/31/2010 **\$1,111,826,000**
 - 3/31/2009 **\$1,042,213,000**

 - **INCREASE** **\$ 69,613,000**
 - **% INCREASE** **7%**
-

INVESTMENTS



- 3/31/2010 **\$235,377,000**
- 3/31/2009 **\$204,314,000**

- **INCREASE** **\$ 31,063,000**
- **% INCREASE** **15%**

***INCLUDES CASH AND SHORT-TERM
APPROVED INVESTMENTS***

NET ASSETS



- **3/31/2010** **\$952,205,000**
 - **3/31/2009** **\$897,799,000**

 - **INCREASE** **\$ 54,406,000**
 - **% INCREASE** **6%**
-

TOTAL LIABILITIES



- **3/31/2010** **\$159,620,000**
 - **3/31/2009** **\$144,414,000**

 - **INCREASE** **\$ 15,206,000**
 - **% INCREASE** **11%**
-

OPERATIONS



- REVENUES**
 - CHANGE IN NET ASSETS**
 - OPERATING CASH FLOWS**
 - FEDERAL AWARDS**
-

MAJOR PROGRAMS



- LOW RENT PUBLIC HOUSING**
 - SECTION 8 VOUCHER**
 - CAPITAL FUND**
 - MOVING TO WORK**
 - ARRA CAPITAL FUND**
-

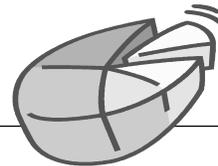
REVENUES



- **3/31/2010** **\$456,416,000**
 - **3/31/2009** **\$386,900,000**

 - **INCREASE** **\$ 69,516,000**
 - **% INCREASE** **18%**
-

REVENUES



	<u>2010</u>	<u>2009</u>
➤ HUD SUBSIDIES	\$423,011,000	\$358,937,000
➤ TENANT REVENUE	24,693,000	22,086,000
➤ OTHER REVENUE	<u>8,712,000</u>	<u>5,877,000</u>
➤ TOTAL	\$456,416,000	\$386,900,000

CASH FLOWS

FROM OPERATIONS



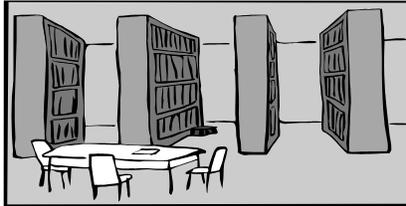
- **3/31/2010** **\$66,633,000**
 - **3/31/2009** **\$54,733,000**

 - **INCREASE** **\$ 11,900,000**
 - **% INCREASE** **22%**
-

FEDERAL AWARDS



- **SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS - SEFA**
 - **PAGES 78 AND 79 OF REPORT**
 - **ACCRUAL BASIS**
 - **PASS THROUGH AWARDS TO
COMPONENT UNITS (PAGE 79)**
-



COMPONENT UNITS

COMPONENT UNITS

→ BLENDED

- ▶ **4 ENTITIES OWNED BY PHA**

→ DISCREETLY PRESENTED

- ▶ **29 ENTITIES OWNED BY
OUTSIDE INVESTORS**
-



BLENDING UNITS

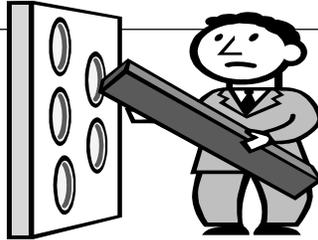


- ***TENANT SUPPORT SERVICES (TSSI)***
 - ***PHILA HOUSING AUTHORITY
DEVELOPMENT CORPORATION (PHADC)***
 - ***PHILA ASSET AND PROPERTY
MANAGEMENT CORPORATION (PAPMC)***
 - ***PHILA HOUSING AUTHORITY HOME-
OWNERSHIP CORPORATION (PHAHC)***
-

OUTSIDE OWNERSHIP



- ***LIMITED PARTNERSHIPS***
 - ***OWNED BY OUTSIDE INVESTORS***
 - ***2951 UNITS AT 3/31/2010***
 - ***MANY INVOLVE TAX CREDIT BENEFITS TO
INVESTORS***
 - ***PHA PROVIDES DEVELOPMENT AND OTHER
SERVICES (PHADC)***
 - ***BONDS ISSUED TO FUND PROJECTS***
 - ***PHA PROVIDES INTERIM AND PERMANENT
FINANCING IN SOME CASES***
 - ***IN MANY CASES THE PROPERTY WILL
REVERT TO PHA***
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AUDIT HIGHLIGHTS

AUDIT SCOPE



- **US GENERALLY ACCEPTED AUDITING STANDARDS (GAAS)**
- **GAO GOVERNMENTAL AUDITING STANDARDS (YELLOW BOOK)**
- **SINGLE AUDIT REQUIREMENTS (CIRCULAR A-133 COMPLIANCE)**
- **GASB #34 REPORTING REQUIREMENTS**

MAJOR AUDIT AREAS



- COMPLIANCE**
 - GASB #34 REPORTING**
 - PROPERTY INVESTMENT**
 - DEBT AND HUD FUNDING**
 - CASH AND INVESTMENTS**
 - PAYABLES**
 - ASSET RESTRICTIONS**
-

COMMUNICATIONS

- PHA CONTRACT**
 - ENGAGEMENT LETTER**
 - CLIENT REPRESENTATIONS**
 - MANAGEMENT LETTERS**
 - ATTORNEY REQUEST LETTERS**
 - BANKS, INVESTMENTS AND
OTHER CONFIRMATIONS**
-



QUALITY ASSURANCE



- ***IN-CHARGE DAILY STAFF AUDITOR SUPERVISION AND REVIEW***
 - ***MANAGER ENGAGEMENT CONTROL AND REVIEW***
 - ***PARTNER DIRECTION AND REVIEW***
 - ***QUALITY ASSURANCE REVIEW - INDEPENDENT***
-



COMPLIANCE TESTING

COMPLIANCE



- **OMB CIRCULAR A-133 COMPLIANCE SUPPLEMENT**
 - **GENERAL REQUIREMENTS**
 - **SPECIFIC PROGRAM REQUIREMENTS**
 - **BASED ON CFDA NUMBER**
-

TESTING

- **TENANT FILES**
 - **CONTRACTS**
 - **DISBURSEMENTS**
 - **PAYROLL**
 - **REVENUE**
 - **COMPONENT UNITS**
-

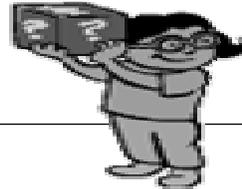


SAMPLING



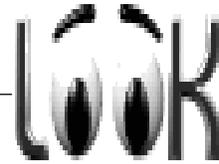
- **HAPHAZARD SELECTION OF TRANSACTIONS**
 - **HUD REQUIRED SAMPLE SIZE RANGES FROM 25 TO 40**
 - **SAMPLE SELECTED FROM COMPONENT UNITS THAT PHA DOES NOT PROVIDE ACCOUNTING AND BOOKKEEPING SERVICES**
-

TESTING



- **TENANT FILES – 60 FILES IN LOW RENT AND 60 FILES IN SECTION 8**
 - **CONTRACTS – 40 NEW CONTRACTS IN CURRENT YEAR FOR ALL PROGRAMS**
 - **DISBURSEMENTS – 60 TRANSACTIONS FROM EACH MAJOR PROGRAM**
 - **PAYROLL – 60 EMPLOYEES**
 - **REVENUE – RECONCILIATION TO HUD REPORTS FOR ALL MAJOR PROGRAMS**
 - **COMPONENT UNITS – 60 DISBURSEMENTS**
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FINDINGS



- PHA QUALIFIES AS A LOW-RISK AUDITEE***
 - NO REPORTABLE CONDITIONS***
 - NO SIGNIFICANT DEFICIENCIES OR MATERIAL WEAKNESSES***
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