

Philadelphia Housing Authority

Financial and Compliance Report
March 31, 2014

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December 18, 2014

**PHILADELPHIA HOUSING AUTHORITY
ANNUAL FINANCIAL REPORT
TRANSMITTAL LETTER**

To the Board of Commissioners, Citizens, and Clients of the Philadelphia Housing Authority:

Pennsylvania State law requires that all general-purpose local governments and component units publish a complete set of financial statements presented in conformity with Generally Accepted Accounting Principles in the United States of America ("GAAP") and audited in accordance with Generally Accepted Auditing Standards ("GAAS") by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the Annual Financial Report of the Philadelphia Housing Authority ("PHA" or the "Authority") for the fiscal year ended March 31, 2014.

This report consists of management's representations concerning the finances of PHA. Consequently, management assumes full responsibility for the completeness and reliability of all information presented in this report. To provide a reasonable basis for making these representations, PHA management established a comprehensive internal control framework that is designed both to protect the Authority's assets from loss, theft, or misuse, and to compile sufficient reliable information for the preparation of PHA's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, PHA's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

PHA's financial statements have been audited by McGladrey LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that PHA's financial statements for the fiscal year ended March 31, 2014 are free of material misstatement.

The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that PHA's financial statements for the fiscal year ended March 31, 2014, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of PHA was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies.

The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the Authority's internal controls and compliance, with special emphasis on internal controls, legal requirements and compliance involving the administration of federal awards. These reports are available in the Single Audit Section of PHA's Financial Report.

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

Profile and Background of the Philadelphia Housing Authority

PHA, created in 1937 pursuant to the Pennsylvania Housing Authorities Law, is the fourth largest housing authority in the country with conventional units and the largest scattered site inventory.

PHA provides housing to approximately 32,000 low and moderate-income residents in developments and scattered sites units in the City of Philadelphia. Through its Housing Choice Voucher Program, PHA assists approximately 44,000 residents in locating and renting housing in privately owned properties.

The federal government exerts a major influence on the nation's housing and development activity, a role that has its roots in the 1930s. Over the past 80 years, Washington has developed a variety of programs and policies to support housing production, revitalize cities, and expand housing opportunities for low- and moderate income homebuyers and renters.

PHA provides low-rent housing for qualified individuals in accordance with the rules and regulations prescribed by the U.S. Department of Housing and Urban Development (HUD) and other federal agencies. The following major federal housing laws constitute the regulatory framework within which PHA provides subsidized housing in accordance with current HUD regulations:

- The National Housing Act, passed in 1934, was the first landmark housing law of the New Deal era. It created the Federal Housing Administration (FHA), whose mission was to stimulate housing activity by insuring mortgages made by private lenders.
- The United States Housing Act of 1937 created the public housing program. Like the National Housing Act, the U.S. Housing Act has been amended many times, including a comprehensive revision in 1974.
- In the Housing Act of 1949, Congress established a national housing policy with three objectives: (1) eliminating housing shortages through housing production and related community development, (2) clearing slums and blighted areas, and (3) achieving the goal of "a decent home and a suitable living environment for every American family."
- In 1965, Congress passed a law to create the U.S. Department of Housing and Urban Development (HUD). In addition, closely related legislation was passed in 1965, which created the rent supplement program to subsidize the rents of low income households in private housing.
- One of the landmark housing laws of the post-World War II era, the Housing and Urban Development Act of 1968 created two major subsidy programs, the Section 235 home purchase program and the Section 236 rent subsidy program.
- The Housing and Community Development Act of 1974 rewrote the U.S. Housing Act of 1937, revising the public housing program and creating the Section 8 rent subsidy program. Under Section 8, low-income tenants pay a fixed portion of their income for rent in privately owned housing and HUD covers the difference between the tenant payment and the fair market rent for the unit.
- The Housing and Community Development Act of 1987 made a number of changes to the public housing program. These included converting development funding from loans supported by annual contract payments to up-front grants, requiring public housing authorities to submit comprehensive plans to get modernization funds, and adding provisions for resident management and ownership. For Section 8, the 1987 act made vouchers a permanent program, rather than a demonstration; provided portability for certificates and vouchers, allowing families to take their subsidies with them if they moved within the same or a contiguous metropolitan area; and authorized PHAs to tie up to fifteen (15%) percent of their certificate funding to specific projects.

- The National Affordable Housing Act of 1990 created the Homeownership and Opportunity for People Everywhere (HOPE) program, which was designed to encourage the use of government-owned or government-financed housing for low-income home ownership.
- For public housing, the Housing and Community Development Act of 1992 included provisions to reduce vacancies and improve severely depressed projects. The Section 8 provisions included authorization to use vouchers or certificates for home ownership, and a Moving to Opportunity demonstration program to help families living in subsidized projects to move out of areas with high concentrations of poverty, and into areas offering greater opportunities for employment, education, and lower poverty.
- Public housing reform is represented through the Quality Housing and Work Responsibility Act of 1998 (QHWRA). QHWRA was signed by President Clinton on October 21, 1998 and is found in Title V of HUD's FY1999 appropriations act (P.L. 105-276). QHWRA is a landmark legislation that makes public housing reform a reality by:
 - Reducing the concentration of poverty in public housing;
 - Protecting access to housing assistance for the poorest families;
 - Supporting families making the transition from welfare to work;
 - Raising performance standards for public housing agencies, and rewarding high performance;
 - Transforming the public housing stock through new policies and procedures for demolition and replacement and mixed-finance projects, and through authorizing the HOPE VI revitalization program;
 - Merging and reforming the Section 8 certificate and voucher programs, and allowing public housing agencies to implement a Section 8 homeownership program; and
 - Supporting HUD management reform efficiencies through deregulation, streamlining, and program consolidation.

Under QHWRA, PHA has established a system of site-based waiting lists, consistent with all applicable civil rights and fair housing laws. PHA has set a minimum monthly rent of \$50 for residents in public housing, the Housing Choice Voucher Program, and Moderate Rehabilitation developments. Exceptions to payment of minimum rent may be made by the PHA for families in hardship circumstances.

QHWRA also allows PHA to terminate the leases of residents of public housing and tenant-based Housing Choice Voucher assistance and be subject to expedited eviction (after an expedited grievance process) for violent or drug-related criminal activity and felony convictions. Families evicted for drug-related criminal activity from public housing or the tenant-based Housing Choice Voucher programs are prohibited from being readmitted for 3 years.

- Congress has dealt with substantive housing issues in other legislation, including a number of significant housing and development programs created through tax legislation, such as: (1) the mortgage revenue bond and mortgage credit certificate programs, to provide subsidized financing for first-time home buyers; (2) the low income housing tax credit program, which has become the nation's major low income housing production program; and (3) the empowerment zone and enterprise community program, which provides tax incentives to encourage development in distressed urban and rural areas.

Management Changes During the Current Year

As discussed in last year's transmittal letter, in March 2011, the PHA Board of Commissioners agreed to transfer operation and management of the PHA to HUD. HUD, PHA, the Mayor and the City Controller executed a Cooperative Endeavor Agreement specifying the terms of HUD's control and a framework for appointing a new Board and returning PHA to local control which was originally estimated to occur within a one year period.

In March 2012, the Cooperative Endeavor Agreement (CEA) was extended for a term until HUD and the Mayor determined that PHA had built sufficient capacity to be self-supportive. On March 14, 2013, Mr. Kelvin A. Jeremiah became PHA's President & CEO. Mr. Jeremiah had been PHA's Interim Executive Director and the HUD-appointed Administrative Receiver since June 13, 2012.

On April 26, 2013, PHA returned to local control as its new Board of Commissioners formally took office. HUD Assistant Secretary, Sandra B. Henriquez, presented a declaration to the City releasing the agency from federal control during PHA's board meeting on April 26, 2013.

Under a law passed by the Pennsylvania General Assembly on July 5, 2012, the number of board members was increased from five to nine, with the Mayor nominating all nine Commissioners, subject to approval by the City Council. Pursuant to the new law, two of the Commissioners are currently PHA residents.

Prior to their seating, all the board members received extensive training from PHA and HUD, including sessions on public housing management, Ethical Conduct, Conflict of Interest, EEO and the Fair Housing Act. The current members of PHA's Board of Commissioners are:

- 1) **Lynette M. Brown-Sow – Chair** – Vice President of Marketing and Government Relations for Community College of Philadelphia;
- 2) **Leslie D. Callahan, PhD** – Pastor of St. Paul's Baptist Church in North Philadelphia;
- 3) **Rev. Bonnie Camarda** – Director of Partnerships for the Salvation Army of Eastern Pennsylvania and Delaware;
- 4) **Joan Markman, Esq.** – Former Chief Integrity Officer for the City of Philadelphia and a former Assistant United States Attorney;
- 5) **Kenneth A. Murphy, Esq.** - Partner and Vice-Chair of the Products Liability and Mass Tort Practice Group at Drinker Biddle & Reath, LLP.
- 6) **Herbert Wetzel – Vice Chair** – Executive Director of Housing and Community Development for City Council;
- 7) **Ethel Wise** – President of the Wilson Park Family Resident Council;
- 8) **Julia Danzy** – Former City of Philadelphia Director of Social Services, Deputy Commissioner of Health; and Operations Director for the Department of Human Services; and
- 9) **Asia Coney** – President of PHA's Resident Advisory Board.

Moving To Work

PHA has been a participant in the Moving to Work (MTW) program since 2001. The current MTW Agreement between HUD and PHA extends through FY 2018. MTW is a national demonstration

program by Congress that allows a limited number of Public Housing Authorities to combine Public Housing Operating Fund, Capital Fund and Housing Choice Voucher Program funds into a Block Grant and to waive certain regulations and statutes subject to HUD approval. Activities that utilize MTW flexibility must promote one or more of the MTW statutory objectives, which can be summarized as expanding housing choice, reducing cost and promoting efficiency in the administration of federal programs and/or encouraging economic self-sufficiency of families with children.

PHA is required to prepare and submit an MTW Annual Plan and Annual Report each year for HUD's review and approval. The Annual Plan provides detailed information on the MTW activities and initiatives which PHA plans to undertake during the upcoming Fiscal Year, while the Annual Report summarizes actual progress made in the prior Fiscal Year. The Annual Plan process takes into consideration the policy, operational and financial issues that impact PHA including planned capital expenditures, proposed demolition or disposition activity, proposed new public housing and Project Based Voucher units, MTW Sources and Uses, and other relevant information. The Annual Plan process includes opportunities for resident and general public input. PHA's Board approves the Annual Plan and Annual Report each year prior to submission to HUD.

During the first year of the MTW program, PHA established the following five (5) broad objectives:

- Reform the existing Housing Choice Voucher and Public Housing Programs to improve and increase the supply of quality affordable housing throughout the City of Philadelphia;
- Revitalize neighborhoods where MTW and MTW-eligible residents reside;
- Develop a MTW Family Program to furnish comprehensive family self-sufficiency services to eligible MTW families;
- Establish a Quality of Life Program to promote a living environment that fosters community values, encourages resident participation and positive peer group pressure, and reinforces the responsibilities of public housing residents, voucher participants, voucher landlords, and the PHA to one another and to the broader community; and
- Establish efficient operating procedures and implement cost-saving strategies.

These objectives continue to be relevant to PHA's implementation of the MTW program. Under the direction of President & CEO, Kelvin A. Jeremiah, PHA has continued and expanded its use of MTW flexibility in promoting PHA's long-term strategic objectives. PHA has sharpened its focus on improving performance in core business operational areas including property management, maintenance services, and resident services. PHA's restated MTW Plan emphasizes the need to strengthen people, property, and partnerships. Twelve interrelated strategic priorities have been established to guide both future MTW activities and PHA's overall management objectives. These priority areas are:

- 1) Preserve and expand the supply of affordable housing available to Philadelphia's residents with low-incomes;
- 2) Achieve excellence in the provision of management and maintenance services to PHA residents;
- 3) Create safe communities in collaboration with neighborhood residents and law enforcement agencies;
- 4) Enhance resident well-being and independence through partnerships for employment, job training, education, health and other evidence-based supportive services;

- 5) Improve access to quality housing choices and opportunity neighborhoods through the Housing Choice Voucher program;
- 6) Incorporate energy conservation measures and sustainable practices throughout PHA operations;
- 7) Improve customer service, streamline operations and create a business model that is data-driven and high performing;
- 8) Conduct PHA business in an open and transparent manner that promotes accountability and access, ensures diversity and adheres to the highest ethical standards;
- 9) Strengthen existing relationships and forge new public, private and philanthropic partnerships to support PHA's strategic goals;
- 10) Make PHA an employer of choice with an accountable, diverse, trained and productive workforce;
- 11) Ensure that PHA is a good neighbor and reliable community partner; and
- 12) Encourage innovation and promote PHA's financial health through ongoing participation in the Moving to Work Program

Ongoing and future MTW initiatives will be designed to enhance and support these priority areas. PHA's largest programs as described in the accompanying financial statements are:

- **Low-Rent Housing Program (Public Housing)**
This program provides low-rent housing to qualified residents of the City of Philadelphia. All units are owned and operated by PHA and were purchased with financing arranged or provided through HUD. The operations of the program are subsidized by HUD through Annual Contributions Contract(s). Under PHA's MTW Agreement, public housing operating and capital funding are eligible for funding and programmatic flexibility.
- **Housing Choice Voucher Program**
The Housing Choice Voucher program provides rental subsidies to low-income families residing in housing owned by private, not-for-profit or public landlords. Under PHA's MTW Agreement, the majority of PHA's HCV vouchers are eligible for funding and programmatic flexibility. Programs under the Housing Choice Voucher Program umbrella include Tenant-Based, Project/Unit Based, SRO Moderate Rehabilitation and Special Purpose Vouchers such as the Veterans Administration Supportive Housing (VASH), Mainstream and Family Unification Program.

Factors Affecting Financial Condition

Laws, Regulations and Federal Examinations: PHA is subject to a number of laws and regulations. Material portions of PHA's grant revenue and other financial resources are contingent on PHA's compliance with such laws and regulations. PHA is subject to examinations made by federal and state authorities who determine compliance with terms, conditions, laws and regulations governing other grants awarded to PHA in the current and prior years. The statuses of such examinations are monitored by HUD.

PHA is subject to and is currently undergoing examination by federal oversight agencies, including HUD, who determines compliance with terms, conditions, laws, and regulations governing grants given to PHA in the current and prior years. These examinations may result in the recapture of funds by federal grantors and/or beneficiaries.

Cash Management Policies and Practices: HUD requires housing authorities to invest excess funds in obligations of the United States, certificates of deposit or any other federally insured investment. HUD also requires that deposits be fully collateralized at all times. Acceptable collateralization includes FDIC/FSLIC insurance for the market value of securities purchased and pledged to the political subdivision. Pursuant to HUD restrictions, obligations of the United States are allowed as security deposits. Obligations furnished as security must be held by PHA or with an unaffiliated bank or trust company for the account of PHA.

It is PHA's policy to maintain collateralization in accordance with the requirements of both HUD and the Commonwealth of Pennsylvania. The three custodial credit risk categories defined by HUD are as follows:

- 1) Insured or collateralized with securities held by the authority or by its agent (correspondent bank or Federal Reserve Bank) in the authority's name;
- 2) Collateralized with securities held by the pledging financial institution, trust department, or agent in the authority's name; and
- 3) Uncollateralized or collateralized with securities held by the pledging financial institution or by its trust department or agent, but not in the authority's name.

During its Fiscal Year 2014, all of PHA's cash and investments were held in risk category #1 above.

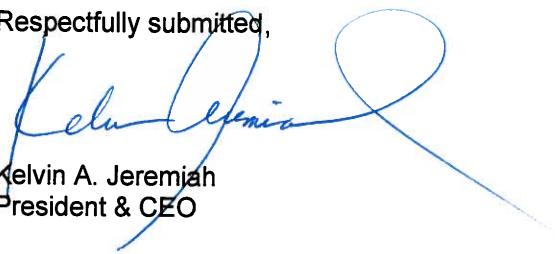
Risk Management: Prior to April 1, 1999, PHA was self-insured for personal injury claims. Asserted and unasserted claims are accrued based on PHA's experience, and advice of an independent claims manager. Although management believes that adequate accruals have been established, the ultimate liability that may result from asserted and unasserted claims could differ materially from estimated amounts. Beginning April 1, 1999, PHA purchased commercial policies for personal injury coverage.

Contributions by Federal Agencies: PHA received the majority of its Fiscal Year 2014 revenues from HUD. If in the future, the amount of revenues received from HUD falls below critical levels, PHA's operating reserves could be adversely affected.

Annual contributions contracts provide that HUD shall have the right to audit records of public housing authorities. Accordingly, final determination of PHA's financing and contribution status for the annual contribution contracts is the responsibility of HUD based upon financial reports submitted by PHA.

In closing, I would like to express my appreciation to the PHA Board of Commissioners, Mayor Michael Nutter, the Philadelphia City Council and Council President Darrell Clarke, PHA's staff and clients for their unfailing support for maintaining the highest standards of professionalism in the management of the Authority's finances.

Respectfully submitted,


Kelvin A. Jeremiah
President & CEO



Independent Auditor's Report

To the Board of Commissioners
 Philadelphia Housing Authority
 Philadelphia, Pennsylvania

Report on the Financial Statements

We have audited the accompanying financial statements of the proprietary fund type activities, the aggregate discretely presented component units and the aggregate remaining fund information of Philadelphia Housing Authority ("PHA") as of and for the year ended March 31, 2014, and the related notes to the financial statements, which collectively comprise the Philadelphia Housing Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Philadelphia Housing Authority Retirement Income Plan, which is shown as a Fiduciary Fund Type – Pension Trust Fund as of and for the year ended October 31, 2013. We did not audit the financial statements of the aggregate discretely presented component units as of and for the year ending December 31, 2013. Those statements were audited by other auditors whose reports thereon have been furnished to us, and our opinions, insofar as it relates to the amounts included for such component units, is based solely on the reports of the other auditors. 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 from material misstatement. The financial statements of the discretely presented component units were not audited in accordance with *Government Auditing Standards*.

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

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

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of the proprietary fund type activities, the aggregate discretely presented component units and the aggregate remaining fund information of PHA as of March 31, 2014, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Restatement of Prior Year Net Position

As discussed in Note 18 to the financial statements, net position of the proprietary fund type as of April 1, 2013 has been restated to correct certain misstatements. The restatement increased net position by \$305,578 as of April 1, 2013. In addition, as discussed in Note 18, PHA's fiduciary fund type – pension trust fund has been included in PHA's reporting entity as of April 1, 2013. PHA had not previously included the pension trust fund in its financial statements. Our opinions are not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 11 through 16 and the schedule of pension funding progress on page 57 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of Philadelphia Housing Authority. The accompanying financial data schedule, as well as other supplementary information shown on pages 108 to 129, is presented for purposes of additional analysis and is not a required part of the basic financial statements. 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 also not a required part of the basic financial statements.

Such information, the financial data schedule, schedule of expenditures of federal awards and the other supplementary information shown on pages 108 to 129 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The transmittal letter has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2014 on our consideration of PHA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering PHA's internal control over financial reporting and compliance.

McGladrey LLP

Blue Bell, Pennsylvania
December 18, 2014

PHILADELPHIA HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2014

As management of the Philadelphia Housing Authority (“PHA”), we offer readers of the PHA’s financial statements this narrative overview and analysis of the financial activities of the PHA for the fiscal year ended March 31, 2014. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1 through 7 of this report, as well as the financial statements that follow this section. All amounts, unless otherwise indicated, are expressed in millions of dollars.

Financial Highlights

- The assets of the Philadelphia Housing Authority exceeded its liabilities at the close of the most recent fiscal year by \$1,097.1 million (*net position*). Of this amount, \$522.7 million are *unrestricted net position*, which includes \$353.3 million of mortgages receivable from PHA’s discretely presented component units. The remaining unrestricted net position of \$169.4 may be used to meet PHA’s ongoing obligations to clients and creditors.
- PHA’s total FYE 2014 net position decreased by \$22.0 million over FYE 2013.
- PHA’s total operating revenue for FYE 2014 was \$355.7 million, \$21.6 million more than total operating expenses (excluding depreciation).
- PHA’s total liabilities of \$101.6 million as of March 31, 2014 increased by \$11.7 million compared to total liabilities as of March 31, 2013.

Overview of the Financial Statements

This discussion and analyses are intended to serve as an introduction to the Philadelphia Housing Authority’s basic financial statements. The PHA’s basic financial statements comprise three components: 1) agency-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

The *agency-wide financial statements* are designed to provide readers with a broad overview of PHA’s finances, in a manner similar to a private-sector business. The *statement of net position* presents information on all of PHA’s assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of PHA is improving or deteriorating. The *statement of revenues, expenses and changes in net position* presents information showing how PHA’s net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., authorized but uncollected grant revenue and earned but unused vacation leave).

The agency-wide financial statements include not only PHA itself (known as the *primary government*), but also legally separate non-profit agencies for which PHA is financially accountable, as described in the accompanying notes to the financial statements.

Notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements. The agency-wide financial statements and accompanying notes can be found on pages 17 through 56 of this report.

The remaining statements that support the agency-wide financial statements are the **combining statement of net position**. The combining statement of net position presents the Philadelphia Housing Authority's financial statements by fund activity. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Philadelphia Housing Authority, like other public housing authorities, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

All of PHA's funds are considered to be *Enterprise Funds*. Normally, an enterprise fund is used to report any activity for which a fee is charged to external users for goods or services. In accordance with Accounting Principles Generally Accepted in the United States of America ("GAAP"), enterprise funds may also be used by all governmental entities, such as PHA, that were using traditional not-for-profit accounting as of the date of adoption of Governmental Accounting Standards Board ("GASB") Statement No. 34 (June 1999), even if their activities do not otherwise meet the criteria for using an enterprise fund. In practice, enterprise funds frequently are used to account for activities whose costs are only partially funded by fees and charges. Enterprise funds are considered useful in such instances because they focus attention on the cost of providing services, and they serve to highlight the portion of that cost being borne by taxpayers, which in the case of PHA take the form of federal grant contributions.

In addition to the basic financial statements and accompanying notes, this report also presents certain *required and other supplementary information*. The combining statement of net position and other supplementary information can be found beginning on page 109 of this report.

Agency-wide Financial Analysis

Net position. As noted earlier, net position may serve over time as a useful indicator of an agency's financial position. In the case of the Philadelphia Housing Authority, assets exceed liabilities by \$1,097.1 million at the close of the most recent fiscal year. The combined net position of PHA decreased by \$22.0 million from fiscal year 2014 to fiscal year 2013. The following table shows a summary of changes in from the prior year amounts:

Philadelphia Housing Authority
Net Position as of March 31
(In millions of dollars)

					<u>Increase/(Decrease)</u>	
	<u>2014</u>	<u>2013</u>	<u>Amount</u>	<u>Percent</u>		
<u>Assets</u>						
Cash & Investments	\$ 152.0	\$ 164.1	\$ (12.1)	-7.4%		
Accounts Receivable	65.8	46.6	19.2	41.2%		
Other Current Assets	2.3	7.8	(5.5)	-70.5%		
Total Current Assets	\$ 220.1	\$ 218.5	\$ 1.6	0.7%		
Net Program Loans Receivable	353.3	340.7	12.6	3.7%		
Restricted Cash & Investments	2.9	9.6	(6.7)	-69.8%		
Capital Assets	617.4	654.1	(36.7)	-5.6%		
Other Assets	5.1	9.5	(4.4)	-46.3%		
Total Assets	\$ 1,198.8	\$ 1,232.4	\$ (33.6)	-2.7%		
<u>Liabilities</u>						
Accounts Payable	\$ 5.9	\$ 5.0	\$ 0.9	18.0%		
Other Current Liabilities	33.3	40.9	(7.6)	-18.6%		
Total Current Liabilities	\$ 39.2	\$ 45.9	\$ (6.7)	-14.6%		
Noncurrent Liabilities	62.5	67.4	(4.9)	-7.3%		
Total Liabilities	\$ 101.7	\$ 113.3	\$ (11.6)	-10.2%		
<u>Net Position</u>						
Net investments in capital assets	\$ 561.6	\$ 594.0	\$ (32.4)	-5.5%		
Restricted	12.8	12.1	0.7	5.8%		
Unrestricted	522.7	513.0	9.7	1.9%		
Total Net Position	\$ 1,097.1	\$ 1,119.1	\$ (22.0)	-2.0%		
Total Liabilities and Net Position	\$ 1,198.8	\$ 1,232.4	\$ (33.6)	-2.7%		

Statement of Revenues, Expenses and Changes in Net Position. The statement shows the sources of PHA's changes in net position as they arise through its various programs and functions. A condensed Statement of Revenues, Expenses and Changes in Net Position comparing fiscal year 2014 with fiscal year 2013 is shown in the table below.

Philadelphia Housing Authority
Statement of Revenues, Expenses and Changes in Net Position for the year ended March 31
(In millions of dollars)

	<u>2014</u>	<u>2013</u>	<u>Amount</u>	<u>Increase/(Decrease)</u>	<u>Percent</u>
<u>Revenue</u>					
Program Revenue:					
Charges for Services	\$ 24.2	\$ 24.0	\$ 0.2		0.8%
Federal Revenue	322.5	319.9	2.6		0.8%
Other Revenue	9.0	11.2	(2.2)		-19.6%
Total Operating Revenue	355.7	355.1	0.6		0.2%
 <u>Expenses</u>					
Direct	262.3	255.5	6.8		2.7%
Administrative	71.8	77.7	(5.9)		-7.6%
Total Operating Expenses	334.1	333.2	0.9		0.3%
Depreciation	57.0	50.2	6.8		13.5%
Total Expenses	391.1	383.4	7.7		2.0%
Net nonoperating revenue	0.6	5.7	(5.1)		-89.5%
Capital subsidies	13.1	18.8	(5.7)		-30.3%
Prior period adjustments	(0.3)	3.8	(4.1)		-107.9%
Total Expenses, net of other items	377.7	358.9	5.2		1.5%
Increase/(Decrease) in Net Position	\$ (22.0)	\$ (3.8)	\$ (18.2)		478.9%

Federal Revenue includes the annual operating subsidies and capital grants made available by the U.S. Department of Housing and Urban Development ("HUD"), along with grants received from other Federal sources and the Commonwealth of Pennsylvania. Federal Revenue increased by \$2.6 million.

Direct expenses amounted to \$262.3 million, representing a year-to-year increase of \$6.8 million, or 2.7%. Administrative expenses total \$71.8 which is a decrease of \$5.9 million or 7.6% from the prior fiscal year.

Capital Assets. Capital Assets include land, buildings and improvements, equipment and construction in progress. At March 31, 2014 total capital assets totaled \$1,566.8 billion. The Authority's total capital assets increased \$19.4 million or 1.3% compared to the prior year. Capital acquisitions totaled \$20.6 million.

**Philadelphia Housing Authority
Capital Assets as of March 31
(In millions of dollars)**

	<u>Increase/(Decrease)</u>			
	<u>2014</u>	<u>2013</u>	<u>Amount</u>	<u>Percent</u>
Land	\$ 23.6	\$ 23.6	\$ -	0.0%
Buildings and Improvements	1,496.7	1,401.8	94.9	6.8%
Equipment - Dwelling	1.1	1.1	0.0	0.0%
Equipment - Administration	21.4	19.9	1.5	7.5%
Construction in process	24.0	101.0	(77.0)	-76.2%
Total Capital Assets	1,566.8	1,547.4	19.4	1.3%
Accumulated Depreciation	(949.5)	(893.3)	(56.2)	6.3%
Net Capital Assets	\$ 617.3	\$ 654.1	\$ (36.8)	-5.6%

Long-term Debt and Other Long-term Liabilities. Long-term debt and other long-term liabilities as of March 31, 2014, compared with March 31, 2013, are depicted in the following schedule.

**Long-term Debt and Other Long-term Liabilities as of March 31
(In millions of dollars)**

	<u>Increase/(Decrease)</u>			
	<u>2014</u>	<u>2013</u>	<u>Amount</u>	<u>Percent</u>
Compensated Absences	\$ 2.9	\$ 2.1	\$ 0.8	38.1%
Long-term Debt	51.2	55.8	(4.6)	-8.2%
Self-Insurance Liability	2.4	4.4	(2.0)	-45.5%
Other	5.9	4.4	1.5	34.1%
Total	\$ 62.4	\$ 66.7	\$ (4.3)	-6.4%

Total bonds and notes payable decreased \$4.6 million.

Prior to April 1, 1999 the Philadelphia Housing Authority was self-insured for personal injury claims. Asserted and unasserted claims are accrued based on PHA's experience and advice of an independent claims manager. Although management believes that adequate accruals have been established, the ultimate liability that may result from asserted and unasserted claims could differ materially from estimated amounts. Beginning April 1, 1999, PHA purchased commercial policies for personal injury coverage.

Request for Information

This financial report is designed to provide a general overview of the Philadelphia Housing Authority's finances for all those with an interest in the agency's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Senior Vice President of Finance / Chief Financial Officer, 1800 South 32nd Street, Philadelphia, PA 19145.

PHILADELPHIA HOUSING AUTHORITY
STATEMENT OF NET POSITION
March 31, 2014

	Primary Government	Component Units
ASSETS		
Current Assets		
Cash and cash equivalents (Note 3)	\$ 100,205,213	\$ 5,833,138
Restricted cash (Note 3)	29,475,747	21,581,395
Investments (Note 3)	22,274,011	-
Receivables (Note 4)	65,770,206	3,184,969
Mortgage receivable (Note 7)	-	-
Other current assets (Note 5)	2,324,290	668,945
Total current assets	220,049,467	31,268,447
Nonconcurent assets		
Mortgages receivable (Note 7)	353,256,112	-
Restricted cash (Note 2)	-	-
Restricted investments (Note 3)	2,863,793	-
Capital assets, net (Note 6)	617,420,236	453,826,363
Equity interest in component units (Note 17)	5,076,592	-
Other assets (Note 5)	88,012	3,036,764
Total noncurrent assets	978,704,745	456,863,127
TOTAL ASSETS	\$ 1,198,754,212	\$ 488,131,574
LIABILITIES and NET POSITION		
Current Liabilities		
Accounts payable	\$ 5,891,200	\$ 1,526,460
Accrued liabilities	14,629,021	3,637,273
Current portion of long-term debt (Note 9)	4,575,000	3,497,133
Due to other government agencies	98,625	-
Compensated absences (Note 14)	4,486,076	-
Resident security deposits (Note 3)	800,020	540,183
Unearned revenue and other current liabilities (Note 8)	8,676,903	3,056,875
Total current liabilities	39,156,845	12,257,924
Noncurrent Liabilities		
Compensated absences (Note 14)	2,990,697	-
Long-term debt (Note 9)	51,197,958	359,081,215
Other long-term liabilities (Note 10)	8,296,729	57,662,000
Total noncurrent liabilities	62,485,384	416,743,215
TOTAL LIABILITIES	101,642,229	429,001,139
Net Position		
Net investment in capital assets	561,647,278	93,956,330
Restricted for housing assistance payments	9,800,783	-
Restricted for development	3,012,505	-
Unrestricted (deficit)	522,651,417	(34,825,895)
TOTAL NET POSITION	1,097,111,983	59,130,435
TOTAL LIABILITIES and NET POSITION	\$ 1,198,754,212	\$ 488,131,574

See Notes to Financial Statements.

PHILADELPHIA HOUSING AUTHORITY
STATEMENT OF REVENUES, EXPENSES and CHANGES IN NET POSITION
For the Year Ended March 31, 2014

	Primary Government	Component Units
Operating Revenue		
Tenant revenue	\$ 24,222,511	\$ 21,781,506
Operating subsidies	322,513,262	-
Other income	9,001,499	2,949,342
Total operating revenue	355,737,272	24,730,848
Operating Expenses		
Administrative	71,813,838	7,775,419
Tenant services	2,636,177	-
Utilities	22,929,277	4,400,699
Maintenance	60,452,929	8,740,155
Protective services	9,449,097	-
General	25,919,010	2,739,948
Housing assistance payments	140,871,173	-
Depreciation and amortization	57,047,576	18,266,300
Total operating expenses	391,119,077	41,922,521
OPERATING LOSS	(35,381,805)	(17,191,673)
Nonoperating Revenue (Expenses)		
Interest and investment earnings	5,986,142	15,604
Interest expense	(4,388,741)	(6,013,765)
Other revenue (charges)	(972,476)	-
Impairment loss (Note 6)	-	(27,314,059)
Net nonoperating revenue	624,925	(33,312,220)
LOSS BEFORE CAPITAL CONTRIBUTIONS	(34,756,880)	(50,503,893)
Capital Contributions		
HUD capital subsidies	13,069,561	-
Partner distributions	-	(48,115)
Partner contributions	-	2,265,326
	13,069,561	2,217,211
CHANGE IN NET POSITION	\$ (21,687,319)	\$ (48,286,682)
Net Position, beginning		
As previously reported	1,119,104,880	107,417,117
Prior period adjustments (Note 18)	(305,578)	-
As restated	1,118,799,302	107,417,117
Net Position, ending	\$ 1,097,111,983	\$ 59,130,435

See Notes to Financial Statements.

**PHILADELPHIA HOUSING AUTHORITY
STATEMENT OF CASH FLOWS
For the Year Ended March 31, 2014**

	Primary Government	Component Units
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipt from grants and subsidies	\$ 301,414,681	\$ -
Cash received from tenants	24,001,909	21,369,807
Other cash receipts	15,063,193	2,949,342
Cash payments to landlords	(140,871,173)	-
Cash payments for other operating expenses	(99,587,410)	(19,266,297)
Payments to and on behalf of employees	(107,945,197)	(5,893,176)
Net cash provided by (used in) operating activities	(7,923,997)	(840,324)
CASH FLOWS FROM CAPITAL and RELATED FINANCING ACTIVITIES		
Purchases of capital assets	(2,023,603)	(592,163)
Construction costs paid	(17,075,266)	-
Proceeds from sale of capital assets	3,537,456	-
Proceeds from debt	-	1,579,603
Debt principal payments	(4,390,000)	(76,077)
Proceeds from partner contributions	-	2,265,326
Fraud Recovery	34,996	-
Partner withdrawals	-	(48,115)
Interest payments on debt	(4,351,088)	(45,274)
Capital subsidies	13,321,284	-
Net cash provided by (used in) capital and related financing activities	(10,946,221)	3,083,300
CASH FLOWS FROM INVESTING ACTIVITIES		
Redemption of investments	93,353,627	-
Mortgage receivable advances	(3,718,202)	-
Proceeds from mortgage receivables	3,075,583	-
Interest income	618,831	15,612
Net cash provided by investing activities	93,329,839	15,612
Net increase in cash and cash equivalents	74,459,621	2,258,588
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	55,221,339	25,155,945
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 129,680,960	\$ 27,414,533

(Continued)

PHILADELPHIA HOUSING AUTHORITY
STATEMENT OF CASH FLOWS
For the Year Ended March 31, 2014

	Primary Government	Component Units
Consists of		
Cash and cash equivalents, current	\$ 100,205,213	\$ 5,833,138
Restricted cash - current	29,475,747	21,581,395
Total UNRESTRICTED and RESTRICTED AT END OF YEAR	\$ 129,680,960	\$ 27,414,533
 RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
OPERATING LOSS	\$ (35,381,805)	\$ (17,191,673)
Adjustments made to reconcile operating loss to net cash provided by (used in) operating activities:		
Depreciation and amortization	57,047,576	18,266,300
Bad debts	858,821	148,920
(Increase) decrease in assets:		
Tenant accounts receivable	(164,622)	(412,281)
Accounts receivable – subsidy	(20,989,851)	-
Accounts receivable - general	5,037,375	(816,606)
Other current assets	(2,176,835)	233,601
Decrease in liabilities:		
Accounts payable and accrued liabilities	(668,122)	(560,992)
Unearned revenue and other current liabilities	(11,486,534)	(507,593)
Net cash provided by (used in) operating activities	\$ (7,923,997)	\$ (840,324)
 SUPPLEMENTAL DISCLOSURE OF NONCASH ACTIVITIES		
Interest income added to Mortgages receivable	\$ 5,618,187	\$ -
Interest expense added to Accrued interest payable	\$ -	\$ 5,968,491

See Notes to Financial Statements.

**PHILADELPHIA HOUSING AUTHORITY
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUND TYPE - PENSION TRUST FUND
October 31, 2013**

A S S E T S		
Cash and cash equivalents		\$ 3,255,630
Investment, at fair value		
Pooled seperate accounts		32,442,378
Bonds domestic and global		18,965,059
Common stocks		67,892,579
Mutual funds		89,719,646
Total Investments		209,019,662
Receivables		
Contributions		576,591
Securities sold		102,252
Interest, dividend and other		203,089
Total Receivables		881,932
TOTAL ASSETS		213,157,224
LIABILITIES		
Securities purchased		390,621
Other Liabilities		518
TOTAL LIABILITIES		391,139
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	\$	212,766,085

See Notes to Financial Statements.

PHILADELPHIA HOUSING AUTHORITY
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUND TYPE - PENSION TRUST FUND
For the Year Ended October 31, 2013

ADDITIONS TO NET ASSETS:

Investment Income	
Interest	\$ 1,329,275
Dividends	2,406,532
Net appreciation in fair value of investments	28,971,130
	<hr/>
Investment management and custodial fees	32,706,937
	(1,421,185)
Net investment income	31,285,752
Contributions	
Employer	7,924,797
Employee	493,116
Total contributions	8,417,913
Other income	2,517
TOTAL ADDITIONS TO NET ASSETS	39,706,182

DEDUCTIONS FROM NET ASSETS:

Benefit payments	21,814,794
Administrative costs	425,794
TOTAL DEDUCTIONS FROM NET ASSETS	22,240,588
CHANGE IN NET ASSETS	17,465,594
NET ASSETS, Beginning	195,300,491
NET ASSETS, Ending	\$ 212,766,085

See Notes to Financial Statements.

PHILADELPHIA HOUSING AUTHORITY
Notes to Financial Statements
March 31, 2014

Note 1. Organization and the Agency

Philadelphia Housing Authority (“PHA” or “the Authority”) is the local housing authority established under Pennsylvania law to provide public housing and related services for the City of Philadelphia. PHA receives subsidies primarily for operations and modernization activities from the federal government. The Department of Housing and Urban Development (“HUD”) is the federal oversight entity for all public housing authorities and is responsible for allocating subsidies to housing authorities. PHA owns and/or operates more than 15,000 family and elderly units in 77 developments and administers more than 18,000 housing choice vouchers. PHA provides housing services for more than 80,000 residents of Philadelphia.

To meet the funding requirements of operating deficits that would otherwise result from the essential services that PHA provides, PHA receives subsidies, primarily from HUD, in the form of annual grants for operating assistance, contributions for capital and reimbursement of expenditures incurred for certain federal housing programs, and/or debt service payments. Subsidies are established through budgetary procedures, which establish amounts to be funded by the grantor agencies.

On March 4, 2011, due to alleged substantial violations of PHA’s Annual Contributions Contract (“ACC”) with HUD, PHA and HUD determined that HUD should take over the administration of PHA. To facilitate HUD’s administration of PHA, the parties agreed to execute a Cooperative Endeavor Agreement (the “CEA”) pursuant to which PHA and HUD agreed that HUD will act as the Board of Commissioners and appoint an Administrative Receiver to serve as the Executive Director.

Under the CEA, PHA prepared and obtained HUD Board approval for a Recovery Plan which identified tasks and objectives to be accomplished in order for PHA to return to local control and normal Board governance. Key Recovery Plan tasks have been completed including the establishment of a new Office of Audit and Compliance; restructuring of the Office of General Counsel and Human Resources Department; establishment of new ethics, non-discrimination and other essential workplace policies; completion of assessments of and corrective actions to major PHA operational areas; and resolution of a majority of the outstanding audit findings identified by the HUD Office of Inspector General.

Significant changes to the PHA Board structure have been approved by the Pennsylvania Legislature and signed into law by the Governor in July 2012. Under the new legislation, the Mayor of Philadelphia will appoint a nine-member Board of Commissioners, subject to the approval of the Philadelphia City Council. The new PHA Board took office on April 26, 2013 and on that date the HUD receivership was terminated. Following a national search for a new Executive Director, Kelvin Jeremiah was appointed President and Chief Executive Officer of PHA, the office formerly known as Executive Director. On November 23, 2013, PHA, HUD and the City of Philadelphia executed a Transition Agreement, the primary objective of which was to establish a supportive relationship between the City, the PHA and HUD to ensure the efficient operation of PHA.

Note 2. Summary of Significant Accounting Policies

Reporting Entity

In determining how to define the reporting entity, management has considered all potential component units to PHA. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The decision to include a component unit in the reporting entity using the blending method or by discrete presentation was made by applying the criteria set forth in Sections 2100 and 2600 of the Governmental Accounting Standards Board *Codification of Governmental Accounting and Financial Reporting Standards*.

PHA's financial statements include four blended component units in compliance with GASB. These are legally separate entities for which PHA has operational responsibility and are controlled by PHA. There is a financial benefit/burden relationship between PHA and the component units and the services provided are entirely or almost entirely to the benefit of PHA.

PHA's financial statements also include 34 discrete component units which consist of Limited Partnerships and Alternate Managed Entities and are fully described in Note 17.

One blended and all the discrete component units are reported on a three-month time lag as of December 31, 2013.

The blended component units and discretely presented units are listed in Note 17. The component units also issue stand-alone financial reports. These reports can be obtained from the office of the Chief Financial Officer of the Authority located at 1800 S 32nd Street, Philadelphia, PA 19145.

Description of Financial Statements

The basic financial statements include the accounts of PHA ("primary government"), the fiduciary fund type – pension trust fund and PHA's component units.

All of PHA's programs are accounted for as a single enterprise fund, which is a type of proprietary fund. Enterprise funds are used to report any activity for which a fee is charged to external users for goods or services. The focus of proprietary fund measurement is upon determination of operating income, changes in net assets, financial position and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector.

The notes to the financial statements are an integral part of the financial statements.

Basis of Accounting

Proprietary funds and fiduciary funds are presented on the accrual basis of accounting. Non exchange revenues, including intergovernmental grants and subsidies, are reported when all eligibility requirements have been met. Fees and charges and other exchange revenues are recognized when earned and expenses are recognized when incurred.

Federal Programs

Grant programs are subject to financial and compliance audits by the grantors or their representatives. Management believes PHA's potential future liability for disallowances resulting from these audits will not have an adverse impact on the financial statements of PHA.

PHA received approximately **89.6%** of its fiscal 2014 operating subsidies from HUD under the Low-Rent Housing and Section 8 Programs. Descriptions of the primary PHA programs follow:

Note 2. Summary of Significant Accounting Policies (Continued)

Federal Programs (Continued)

Low-Rent Housing Program: This program provides low-rent housing to qualified residents of the City of Philadelphia. All units are owned and operated by PHA and were purchased with financing arranged or provided through HUD. The operations of the program are subsidized by HUD through Annual Contributions Contract W-55. Operating subsidy contributions for the year ended March 31, 2014 were **\$113,606,751** and are included in operating subsidies in the combined statement of revenues, expenses and changes in net position.

Section 8 Programs: The Section 8 Programs - Housing Choice Voucher Programs - include Moving to Work, Substantial Rehabilitation, Moderate Rehabilitation, Rental Vouchers, and Single Room Occupancy programs. These programs were authorized by Section 8 of the National Housing Act and provide housing assistance payments to private, not-for-profit or public landlords to subsidize rentals for low-income persons. HUD contributions for Section 8 programs under Annual Contributions Contract P-4601 are included in operating subsidies in the statement of revenues, expenses and changes in net position as follows:

Housing Choice Voucher Program	\$ 186,323,706
Mainstream	523,572
Moderate Rehabilitation	1,881,356
Single Room Occupancy	<u>1,967,322</u>
	<u>\$ 190,695,956</u>

Moving-to-Work Program: The Moving-to-Work (MTW) Demonstration Program is focused on helping families achieve self-sufficiency and on improving and increasing the stock of quality affordable housing throughout the City. It will furnish convenient and comprehensive services to families to assist them in reaching their full potential, with an emphasis on education, job training and placement, self-sufficiency, and preparation for homeownership. In addition, MTW will promote the revitalization of neighborhoods where MTW and MTW-eligible families live.

Substantial Rehabilitation Programs: The Section 8 Substantial Rehabilitation programs allow for construction of low-income housing units to be subsidized for a contracted period of time. Both for-profit and not-for-profit developers may provide low-income housing under this program. Developers must obtain their own financing and HUD subsidizes rents once the units are occupied.

Moderate Rehabilitation Program: This program provides for the rehabilitation of housing units, which then must be rented to low-income individuals for a contracted period of time. Both for-profit and not-for-profit developers may participate in this program. Under this program, developers must obtain their own rehabilitation financing and then HUD subsidizes rents, once the units are occupied, in such amounts sufficient to cover the developer's debt service payments on the financing.

Housing Choice Voucher Program: This program allows for existing privately-owned housing units to be used for low-income housing. This program assists low-income families and persons to find and lease a house or apartment. After inspecting the unit, PHA assists the resident in negotiating a lease under HUD rules and regulations for the program. The resident pays a share of the rent according to HUD guidelines, and the remainder is subsidized by PHA through HUD funding.

PHA earns a fee from HUD for administering the Housing Choice Voucher Program. This fund accounts for the revenues and expenses associated with providing administrative services.

Note 2. Summary of Significant Accounting Policies (Continued)

In addition to the above primary programs, PHA administers the following:

- Senior Program
- Summer Food Program
- Congregate Housing Services Program
- Summer Youth Program - "Youth Works"
- Homeownership
- Nursing Home Assistance
- GREAT Program
- Pre-Apprenticeship

Budgets

Budgets are prepared on an annual basis for each major operating program and are used as a management tool throughout the accounting cycle. The capital fund budgets are adopted on a "project length" basis. Beginning with the budget prepared for the year ending March 31, 2014, budgets are subject to approval by PHA's Board of Commissioners.

Cash and Cash Equivalents

PHA considers all securities, including certificates of deposit, and short-term investments, with original maturities of three months or less to be cash equivalents. Portions of PHA's cash, cash equivalents and investments are restricted by "use" limitations externally imposed by creditors, funding source agreements, or legislation.

Investments

Investments are stated at fair value, generally based on quoted market prices. Income from investments is recognized on the accrual basis.

Capital Assets

Capital assets include land, structures and equipment recorded at cost and are comprised of initial development costs, property betterments and additions, and modernization program costs. Assets capitalized generally have an original cost of five hundred dollars (\$500) or more, and a useful life in excess of one year. PHA depreciates these assets over their estimated useful lives using the straight-line method of depreciation. The useful lives are as follows:

Buildings	40 years
Building improvements	15 years
Roofs	10 years
Heavy equipment	7 years
Automobiles	5 years
Equipment	5 years
Computer equipment	3 years

Maintenance and Repairs

Maintenance and repair costs considered necessary to maintain facilities in good operating condition are charged to operations as incurred.

Note 2. Summary of Significant Accounting Policies (Continued)

Impairment of Long-Lived Assets

PHA and its Component Units review their rental properties for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. When recovery is reviewed for the component units, if the undiscounted cash flows estimated to be generated by the property are less than its carrying amount, management compares the carrying amount of the property to its fair value in order to determine whether an impairment loss has occurred. The amount of the impairment loss is equal to the excess of the asset's carrying value over its estimated fair value. As of March 31, 2014, an impairment loss of \$27.3 million was recognized by three of the Component Units and is further discussed in Note 6. No impairment loss was recognized during the fiscal year ended March 31, 2013.

Accounts Receivable

Management reviews the collectability of all accounts receivable on a periodic basis. An allowance for doubtful accounts has been established based on the history of past write-offs and collections, and current credit conditions.

Compensated Absences

A liability is recorded for compensated absences attributable to services already rendered and not contingent on a specific event outside the control of PHA and its employees, as employees earn the right to the benefits. Compensated absences that relate to future services or that are contingent on a specific event outside the control of PHA and its employees are accounted for in the period in which such services are rendered or in which such events take place.

Income Taxes

PHA is a Pennsylvania municipal authority and, as such, is exempt from income taxes and other state and local taxes. PHA believes it has not engaged in any activities for which its tax-exempt status would not be sustained under Internal Revenue Service examination or that would require filing of an income tax return for unrelated business income taxes.

Use of Restricted Assets

When both restricted and unrestricted resources are available for a particular restricted use, it is PHA's policy to use restricted resources first, and then unrestricted resources as needed.

Operating Revenues and Expenses

PHA defines its operating revenues as income derived from charges to residents and others for services provided, and in the management of PHA assets. Its operating expenses are costs incurred in the operation of its program activities to provide services to residents and others. PHA classifies other revenues and expenses as non-operating.

Net Position Classifications

Net position is reported in three components:

- a. **Net investment in capital assets** – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. **Restricted** – Consists of net position restricted to specific uses either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. **Unrestricted** – All other net position that does not meet the definition of "restricted" or "net investment in capital assets". In instances where unrestricted or restricted resources may be used to fund expenditure, the Authority will initially use restricted assets.

Note 2. Summary of Significant Accounting Policies (Continued)

Subsequent Events

Management has evaluated subsequent events through December 18, 2014, which is the date the financial statements were available to be issued. Subsequent events are more fully described at Note 20.

Use of Estimates

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

New Accounting Standards Adopted

In March 2012, the GASB issued GASB 65, *Items Previously Reported as Assets and Liabilities*, required to be effective for periods beginning after December 15, 2012. The statement clarifies the appropriate reporting of deferred outflows of resources and deferred inflows of resources to ensure consistency in financial reporting. PHA implemented this statement during fiscal year 2014. This statement had no effect on the Authority's Statements of Net Position, Revenues and Expenses and Cash Flows.

In November 2010, the GASB issued Statement No. 61, *The Financial Reporting Entity: Omnibus*. The objective of this Statement is to improve financial reporting for a governmental financial reporting entity and contains amendments of GASB Statements No. 14 and No. 39. The amendments in GASB No. 61 are effective beginning with the periods beginning after June 15, 2012. PHA's management implemented this statement during fiscal year 2014. This statement had no effect on the Authority's Statements of Net Position, Revenues and Expenses and Cash Flows. The Authority enhanced Note 17 to comply with the requirements of the new accounting guidance. Equity interest in the component units in the amount of \$5,076,592 was reclassified in the Statement of New Position.

Accounting Standards Issued But Not Yet Adopted

GASB Statement No. 68 (“GASB 68”), Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27, was issued in June 2012. This Statement establishes financial reporting standards for state and local governmental pension plans, defined benefit pension plans and defined contribution pension plans that are administered through trusts or equivalent arrangements in which:

- 1) Contributions from employers and nonemployer contributing entities to the pension plan and earnings on those contributions are irrevocable.
- 2) Pension plan assets are dedicated to providing pensions to plan members in accordance with the benefit terms.
- 3) Pension plan assets are legally protected from the creditors of employers, nonemployer contributing entities, and the pension plan administrator. If the plan is a defined benefit plan, plan assets also are legally protected from creditors of the plan members.

The requirements of GASB 68 apply to the financial statements of all state and local governmental employers whose employees (or volunteers that provide services to state and local governments) are provided with pensions through pension plans that are administered through trusts that meet certain criteria and to the financial statements of state and local governmental nonemployer contributing entities that have a legal obligation to make contributions directly to such pension plans. The requirements apply whether the government's financial statements are presented in stand-alone financial reports or are included in the financial reports of another government.

GASB 68 establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures. For defined pension plans, GASB 68 identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employer service. Note disclosure and required supplementary information requirements about pensions are also addressed.

Note 2. Summary of Significant Accounting Policies (Continued)

Accounting Standards Issued But Not Yet Adopted (Continued)

GASB 68 replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, and Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet  criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement.

The provisions of GASB 68 are effective for financial statements for fiscal years beginning after June 15, 2014. Earlier application is encouraged. The Authority is currently evaluating the impact of GASB 68 on its financial statements.

GASB Statement No. 69 (“GASB 69”), *Government Combinations and Disposals of Government Operations*, was issued in January 2013. This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this Statement, the term government combinations include a variety of transactions referred to as mergers, acquisitions, and transfers of operations.

The distinction between a government merger and a government acquisition is based upon whether an exchange of significant consideration is present within the combination transaction. Government mergers include combinations of legally separate entities without the exchange of significant consideration. GASB 69 requires the use of carrying values to measure the assets and liabilities in a government merger. Conversely, government acquisitions are transactions in which a government acquires another entity, or its operations, in exchange for significant consideration. GASB 69 requires measurements of assets acquired and liabilities assumed generally to be based upon their acquisition values. This Statement also provides guidance for transfers of operations that do not constitute entire legally separate entities and in which no significant consideration is exchanged. GASB 69 defines the term operations for the purposes of determining the applicability of this Statement and requires the use of carrying values to measure the assets and liabilities in a transfer of operations.

A disposal of a government’s operations results in the removal of specific activities of a government. This Statement provides accounting and financial reporting guidance for disposals of government operations that have been transferred or sold.

GASB 69 requires disclosures to be made about government combinations and disposals of government operations to enable financial statement users to evaluate those transactions.

The requirements of GASB 69 are effective for government combinations and disposals of government operations occurring in financial reporting periods beginning after December 15, 2013, and should be applied on a prospective basis. Earlier application is encouraged. The Authority is currently evaluating the impact of GASB 69 on its financial statements.

GASB Statement No. 70 (“GASB 70”), *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, requires a state or local government guarantor that offers a nonexchange financial guarantee to another organization or government to recognize a liability on its financial statements when it is more likely than not that the guarantor will be required to make a payment to the obligation holders under the agreement.

The requirements of this Statement are effective for reporting periods beginning after June 15, 2013. Early application of the standard is encouraged. The Authority does not anticipate that the implementation of this standard will have an impact on its financial statements.

Note 2. Summary of Significant Accounting Policies (Continued)

Accounting Standards Issued But Not Yet Adopted (Continued)

GASB Statement No. 71 (“GASB 71”), Pension Transition for Contributions Made Subsequent to the Measurement Date – An amendment of GASB Statement No. 68, requires a state or local government employer (or nonemployer contributing entity in a special funding situation) to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. If a state or local government employer or nonemployer contributing entity makes a contribution to a defined benefit pension plan between the measurement date of the reported net pension liability and the end of the government’s reporting period, Statement 68 requires that the government recognize its contribution as a deferred outflow of resources. In addition, Statement 68 requires recognition of deferred outflows of resources and deferred inflows of resources for changes in the net pension liability of a state or local government employer or nonemployer contributing entity that arise from other types of events. At transition to Statement 68, if it is not practical for an employer or nonemployer contributing entity to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, paragraph 137 of Statement 68 requires that beginning balances for deferred outflows of resources and deferred inflows of resources not be reported.

The provisions of this Statement are required to be applied simultaneously with the provisions of Statement 68.

Note 3. Cash and Investments

PHA's investment policies are designed to ensure compliance with Federal and State regulations including, but not limited to requirements set forth by HUD and Commonwealth of Pennsylvania guidelines (The Pennsylvania Public Funds Act). These policies restrict PHA's investments to obligations of the U.S. Treasury, U.S. Government agencies, and their instrumentalities. PHA's current investment strategy involves a consideration of the basic risks of fixed-income investing, including interest rate risk, market, risk, credit risk and re-investment risk. In managing these risks, the primary factors considered are safety of principal, yield, liquidity, maturity and administrative costs.

All investments are held in secured custody accounts in the name of PHA. All investments are publicly traded and the fair value was based on published quoted values.

It is PHA's policy to maintain a tri-party collateralization arrangement in accordance with the requirements of both HUD and the Commonwealth of Pennsylvania.

HUD defines three custodial credit risk categories for deposits as follows:

- (1) Insured or collateralized with securities held by the entity or by its agent (correspondent bank or Federal Reserve Bank) in the entity's name.
- (2) Collateralized with securities held by the pledging financial institution, trust department or agent in the entity's name.
- (3) Uncollateralized or collateralized with securities held by the pledging financial institution or by its trust department or agent, but not in the entity's name.

Note 3. Cash and Investments (Continued)

At March 31, 2014 cash and investments consisted of the following:

	Fair Value	Carrying Amount
Primary Government - cash		
Money market funds - Government Obligations	\$103,450,680	\$103,450,680
Money market funds - Banks	1,835,619	1,835,619
Demand deposits	10,238,689	10,238,689
Cash held by third party	14,153,202	14,153,202
Petty cash	2,770	2,770
Total cash	129,680,960	129,680,960
Primary Government		
U.S. Government securities	25,137,804	25,137,804
Total cash and investments	\$154,818,764	\$154,818,764

Reconciliation of detail to statement of net position:

	Primary Government	Component Units
Cash and cash equivalents	\$100,205,213	\$ 5,833,138
Investments unrestricted	22,274,011	-
Restricted cash	29,475,747	21,581,395
Restricted investments	2,863,793	-
Total	\$154,818,764	\$ 27,414,533

Unrestricted cash and cash equivalents consist mainly of demand deposits which are earmarked towards the funding of certain liabilities and future obligations and used for day to day operations. All funds on deposit are FDIC insured up to \$250,000 per institution or are fully collateralized in accordance with guidance recommended by HUD. Depository accounts maintaining federal funds are fully collateralized by Treasury and/or Federal Agency securities.

Securities are held with a third-party custodian. The collateral for the securities must be held in an account separate and apart from the assets of the financial institution.

Note 3. Cash and Investments (Continued)

Restricted cash and investments at March 31, 2014 pertain to the following:

	Primary Government	Component Units
Cash		
Resident security deposits	\$ 800,020	\$ 540,183
Affordability reserves	148,712	5,165,339
Replacement reserves	-	5,296,649
Investment equity reserves	-	512,177
Operating reserve	-	7,426,662
Trustee reserves	-	121,490
Section 8 HAP equity reserves	9,800,783	-
Workman's compensation escrow fund held by third party	14,153,202	-
PHASI insurance fund	1,749,298	-
Other reserves	<u>2,823,732</u>	<u>2,518,895</u>
	<u>29,475,747</u>	<u>21,581,395</u>
Investments		
Affordability reserves and others	<u>2,863,793</u>	<u>-</u>
	<u>\$ 32,339,540</u>	<u>\$ 21,581,395</u>

Total bank balances for primary government and component units as of March 31, 2014 were \$9.1 million and \$6.1 million, respectively.

Additional information about PHA's investment portfolio is presented below:

	AMOUNT	MATURITY		RATING	
		0 - 12 Months	1 - 2 Years	S&P	Moody
Cash Equivalents					
First American Government Obligations Fund	\$103,450,680			N/A	N/A
Wells Fargo	1,835,619			N/A	N/A
	<u>\$105,286,299</u>	<u>\$0</u>	<u>\$0</u>		
Investments					
Federal Home Loan Bank	\$3,941,599	\$2,917,132	\$1,024,467	AAA	AA+
Federal Farm Credit Bank	931,300	275,182	656,118	AAA	AA+
Federal Home Loan Mortgage Corporation	6,877,981	4,649,585	2,228,396	AAA	AA+
Federal National Mortgage Association	8,232,896	5,014,065	3,218,831	AAA	AA+
U.S. Treasury Obligations	5,154,028	1,963,201	3,190,827	AAA	N/A
	<u>\$25,137,804</u>	<u>\$14,819,165</u>	<u>\$10,318,639</u>		

Credit Risk

Credit risk is defined as the risk associated with an issuer of an investment who will not fulfill its obligation to the holder of the investment. The PHA mitigates this credit risk by investing only in approved securities rated in the highest category of at least one of the following three national rating agencies (Standard & Poor's, Moody's and Fitch).

Note 3. Cash and Investments (Continued)

Concentration of Credit Risks

PHA mitigates concentration risk by permitting no more than 10 percent of the operating portfolio value to be invested in securities issued by a single entity. This limit shall not apply to cash or cash equivalents or investments guaranteed by the full faith and credit of the United States of America. PHA strives to invest only in AA and AAA rated Federal Agency and/or US Treasury securities. Therefore PHA's policy does not place a limit on investments with any one issuer. PHA's demand deposits are maintained in fully collateralized Money Market and interest bearing accounts. Consequently, PHA does not limit deposits to any one bank. Nevertheless, PHA strives to diversify holdings in cash and cash equivalents, whenever possible, to further minimize any potential concentration of credit risk.

Interest Rate Risk

Interest rate risk is the risk that changes in interest will adversely affect the fair value of PHA's investment portfolio. In accordance with PHA's investment policy, interest rate risk is mitigated by investing mostly in US Treasury securities, or securities issued by the US Government and their instrumentalities. To further mitigate this risk, the PHA ensures at least 40% of its aggregate portfolio matures within one year.

Custodial Credit Risk

Custodial credit risk is contingent on the health of a depository financial institution. In the event of the failure of a PHA depository financial institution, PHA may not be able to recover its deposits, or be able to recover collateral securities that are in the possession of an outside party. PHA mitigates the risk by monitoring the financial stability of its depository banks and trust agents holding said collateral. In order to protect against this risk, PHA prohibits custodial banks from holding securities purchased for the PHA and purchasing such securities from brokers or dealers related to the custodial bank, unless a provision to the contrary is negotiated with and agreed to by PHA as part of a credit or borrowing program.

Restricted Funds

PHA and Component Units maintain funds that are restricted in use either by contractual agreement or at the specific direction of HUD. Some of these restricted funds are held by third-party trustees. These restricted funds are available for disbursement for their intended uses.

For the fiduciary fund:

Method Used to Value Investments

Investments are reported at fair value based on quoted market prices. Short-term investments are reported at cost, which approximates fair value. Securities traded on national or international exchanges are valued at the last reported sales price at current exchange rates. All Plan assets are managed by outside fund managers.

Note 3. Cash and Investments (Continued)

The fair value of the Plan's investments by fund manager, including short-term investments of \$3,119,854 for 2013, included in cash and cash equivalents on the Statements of Fiduciary Net Assets are as follows:

	<u>2013</u>
Equity Fund Managers:	
Morgan Stanley	\$ 34,096,472
Westwood	17,137,279
Turner	16,076,198
Swarthmore	15,796,084
Cooke & Bieler	16,139,720
Grantham Mayo Van Otterloo & Co., LLC (GMO)	14,582,451
Westfield Capitol	10,734,091
Chartwell	10,618,677
Total equities	\$ 135,180,972
 Fixed Income Fund Managers	
Prudential	\$ 32,442,378
Hughes Capital	20,493,858
Loomis Sayles	13,719,593
City of London	10,302,715
Aberdeen	-
Total fixed income	76,958,544
Total investments by fund manager	\$ 212,139,516

Deposits and Investments

Accounting Standards require that deposits and investment risks that have a potential for loss be disclosed. These investments and deposits that are uninsured, and not registered in the name of the Plan, and are held by either (a) the counterparty or (b) the counterparty's Trust Department agent, but not in the Plan's name. No such investments or deposits were noted under the Plan.

Pursuant to the Plan's investment policy, the Plan may invest in the following types of investments: domestic and international equities, domestic debt, global debt, global fixed income, private equity and real estate.

Investments that represent 5 percent or more of fair value of the Plan's assets available for benefits at October 31 are as follows:

	<u>2013</u>
Morgan Stanley International Equity Fund	\$ 34,096,472
Prudential Core Bond Enhancement Index	25,974,959
Loomis Sayles Multi Sector Full Discretion Fund	13,719,593
Westwood Trust Large Cap Fund	17,137,279

Note 4. Receivables

Rents are due from tenants on the first day of each month. As a result, tenant receivable balances primarily consist of rents past due and due from vacated tenants. An allowance for doubtful accounts is established to provide for accounts which may not be collected in the future for any reason.

Accounts receivable at March 31, 2014 was comprised of the following:

	Primary Government	Component Units
Tenant receivables	\$ 664,880	\$ 1,111,409
Due from HUD	54,610,243	-
Accrued interest	84,165	-
Development fees	7,270,376	-
Due from affiliates	2,949,566	-
Miscellaneous	2,383,729	2,711,952
	<hr/>	<hr/>
Less allowance for doubtful accounts	67,962,959	3,823,361
	<hr/>	<hr/>
	(2,192,753)	(638,392)
	<hr/>	<hr/>
	\$ 65,770,206	\$ 3,184,969

Note 5. Other Assets

Other assets at March 31, 2014 were comprised of the following:

	Primary Government	Component Units
Current		
Prepaid expenses	\$ 1,093,140	\$ 668,945
Materials and supplies, net	<hr/>	-
	1,231,150	<hr/>
	\$ 2,324,290	\$ 668,945
Noncurrent		
Turnkey homes held for resale	\$ 88,012	\$ -
Other	<hr/>	3,036,764
	-	<hr/>
	\$ 88,012	\$ 3,036,764

Note 6. Capital Assets

Capital assets for the year ended March 31, 2014 were as follows:

Primary Government	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
<i>Capital assets not being depreciated</i>					
Land	\$ 23,617,161	\$ 45,286	\$ (53,336)	\$ -	\$ 23,609,111
Construction in progress	100,996,883	18,710,624	(153,413)	(95,517,767)	24,036,327
<i>Capital assets being depreciated</i>					
Building and improvements	1,401,778,102	378,895	(776,875)	95,358,445	1,496,738,567
Equipment - dwelling	1,131,169	-	-	-	1,131,169
Equipment - administration	19,904,918	1,494,602	(114,669)	159,322	21,444,173
Total Capital Assets					
Less: accumulated depreciation	1,547,428,233	20,629,407	(1,098,293)	-	1,566,959,347
Building and improvements	(893,281,722)	(57,047,576)	790,187	-	(949,539,111)
Equipment - dwelling	-	-	-	-	-
Equipment - administration	-	-	-	-	-
Net Capital assets					
	\$ 654,146,511	\$ (36,418,169)	\$ (308,106)	\$ -	\$ 617,420,236
 Discrete Component Units					
<i>Capital assets not being depreciated</i>					
Land	\$ -	\$ 5,593,652	\$ -	\$ -	\$ 5,593,652
<i>Capital assets being depreciated</i>					
Building and improvements	621,447,825	326,116	(5,669,442)	-	616,104,499
Equipment - dwelling	3,657,270	-	(3,111,234)	-	546,036
Equipment - administration	727,297	3,126,955	-	-	3,854,252
Total Capital Assets					
Less: accumulated depreciation	625,832,392	9,046,723	(8,780,676)	-	626,098,439
Building and improvements	(127,017,833)	(18,266,300)	326,116	-	(144,958,017)
Equipment - dwelling	-	-	-	-	-
Equipment - administration	-	-	-	-	-
Net book value before impairment	498,814,559	(9,219,577)	(8,454,560)	-	481,140,422
Less: Impairment loss - Building and improvements	-	-	(27,314,059)	-	(27,314,059)
Net Capital assets					
	\$ 498,814,559	\$ (9,219,577)	\$ (35,768,619)	\$ -	\$ 453,826,363

Construction in progress represents costs incurred on open development projects or on major improvement projects. PHA recognizes Construction in Progress on the accompanying statement of net position until such time as the assets are placed in service and transferred to the applicable capital asset class on a development by development basis. These projects were at various stages of completion at March 31, 2014. Upon transfer to the proper capital asset class, these capital assets will be depreciated over their estimated useful lives. As of March 31, 2014, PHA has committed approximately \$29.4 million of additional funds to construction contracts related to these development projects.

Note 6. Capital Assets (Continued)

In the fiscal year 2014, the net rent property of the following component units were written down to its estimated fair value as follows:

	COMPONENT UNIT			
	Ridge Avenue Housing	Uni-Penn Housing I	Uni-Penn Housing II	TOTAL
Net book value	\$ 17,246,487	\$ 5,325,741	\$ 7,091,831	\$ 29,664,059
Fair market value	1,745,000	147,000	458,000	2,350,000
Impairment loss	\$ 15,501,487	\$ 5,178,741	\$ 6,633,831	\$ 27,314,059

Fair value measurements were made using both a sales approach and an income approach utilizing primarily unobservable inputs (Level 3) due to a lack of market transactions involving tax credit properties. Management of the component units used the multiple valuation technique to estimate the fair value of the underlying real estate.

Note 7. Mortgages Receivable

Mortgages receivable are summarized as follows:

Non-interest-bearing note due from Philadelphia Redevelopment Authority ("RDA")	\$ 34,059,453
Amounts due from PHA component units, at interest rates ranging from -0% to 5.46% (Note 9)	277,639,708
Mortgage receivable from RDA and component units	311,699,161
Accrued interest - Component units	41,556,951
	\$ 353,256,112

The amount due from RDA is in connection with the rehabilitation of the rental housing project "*The Courtyard Apartments at Riverview*," which is owned by Southwark Plaza Limited Partnership (Southwark), a component unit of PHA. The loan resulted from a HUD grant to PHA, which PHA subsequently provided to the project to repay tax-exempt mortgage notes issued by RDA. Repayment is due upon final settlement with RDA and limited to the amount of the property collateralized by Southwark.

The amounts due from the component units represent advances of various HUD grants under the Moving to Work Program, Hope VI Program and other capital fund programs. The offsetting liability of the discrete component units is included in long-term debt and accrued interest (Note 9). The mortgage and interest receivables and the respective liabilities net to zero with the exception of \$3,956,203 in advances made to component units and timing difference of interest receivables/payables between December 31, 2013 and March 31, 2014.

As discussed in Note 6, three component units recognized impairment loss of \$27.3 million which is based on discounted future cash flow of the component units' revenue stream. PHA management did not agree with the basis behind the recognition of impairment loss since these component units are not created for such purpose. Based on management's assessment of the replacement costs of component units' properties, PHA believes that no valuation allowance is necessary.

The repayment schedule is as follows:

Year Ending March 31	\$
2015-2036	-
2037	35,682,801
2038-2042	102,213,500
2043-2047	25,004,075
2048-2052	17,145,277
2053-2057	27,118,140
2058-2062	87,745,488
2063-2067	58,346,831
	\$ 353,256,112

Note 8. Unearned Revenue and Other Current Liabilities

Unearned revenue and other liabilities at March 31, 2014 consisted of the following:

	Primary Government	Component Units
Accrual for workers' compensation claim (Note 10)	\$ 5,000,000	\$ -
Due to affiliates	527,865	2,875,968
Deferred credits	1,499,779	180,907
Contract retention	108,539	-
Escrow accounts	1,516,435	-
Other payables	24,285	-
	<u>\$ 8,676,903</u>	<u>\$ 3,056,875</u>

Note 9. Long-Term Debt

Long-term debt is summarized as follows:

	Beginning Balance	Additions	Repayments	Ending Balance	Due within 1 year
Primary Government					
Bonds	\$ 59,540,000	\$ -	\$ 4,390,000	\$ 55,150,000	\$ 4,575,000
Unamortized bond premium	622,958	-	-	622,958	-
	<u>\$ 60,162,958</u>	<u>\$ -</u>	<u>\$ 4,390,000</u>	<u>\$ 55,772,958</u>	<u>\$ 4,575,000</u>
Discrete Component Units					
Bonds	\$ 27,015,000	\$ -	\$ 3,320,000	\$ 23,695,000	\$ 3,475,000
Notes due to PHA	275,919,228	5,006,756	-	280,925,984	-
Other notes	58,033,441	2,998,923	3,075,000	57,957,364	22,133
	<u>\$ 360,967,669</u>	<u>\$ 8,005,679</u>	<u>\$ 6,395,000</u>	<u>\$ 362,578,348</u>	<u>\$ 3,497,133</u>

Borrower/Description

Primary Government	Due Third Parties
Tasker Capital Fund Revenue Bonds, Series A of 2002; interest at rates ranging from 1.5% to 5.5% payable each June 1 and December 1; annual principal payments due each December 1 through 2021	\$ 44,150,000
Tasker II Capital Fund Revenue Bonds, Series D of 2003; 4.75% interest payable each June 1 and December 1 annual principal payments due 2017 through 2022	<u>11,000,000</u>
	<u><u>\$ 55,150,000</u></u>

Note 9. Long-Term Debt (Continued)

Discrete Component Units		Due Third Parties	Due PHA
0.5% mortgage note collateralized by <i>8 Diamonds</i> property; principal and interest; due in 2040	\$ -	\$15,968,970	
5.46% mortgage note collateralized by <i>Cambridge Plaza</i> property; principal and interest due in 2042	-	2,686,182	
5.23% mortgage note collateralized by <i>Cambridge Plaza II</i> property; principal and interest due in 2058	-	3,593,093	
5.23% mortgage note collateralized by <i>Cambridge III</i> property; principal and interest due in 2059	-	3,041,325	
4.52% mortgage note collateralized by <i>Germantown House</i> property; principal and interest due in 2061	-	5,687,912	
Non-interest-bearing mortgage note collateralized by <i>Germantown House</i> property; due in 2059	-	2,500,000	
2.2% mortgage note collateralized by <i>LEB II</i> property; principal and interest due in 2060	-	4,201,075	
4.79% mortgage note collateralized by <i>LEB III</i> property principal and interest due in 2061	-	2,944,341	
1% mortgage note collateralized by <i>Ludlow Scattered Sites</i> property; principal and interest due in 2052	-	6,050,000	
5.18% mortgage note collateralized by <i>Ludlow Scattered Sites</i> property; principal and interest due in 2062	-	5,495,499	
Non-interest-bearing bridge note collateralized by <i>Mantua I</i> property	-	7,360,426	
Non-interest-bearing mortgage note collateralized by <i>Mantua I LP</i> property; maximum loan amount is \$3,427,110; due in 2059	-	3,427,110	
4.17% mortgage note collateralized by <i>Mantua I LP</i> property; maximum loan amount is \$4,972,070; due in 2059	-	4,972,070	
Non-interest-bearing bridge note collateralized by <i>Mantua II</i> property	-	3,075,583	
Non-interest bearing mortgage notes due 2059-2060 collateralized by <i>Mantua II</i> property	-	9,672,707	
Non-interest-bearing mortgage note collateralized by <i>Mantua II</i> property	2,000,000	-	
3% mortgage note collateralized by <i>Marshall Shepard Village</i> property; principal and interest due in 2062	-	14,395,705	
Mortgage note collateralized by <i>Mill Creek I</i> property; interest at Applicable Federal Rate of 5.05%, principal and interest due in 2049	-	6,103,752	
5.12% mortgage note collateralized by <i>Mt. Olivet</i> property; due in 2055	-	6,492,641	
0.01% mortgage note collateralized by <i>Mt. Olivet</i> property; due in 2058	-	3,247,525	
5.04% mortgage note collateralized by <i>Nellie Reynolds Gardens</i> property; principal and interest due in 2062	-	2,848,291	
7% mortgage note collateralized by <i>Neumann North</i> property; due in monthly installments of \$2,123	256,586	-	
7.25% mortgage note collateralized by <i>Neumann North</i> property; due in monthly installments of \$3,353	364,511	-	
Non-interest bearing mortgage note collateralized by <i>Neumann North</i> property; due in 2035	1,665,000	-	
4.83% mortgage note collateralized by <i>Neumann North</i> property; principal and interest due in 2060	-	2,000,000	

Note 9. Long-Term Debt (Continued)

Borrower/Description (Continued)	Due Third Parties	Due PHA
Discrete Component Units		
Non-interest-bearing bridge note collateralized by the property of <i>Norris Apartments LP</i>	-	12,059,469
2% mortgage note collateralized by the <i>Norris Apartments</i> property; principal and interest due in 2066	-	7,144,962
Non-interest-bearing mortgage note collateralized by <i>Paschall I</i> due in full on the date the fourth equity installment is made	-	6,159,862
2% mortgage note collateralized by <i>Paschall I LP</i> property due 2065	-	10,657,385
Non-interest-bearing bridge note collateralized by <i>Paschall II</i> property due with the 4th equity installment payment	-	3,428,173
2% mortgage note collateralized by <i>Paschall II</i> property due 2065	-	11,774,360
2% mortgage note collateralized by <i>Paschall II</i> property, due August 31, 2065	-	2,923,988
0.1% mortgage note collateralized by <i>Richard Allen</i> property; Principal and interest due in 2041	-	22,190,978
0.10% mortgage note collateralized by <i>Ridge Avenue Housing</i> property; principal and interest due in 2041	-	18,369,277
Non-interest-bearing mortgage note collateralized by <i>Southwark Plaza</i> property; due upon final settlement with RDA, as defined	34,059,453	-
Non-interest-bearing mortgage note collateralized by <i>Southwark Plaza</i> property; due in 2030	3,000,000	-
Non-interest-bearing mortgage note collateralized by <i>Southwark Plaza</i> property; due in 2037	-	1,623,348
Non-interest-bearing mortgage note collateralized by <i>Spring Garden Historic LP</i> due in 2039	1,812,625	-
6% mortgage note collateralized by <i>Spring Garden Historic LP</i> property	-	1,900,000
Non-interest-bearing mortgage note collateralized by <i>Spring Garden Historic LP</i> due in 2041	2,700,000	-
Non-interest-bearing mortgage note collateralized by <i>Spring Garden Historic LP</i> due in 2048	2,000,000	-
Non-interest-bearing mortgage note collateralized by <i>Spring Garden Historic LP</i> due in 2038	429,800	-
3.0% mortgage note collateralized by <i>Spring Garden Housing LP</i> due in 2045	500,000	-
6.55% mortgage note collateralized by <i>Spring Garden Housing LP</i> due in 2045	1,290,000	-
Non-interest-bearing mortgage note collateralized by <i>Spring Garden Housing LP</i> due in 2045	209,534	-
Non-interest-bearing mortgage note due in 2045; collateralized by <i>Spring Garden Housing</i> property	1,861,700	-
6.55% mortgage note collateralized by <i>Spring Garden Housing LP</i> due in 2015	180,000	-
6.55% mortgage note collateralized by <i>Spring Garden Housing LP</i> due in 2045	-	1,900,000
5.12% mortgage note collateralized by <i>Spring Garden Housing LP</i> due in 2045	-	1,039,083
6.55% note payable; <i>Spring Garden Housing LP</i> principal and interest due in 2031	51,000	-
Non-interest bearing unsecured note payable <i>Spring Garden Housing LP</i>	15,000	-
Non-interest-bearing mortgage note collateralized by <i>St. Anthony's Senior Residences</i> property; due in annual installments from 2030 through 2039	1,500,000	-

Note 9. Long-Term Debt (Continued)

<u>Borrower/Description (Continued)</u>	<u>Discrete Component Units</u>	<u>Due Third Parties</u>	<u>Due PHA</u>
5.67% mortgage note collateralized by <i>St. Anthony's Senior Residences</i> property; due in annual installments from 2030 to 2039		150,000	-
Non-interest-bearing note collateralized by <i>Angela Court/St. Ignatius Sr. Housing I</i> property; due in 2033		990,000	-
5.43% mortgage note collateralized by <i>Angela Court/St. Ignatius Sr. Housing</i> property; principal and interest due in 2033		315,000	-
5.43% mortgage note collateralized by <i>Angela Court/St. Ignatius Sr. Housing</i> property; principal and interest due in 2033		350,000	-
Non-interest-bearing note collateralized by <i>Angela Court/St. Ignatius Senior</i> property; principal and interest due in 2023		500,755	-
5.2% mortgage note collateralized by <i>Angela Court/St. Ignatius Senior Housing</i> property; principal and interest due in 2044		-	362,000
4.46% mortgage note collateralized by <i>Angela Court II/St. Ignatius 2 LP</i> property; principal and interest due in 2038		450,000	-
10% mortgage note collateralized by <i>Angela Court II/St. Ignatius 2 LP</i> property; principal and interest due in 2048		-	300,000
Note payable under subsidy agreement for <i>Angela Court II/St. Ignatius 2 LP</i> no repayment if meet AHP regulations for 15 years		350,000	-
10% mortgage note collateralized by <i>Angela Court II/St. Ignatius 2 LP</i> property; principal and interest due in 2038		50,000	-
Mortgage notes collateralized by <i>Suffolk Manor</i> property; weighted average interest rate 4.786%; principal and interest due 2041 - 2042		-	10,453,027
RDA Series B bonds collateralized by <i>Tasker I</i> property; interest at 0.1%; principal due in 2042 Series B		16,550,000	-
Series B 0.1% mortgage note collateralized by <i>Tasker I</i> property; principal due in 2042 Series B		-	15,835,000
Series C RDA bonds collateralized by <i>Tasker II</i> property interest at .1%; principal due in 2043		7,145,000	-
Series C 0.1% mortgage note collateralized by <i>Tasker II</i> property; due in 2043 Series C		-	13,845,000
6.09% mortgage note collateralized by <i>Uni-Penn I</i> property; principal and interest due in 2032		188,400	-
6.09% mortgage note collateralized by <i>Uni-Penn I</i> property; principal and interest due in 2041		-	2,252,189
5.23% mortgage note collateralized by <i>Uni-Penn II</i> property; principal and interest due in 2042		-	2,495,383
Non-interest-bearing note payable collateralized by <i>Uni-Penn II</i> property; due in 2042		718,000	-
4.52% mortgage note collateralized by <i>Uni-Penn Housing IV</i> property; principal and interest due in 2045		-	3,351,430
Non-interest-bearing mortgage note collateralized by <i>Warnock Phase I</i> property; due in 2053		-	4,842,724
4.58% mortgage note collateralized by <i>Warnock Phase I</i> property; principal and interest due in 2053		-	3,000,000
4.32% mortgage note collateralized by <i>Warnock Phase II</i> property; principal and interest due in 2053		-	7,254,139
Total debt for discrete component units		81,652,364	280,925,984
		\$ 362,578,348	

The annual Bond Debt Service requirement for Tasker I Series B and Tasker II Series C Bonds is paid out of PHA's annual Capital Grant Allocation and paid directly by HUD to the Trustee (see Note 20). The balance presented as Due to PHA represents the debt service payment made on behalf of Tasker I and Tasker II.

Note 9. Long-Term Debt (Continued)

The Tasker Capital Fund Revenue Bonds, Series A and the RDA Bonds related to the Tasker I project ("Bonds"), are limited obligations of PHA and were issued on a parity basis pursuant to Trust Indentures ("indentures") dated July 1, 2002 between PHA and Wachovia Bank, N.A. (now Wells Fargo Bank), as Trustee ("Trustee"), to provide funds for the indicated projects and other PHA projects. Repayment of the bonds is collateralized by a security interest in a portion of PHA's Capital Fund Allocations ("grants") from HUD. Such grants are subject to the availability of appropriations, and are to be paid directly by HUD to the Trustee.

Bonds maturing after 2014 are subject to optional redemption at prices stated in the indentures. In addition, \$15.9 million of bonds maturing in 2020 and 2021 are subject to mandatory redemption at face value plus accrued interest.

Under the indentures, certain component units are required to maintain a debt service fund equal to the annual debt service requirements.

The amortization schedule for the long-term debt of PHA and its component units is as follows:

Year Ending March 31,	Primary Government			Component Units			Debt Service Requirements
	Principal	Interest	Debt Service Requirements	Principal	Interest		
2015	\$ 4,575,000	\$ 2,837,188	\$ 7,412,188	\$ 3,497,133	\$ 1,175,220	\$ 4,672,353	
2016	4,815,000	2,597,000	7,412,000	3,640,000	1,009,908	4,649,908	
2017	5,070,000	2,344,216	7,414,216	3,995,000	836,728	4,831,728	
2018	5,345,000	2,078,038	7,423,038	3,950,000	655,206	4,605,206	
2019	7,615,000	1,797,475	9,412,475	9,078,797	1,192,458	10,271,255	
2020-2025	27,730,000	3,027,650	30,757,650	665,000	-	665,000	
2026-2030	-	-	-	5,066,755	-	5,066,755	
2031-2035	-	-	-	1,853,400	-	1,853,400	
2036-2040	-	-	-	113,462,829	-	113,462,829	
2041-2055	-	-	-	37,891,747	-	37,891,747	
2056-2060	-	-	-	29,250,615	-	29,250,615	
2061-2065	-	-	-	13,333,259	-	13,333,259	
2066-2070	-	-	-	78,590,709	-	78,590,709	
2071-2075	-	-	-	58,303,104	-	58,303,104	
	55,150,000	\$14,681,567	\$ 69,831,567	362,578,348	\$ 4,869,520	\$ 367,447,868	
Less current portion	4,575,000			3,497,133			
	50,575,000			\$ 359,081,215			
Premium on Series A Bonds	622,958						
	\$ 51,197,958						

Note 10. Changes in Long-Term Liabilities

Changes in long-term liabilities for the year ended March 31, 2014 are as follows:

Primary Government	Beginning Balance	Increases	Decreases	Ending Balance	Due within 1 year
Other liabilities					
Estimated liability for self insurance and other claims	\$ 4,412,557	\$ 155,869	\$ (2,145,882)	\$ 2,422,544	\$ -
Workers' compensation payable	15,685,758	26,864	(6,674,055)	9,038,567	5,000,000
Health trust escrow (Note 15)	1,972,282	-	(136,664)	1,835,618	-
Total long-term liabilities	<u>\$ 22,070,597</u>	<u>\$ 182,733</u>	<u>\$ (8,956,601)</u>	<u>\$ 13,296,729</u>	<u>\$ 5,000,000</u>
Discrete Component Units	Beginning Balance	Increases	Decreases	Ending Balance	Due within 1 year
Other liabilities					
Development fees payable	\$ 12,706,043	\$ -	\$ (2,698,049)	\$ 10,007,994	\$ -
Interest due PHA	37,383,254	6,177,643	-	43,560,897	-
Other liabilities	30,000	-	(15,000)	15,000	-
Due to partners	1,964,222	2,113,887	-	4,078,109	-
Total long-term liabilities	<u>\$ 52,083,519</u>	<u>\$ 8,291,530</u>	<u>\$ (2,713,049)</u>	<u>\$ 57,662,000</u>	<u>\$ -</u>

Note 11. Workers' Compensation Insurance

PHA maintains a high-deductible policy for workers' compensation claims, self-insuring for the first \$350,000 of each claim. Losses are accrued based on the insurance carrier's estimate of losses attributable to the claims filed in each policy year that are not covered by insurance. The estimated losses for each policy year are updated periodically by the insurance carrier. PHA is required to fund the estimated losses into an escrow account held by the insurance carrier, and claims are paid out of the escrow fund on a recurring basis. At March 31, 2014, the balance in the escrow fund was \$14.2 million and is included in restricted cash in the statement of net position.

The liability for estimated claims payable as of March 31, 2014 was \$9.0 million.

Note 12. Employees' Retirement Plans

Defined Benefit Pension Plan

Plan Description: PHA contributes to the Philadelphia Housing Authority Retirement Income Plan (which was initiated on November 1, 1952). The Plan is a single-employer plan which issues separate financial statements, a copy of which may be obtained by contacting PHA's office. Employees are required to contribute 5.5% of total salary to the Plan on a pre-tax basis. The following table provides information concerning covered employees and benefit provisions for the Plan.

Note 12. Employees' Retirement Plans (Continued)

Defined Benefit Pension Plan (Continued)

Plan Description (Continued):

Covered employees	As of March 31, 2014, the Plan covered non represented employees hired before October 1, 2005.
Current annual covered payroll	\$2,135,544
Normal retirement date	65th birthday
Normal retirement benefit	2.5% of average earnings, as defined in the Plan, multiplied by the years of service not to exceed 25 years, plus 1.25% of average earnings multiplied by years of service in excess of 25 years.
Death benefit	The Plan contains provisions for the payment of benefits to surviving spouses of employees.

Actuarially Determined Contribution Requirements and Contributions Made: Actuarially determined contributions are required to provide sufficient assets to pay benefits when due and are determined using the entry age normal method. Under this method, the actuarial present value of projected benefits of each individual included in an actuarial valuation is allocated on a level basis over the earnings of service of the individual between entry age and assumed exit age. The portion of actuarial present value allocated to each valuation is called the normal cost. The significant actuarial assumptions used to compute the actuarial determined contributions are as follows:

- a) a rate of return on the investments of 7.5% per year
- b) projected salary increase of 3.5% per year
- c) no post-retirement benefit increase

Funding Policy: PHA's funding policy is determined by the Plan design and collective bargaining agreements. All participants are required to pay into the pension fund an amount equal to 5.5% of compensation. At a minimum, the employer contributes 5.5% of the participant's annual compensation. Additional employer contributions are discretionary and based upon actuarial computations.

Funded Status and Funding Progress: As of November 1, 2013, the Plan was 76% funded. The actuarial accrued liability was \$271.3 million and the actuarial value of assets was \$205 million, resulting in an unfunded actuarial accrued liability of \$66.3 million. The covered payroll (annual payroll of active employees covered by the plan) was \$2.1 million and the ratio of the unfunded actuarial accrued liability to covered payroll was 3104%.

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of Plan assets is increasing or decreasing over time relative to the accrued actuarial liability for benefits.

Note 12. Employees' Retirement Plans (Continued)

Plan participants at November 1, 2013 were as follows:

Active participants	27
Inactive participants	511
Terminated, vested participants: in payment status	<u>1,685</u>
Total participants	<u><u>2,223</u></u>

The Plan's assets are placed in custodial Plan accounts, all reported at fair value. The Plans investments are stated at fair value, if available, quoted market prices are used to value investments. Any investments with the Plan custodian which have no quoted market price are valued by the Plan's custodian at estimated fair value. Several factors are considered in arriving at fair value.

At October 31, 2013, the Plan's assets were comprised of investments in the following percentages: 62% equity, 35% fixed income and 3% cash.

The PHA Pension Board has the authority for establishing and amending the Plan provisions.

Defined Contribution Plan

On April 1, 2001, PHA (Plan Sponsor) established a defined contribution plan for the purpose of providing retirement benefits for its executive management. Effective in October 2005, all newly hired, non-represented employees were required to participate in the Plan. The Plan was originally established as a contributory participant directed "Money Purchase Plan". However, the Plan was subsequently amended to be a tax-qualified "Profit Sharing Plan". Non-represented permanent employees of PHA are eligible for participation in the Plan beginning on the first of the month following the date of hire.

The Plan is a qualified defined contribution plan that satisfies the applicable requirements of Section 410(a) of the IRS Code and the reporting requirements pursuant to Pennsylvania Act 203. However, the Plan is a government plan and, therefore, is not subject to the provisions of the Employee Retirement Income Security Act (ERISA) of 1974.

In April 2011, most union employees who had their benefits frozen in the PHA Retirement Income Pension Plan began participating in the Plan. Beginning in April 2012, the employees that were members of the Fraternal Order of Housing Police began participating in the Plan. The Plan contains additional employer contributions and employee saving features. Participants may "rollover" distributions received from the Philadelphia Housing Authority Retirement Income Pension Plan or from an eligible retirement plan as defined in the Plan Document.

Each year participants are required to contribute 5.5% of their annual compensation into an individual account. PHA contributes an additional 5.5% of each participant's annual compensation as prescribed by the Plan. Additional amounts may be contributed at the option of PHA's Board of Commissioners.

Under the Plan PHA may pay reasonable expenses of administering the Plan and Trust. PHA absorbs a majority of the administrative expenses. Administrative expenses, such as Investment and Trustee Fees are paid out of Plan assets.

PHA made contributions of \$3,035,870 to the Plan for the year ended March 31, 2014.

Note 13. Lease Commitments

PHA has entered into various non-cancellable operating leases, primarily for office space and equipment. Future minimum payments under these leases are as follows:

<u>Year ending March 31</u>
2015 \$ 1,317,973
2016 1,351,375
2017 1,416,048
2018 1,421,521
<hr/> <u>\$ 5,506,917</u>

Total rent expense for the year ended March 31, 2014 was \$2 million.

Note 14. Accrued Compensated Absence

A liability is recorded for compensated absences attributable to services already rendered and not contingent on a specific event outside the control of PHA and its employees, as employees earn the right to the benefits.

The liability is typically liquidated with resources of the same funding source that has paid the applicable employees regular salaries and fringe benefits.

Summary of Accrued Compensation Absences				
	Beginning Balance	Net Increases	Net Decreases	Ending Balance
Current portion	\$ 4,351,307	\$ 14,207,772	\$ (14,073,003)	\$ 4,486,076
Long-term portion	2,900,874	9,471,848	(9,382,025)	2,990,697
	<hr/> <u>\$ 7,252,181</u>	<hr/> <u>\$ 23,679,620</u>	<hr/> <u>\$ (23,455,028)</u>	<hr/> <u>\$ 7,476,773</u>

Note 15. Other Post-Employment Benefits (OPEB)

PHA had administered Executive Health Protection Plan ("EHPP") which provided prescribed total amounts to be made available for the payment of medical insurance premiums on behalf of eligible employees following separation from service. The EHPP plan covered eligible executive employees and could be terminated by PHA at any time (see below).

Eligibility and Termination

Eligible Employees were automatically enrolled in the Plan upon the later of the Effective Date of this Plan or date they become an Eligible Employee. Upon the earlier of termination of employment with the Employer or a Participant's ceasing to be an Eligible Employee, the Participant would cease to accrue a benefit under the Plan.

Contributions

PHA made a contribution to the Trust for each Participant in the Plan of \$20,000 for each year of Credited Service as an Eligible Employee completed after the Effective Date of the Plan. The maximum total contribution that may be allocated to a Participant is \$100,000. Amounts allocated for a Participant shall not be credited with any earnings or losses on contributions made to the Plan.

Vesting

A Participant would fully vest in the contributions he or she had earned under the Plan upon separation from Employment and the completion of three (3) years of Continuous Service as an Eligible Employee completed after the Effective Date of the Plan. No Participant should vest prior to separation from employment.

Note 15. Other Post-Employment Benefits (OPEB) (Continued)

Plan Status

The Plan was discontinued in 2013 and no employees have since been added to the Plan. As of March 31, 2014, PHA had segregated cash of \$1.8 million for the payment of the remaining Plan benefits to the 24 previous and current executive employees included in the Plan.

Note 16. Risk Management

PHA is subject to risk of loss from fire, property damage, personal injury, etc. PHA covers these risks through the purchase of commercial insurance. PHA has initiated a loss control program utilizing insurer resources to improve safety at PHA. Several safety training programs have been completed in 2014. In addition, the Board of Commissioners has passed a Risk Management Framework resolution which provides for the establishment of a Risk Management Committee at PHA. The amounts of settlements for the last three years have not exceeded the insurance coverage provided in those years.

Note 17. Component Units

Blended Component Units

Philadelphia Housing Authority Development Corporation (PHADC) - a Pennsylvania nonprofit corporation formed by PHA to support PHA in providing safe and affordable housing for persons of low income through the acquisition, purchase, renovation, restoration, repair, rehabilitation, construction and management of real property, and other economic development activities in Philadelphia.

Philadelphia Asset and Property Management Corporation (PAPMC) - a Pennsylvania nonprofit corporation formed by PHA to provide operational and financial services to several housing developments in Philadelphia.

Philadelphia Housing Authority Homeownership Corporation (PHAHC) - a Pennsylvania nonprofit corporation formed by PHA to hold certain escrow payments, counseling and home association fees for homebuyers of designated PHA low-income housing properties.

PHA-Tenant Support Services, Inc. (TSSI) - a Pennsylvania nonprofit corporation formed by PHA to promote the welfare of public housing residents and recipients of housing assistance.

Selected financial data for these blended component units for the years ended as indicated are presented below:

	PHADC 3/31/14	PAPMC 12/31/13	PHAHC 3/31/14	TSSI 6/30/13	Total
Assets	\$75,062,463	\$ 1,455,418	\$ 87,133	\$ 318,407	\$76,923,421
Liabilities	12,136,761	425,981	87,133	318,407	12,968,282
Net position	62,925,702	1,029,437	-	-	63,955,139
Revenue	2,510,284	1,425,433	9,311	-	3,945,028
Expenses	1,078,959	1,482,047	9,311	-	2,570,317
Change in net position	\$ 1,431,325	\$ (56,614)	\$ -	\$ -	\$ 1,374,711
Cash Flow information					
Operating activities	\$ (3,729,626)	\$ (442,898)	\$ 579	\$ -	(4,171,945)
Financing activities	2,384,652	-	-	-	2,384,652
Investing activities	2,437,971	(7,672)	-	-	2,430,299
Change in cash position	\$ 1,092,997	\$ (450,570)	\$ 579	\$ -	\$ 643,006

Note 17. Component Units (Continued)

Blended Component Units (Continued)

On November 12, 2012, the Board of Directors approved to change the name of TSSI to PhillySeeds, Incorporated. The State approved the Articles of Amendment on April 5, 2013.

PHA also formed two other Blended Component Units namely, Elderly and Disabled Services, LLC and Philadelphia Urban Revitalization Enterprise, LLC. As of March 31, 2014, both component units have no significant activities.

Discrete Component Units:	Number of Housing Units
<u>Limited Partnerships</u>	
Cambridge Plaza LP	44
Cambridge Plaza II, L.P.	40
Cambridge III, L.P.	40
Germantown House, L.P.	133
Lucien E. Blackwell Homes Phase II, L.P.	80
Lucien E. Blackwell Homes Phase III, L.P.	50
Ludlow Scattered Sites Phase III, L.P.	75
Mantua Phase I, L.P.	50
Mantua Phase II, L.P.	51
Marshall Shepard Village, L.P.	80
Mill Creek Phase I, L.P.	80
Mt. Olivet L.P.	161
Nellie Reynolds Gardens, L.P.	64
Norris Apartments, L.P.	51
Paschall Phase I, L.P.	50
Paschall Phase II, L.P.	50
Richard Allen Phase III, L.P.	178
Suffolk Manor Apartments, L.P.	137
Tasker I, L.P.	245
Tasker II, L.P.	184
Uni-Penn Housing Partnership IV	42
Warnock Phase I, L.P.	50
Warnock Phase II, L.P.	45
<u>Alternate Managed Entities</u>	
Neuman North, L.P.	67
Raymond Rosen Associates, L.P.	152
Ridge Avenue Housing, L.P.	135
Southwark Plaza Limited Partnership	470
Spring Garden Historic, LP	32
Spring Garden Housing Limited Partnership	86
St. Anthony's Senior Residences Associates, L.P.	38
St. Ignatius Senior Housing I, L.P.	67
St. Ignatius Senior Housing II, L.P.	54
Uni-Penn Housing Partnership I	49
Uni-Penn Housing Partnership II	46

Note 17. Component Units (Continued)

Discrete Component Units (Continued)

In most instances, the component units have entered into agreements with PHA to provide various services for housing projects. In addition, management and/or development fees are paid to PHADC for services rendered over the life of the project.

The individual entities have issued bonds or other debt to fund projects, including amounts owed to RDA and PHA as mortgagees.

LIMITED PARTNERSHIPS (LPs)

LPs are component units where PHA serves as General Partner and owns 1/10 of 1% of the Partnership. PHA's equity interest in the component units was \$5,076,592 as reported on the Statement of Net Position. PHA provides operation and financial services to the LPs via Operating Subsidy (Operating) and Regulatory and Operating (R&O) Agreements and directly managed by PAPMC.

PHA reports the ownership of its equity interest in the component units as an asset.

- **Cambridge Plaza L.P.** - a Pennsylvania limited partnership which operates a 44-unit apartment complex known as Cambridge Plaza Apartments. Cambridge has a ninety-nine year ground lease with PHA at a nominal rent. The project was funded by \$4.5 million of investor capital and \$2.6 million in PHA mortgage debt. The project has qualified for federal low-income housing tax credits.
- **Cambridge Plaza II, L.P.** - a Pennsylvania limited partnership which operates 40 residential rental units known as Cambridge Plaza Apartments Phase II and has a ninety-nine year ground lease with PHA at a nominal rent. The project was financed by \$6 million of investor capital and \$3.6 million in PHA mortgage debt. The project has qualified for federal low-income housing credits.
- **Cambridge III, L.P.** - a Pennsylvania limited partnership which operates a 40-unit rental housing project and has a ninety-nine year ground lease with PHA at a nominal rent. The project was financed by \$6.3 million of investor capital and \$3 million in PHA mortgage debt. The project has qualified for federal low-income housing credits.
- **Germantown House, L.P.** - a Pennsylvania limited partnership which operates a 133-unit apartment project and has a ninety-nine year ground lease with PHA at a nominal rent. The project was financed by \$11.9 million of investor capital and \$8.2 million in PHA mortgage debt. The project has qualified for federal low-income housing credits.
- **Lucien E. Blackwell Homes Phase II, L.P.** - a Pennsylvania limited partnership which operates an 80-unit rental housing project and has a ninety-nine year ground lease with PHA at a nominal rent. The project was financed by \$14.1 million of investor capital and \$4.2 million in PHA mortgage debt. The project has qualified for federal low-income housing credits.
- **Lucien E. Blackwell Homes Phase III, L.P.** - a Pennsylvania limited partnership which operates 50 residential rental units and has a ninety-nine year ground lease with PHA at a nominal rent. The project was financed by \$11.4 million of investor capital and \$2.9 million in PHA mortgage debt. The project has qualified for federal low-income housing credits.
- **Ludlow Scattered Sites Phase III, L.P.** - a Pennsylvania limited partnership which operates 75 residential rental units and has a ninety-nine year ground lease with PHA at a nominal rent. The project was financed by \$12.8 million of investor capital and \$11.5 million in PHA mortgage debt. The project has qualified for federal low-income housing credits.
- **Mantua Phase I, L.P.** - a Pennsylvania limited partnership formed to develop 50 residential rental units. It has a ninety-nine year ground lease with PHA at a nominal rent. The project is being financed by \$9.5 million of investor capital (\$.5 million paid as of December 31, 2013) and \$8.4 million in PHA mortgage debt. The project has qualified for federal low-income housing credits.
- **Mantua Phase II, L.P.** - a Pennsylvania limited partnership formed to develop 51 residential rental units. It has a ninety-nine year ground lease with PHA at a nominal rent. The project is being financed by \$5.4 million of investor capital (\$.5 million paid as of December 31, 2013) and \$9.7 million in PHA and other mortgage debt. The project has qualified for federal low-income housing credits.

Note 17. Component Units (Continued)

Discrete Component Units (Continued)

- **Marshall Shepard Village, L.P.** - a Pennsylvania limited partnership which operates 80 residential rental units and has a ninety-nine year ground lease with PHA at a nominal rent. The project was financed by \$8.9 million of investor capital and \$14.4 million in PHA mortgage debt. The project has qualified for federal low-income housing credits.
- **Mill Creek Phase I, L.P.** - a Pennsylvania limited partnership which operates 80 residential rental units included in a development known as Lucien Blackwell Homes and has a ninety-nine year ground lease with PHA at a nominal rent. The project was financed by \$12.6 million of investor capital and \$6.1 million in PHA mortgage debt. The project has qualified for federal low-income housing credits.
- **Mt. Olivet, L.P.** - a Pennsylvania limited partnership which operates 161 residential rental units known as Mt. Olivet Apartments and has a ninety-nine year ground lease with PHA at a nominal rent. The project was financed by \$7 million of investor capital and \$9.7 million in PHA mortgage debt. The project has qualified for federal low-income housing credits.
- **Nellie Reynolds Gardens, L.P.** - a Pennsylvania limited partnership which operates 64 residential rental units and has a ninety-nine year ground lease with PHA at a nominal rent. The project was originally financed by \$11.2 million of investor capital and \$7.5 million in PHA mortgage debt. As required by the amended Partnership Agreement, in January 2009 PHA refinanced \$5.1 million of the mortgage principal and \$.4 million of accrued interest by means of capital contributions. The partnership maintains \$2.8 million in PHA debt. The project has qualified for federal low-income housing credits.
- **Norris Apartments, L.P.** - a Pennsylvania limited partnership which operates a 51 residential housing units. The project is being financed by \$10 million of investor capital (\$.2 million paid as of December 31, 2013), and \$19.1 million in PHA and other mortgage debt. The project has qualified for federal low-income housing credits.
- **Paschall Phase I, L.P.** - a Pennsylvania limited partnership formed to develop 50 residential rental units. It has a ninety-nine year ground lease with PHA at a nominal rent. The project is being financed by \$9.6 million of investor capital (\$1 million paid as of December 31, 2013), and \$16.8 million in PHA mortgage debt. The project has qualified for federal low-income housing credits.
- **Paschall Phase II, L.P.** - a Pennsylvania limited partnership formed to develop 50 residential rental units. It has a ninety-nine year ground lease with PHA at a nominal rent. The project is being financed by \$6.0 million of investor capital (\$.5 million paid as of December 31, 2013) and \$18.1 million in PHA and other mortgage debt. The project has qualified for federal low-income housing credits.
- **Richard Allen Phase III, L.P.** - a Pennsylvania limited partnership which operates a 178-unit apartment complex and has a ninety-nine year ground lease with PHA at a nominal rent. The project was financed by \$11.1 million of investor capital and a \$22.2 million mortgage loan from PHA. The project has qualified for federal low-income housing tax credits.
- **Suffolk Manor Apartments, L.P.** - a Pennsylvania limited partnership which operates 137 residential rental units and has a ninety-nine year ground lease with PHA at a nominal rent. The project was financed by \$13.5 million of investor capital and \$10.5 million in PHA mortgage loans. The project has qualified for federal low-income housing tax credits.
- **Tasker I, L.P.** - a Pennsylvania limited partnership which operates 245 residential rental units known as Tasker Homes Phase I and has a ninety-nine year ground lease with PHA at a nominal rent. The project was financed by \$15.5 million of investor capital and \$33 million in PHA mortgage debt. The project has qualified for federal low-income housing tax credits.
- **Tasker II, L.P.** - a Pennsylvania limited partnership which operates 184 residential rental units known as Tasker Homes Phase II and has a ninety-nine year ground lease with PHA at a nominal rent. The project was financed by \$12.5 million of investor capital and \$21 million in PHA mortgage debt. The project has qualified for federal low-income housing tax credits.

Note 17. Component Units (Continued)

Discrete Component Units (Continued)

- **Uni-Penn Housing Partnership IV** - a Pennsylvania limited partnership which operates 42 residential rental units known as Martin Luther King Plaza and has a ninety-nine year ground lease with PHA at a nominal rent. The project was financed by \$5.4 million of investor capital and \$3.4 million in PHA mortgage debt. The project has qualified for federal low-income housing credits.
- **Warnock Phase I, L.P.** - a Pennsylvania limited partnership formed to develop 50 residential rental units. It has a ninety-nine year ground lease with PHA at a nominal rent. The project began operations in October 2010 and is financed by \$10.6 million of investor capital and \$7.8 million in PHA mortgage debt. The project has qualified for federal low-income housing credits.
- **Warnock Phase II, L.P.** - a Pennsylvania limited partnership formed to develop 45 senior residential rental units within a three-story building. It has a ninety-nine year ground lease with PHA at a nominal rent. The project began operations in March 2010 and is financed by \$8.0 million of investor capital and \$7.3 million in PHA mortgage debt. The project has qualified for federal low-income housing credits.

ALTERNATIVE MANAGED ENTITIES (AMEs)

AMEs are component units that are not managed by PAPMC. PHA provides operation services and financial subsidies through Operating and R&O Agreements.

- **Neumann North, L.P.** - a Pennsylvania limited partnership which operates 67 senior housing residential units plus commercial space. The project was financed by \$6.0 million of investor capital and \$4.3 million in PHA and other mortgage debt. The project has qualified for federal low-income housing credits.
- **Raymond Rosen Associates, L.P. ("8 Diamonds")** - a Pennsylvania limited partnership formed to acquire, construct and operate a 152-unit apartment complex. 8 Diamonds has a ninety-nine year ground lease with PHA at a nominal rent. The project has qualified for federal low-income housing tax credits. The project was financed by \$9.9 million of investor capital, a \$16 million first mortgage from PHA and other financing.
- **Ridge Avenue Housing, L.P.** - a Pennsylvania limited partnership which operates a 135-unit rental housing project and has a ninety-nine year ground lease with PHA at a nominal rent. The project was financed by \$6.0 million of investor capital and \$18.4 million in PHA mortgage debt. The project has qualified for federal low-income housing credits.
- **Southwark Plaza Limited Partnership** - a Pennsylvania limited partnership which operates a 470-unit low income rental housing project known as Courtyard Apartments at Riverview. The project was financed by \$19.0 million of investor capital, first and second mortgage loans of \$35.7 million from PHA and a \$3 million third mortgage from RDA. The project has qualified for federal low-income housing tax credits.
- **Spring Garden Historic, L.P.** - a Pennsylvania limited partnership formed to operate a 32-unit apartment complex. The partnership was financed by \$7.2 million of investor capital, \$1.9 million of PHA mortgage debt and \$6.9 million of other debt. The project has qualified for federal low-income housing tax credits.
- **Spring Garden Housing Limited Partnership** - a Pennsylvania limited partnership which operates 86 residential rental units and has a ninety-nine year ground lease with PHA at a nominal rent. The project is being financed by \$7.1 million of investor capital, \$2.9 million of PHA first mortgage debt and \$4.1 million of other debt. The project has qualified for federal low-income housing tax credits.

Note 17. Component Units (Continued)

Discrete Component Units (Continued)

- **St. Anthony's Senior Residences Associates, L.P.** - a Pennsylvania limited partnership which operates a 38-unit rental housing project. The project was financed by \$1.7 million of mortgages from the RDA, and \$5.0 million of investor capital. The project has qualified for federal low-income housing tax credits.
- **St. Ignatius Senior Housing I, L.P.** - a Pennsylvania limited partnership which operates a 67-unit rental housing project. The project was financed by \$7.4 million of investor capital and \$2.5 million in PHA and other mortgage debt. The project has qualified for federal low-income housing credits.
- **St. Ignatius Senior Housing II, L.P.** - a Pennsylvania limited partnership which operates 54 senior housing residential units. The project is being financed by \$6.4 million of investor capital and \$1.2 million in PHA and other mortgage debt. The project has qualified for federal low-income housing credits.
- **Uni-Penn Housing Partnership I** - a Pennsylvania limited partnership which operates 49 residential rental units and has a ninety-nine year ground lease with PHA at a nominal rent. The project was financed by \$5.3 million of investor capital and \$2.4 million in PHA and other mortgage debt. The project has qualified for federal low-income housing credits.
- **Uni-Penn Housing Partnership II** - a Pennsylvania limited partnership which operates 46 residential rental units. The project was financed by \$5.7 million of investor capital and \$3.2 million in mortgage debt. The project has qualified for federal low-income housing credits.

Note 18. Prior Period Adjustments

Net position as of April 1, 2013 has been adjusted due to the revenues and expenses erroneously recorded by PHA in the preceding year. Details are as follows:

Items expensed in prior year that should have been properly included in Mortgage Receivable from discrete component units

Norris Apartments L.P.	\$ 169,955
Mantua Phase II, L.P.	124,310
	<hr/>
	294,265

Revenues and expenses erroneously booked in the prior years

PAPMC	\$ (544,211)
TSSI	(55,632)
	<hr/>
	(599,843)
	<hr/>
	\$ (305,578)

During the year ended March 31, 2014, management of PHA determined the financial statements of its fiduciary fund type – pension trust fund should be included in PHA's reporting entity as of April 1, 2013. PHA had not previously included the pension trust fund in its financial statements.

Note 19. Contingencies

PHA is subject to and is currently undergoing examination by federal oversight agencies, including HUD, that determine compliance with terms, conditions, laws and regulations governing grants given to PHA in the current and prior years. These examinations may result in the recapture of funds by federal grantors and other oversight agencies.

The scope of these examinations include various PHA administered programs as well as certain bond and tax-credit financed developments, including a close-out audit of the Liddonfield Redevelopment RACP, an IRS audit of the Tasker Bond issue (which was closed without any adverse findings) and an IRS Audit of PHA Payroll and Accounts Payable. In addition, HUD has retained KPMG to perform a full scale operational and forensic audit of PHA's management, programs, benefits and finances. KPMG's audit report has been issued and PHA has responded to all of the recommendations in such report; however, PHA has received no notice that the KPMG audit has been formally closed.

As a result of investigations and audits by the U.S. Department of Housing and Urban Development ("HUD") Office of Inspector General into payments made to various outside counsel retained by PHA during the years 2005 - 2010, HUD questioned the propriety of using federal funds to make those payments. In May 2013, this matter was settled by PHA's reimbursement of \$8,152,571 into certain of PHA's federally funded accounts from funds held by PHA and approved by HUD to be used to make this reimbursement. This payment closed the final two open audit items regarding such payments to outside counsel investigated by the HUD OIG.

PHA has been notified that certain federal law enforcement investigations are being conducted into the past operation of PHA programs and the conduct of its former administration and certain officials. These investigations center on alleged fraud, corruption, malfeasance and other wrongdoing. No indictments or final adjudication have been issued in connection with these investigations.

The preceding investigations, examinations and allegations could ultimately result in an adverse financial impact to PHA; however, no determinations of liability have been made. No adjustments have been made to the financial statements for any potential outcomes.

Significant litigation settled and/or pending against PHA during the fiscal year is as follows:

Settlements

Russell Myatt v. PHA, City of Philadelphia, Philadelphia County Court of Common Pleas: This is a premises liability action where Plaintiff, wheelchair bound, alleges defective installation of shower stall that caused accumulation of water resulting in his falling from wheelchair. This case was scheduled for trial to commence in early November 2014. As of the close of the Q3 2014, PHA was assessing the potential for a settlement. It has since been approved for \$170,000, with PHA's contribution to be \$126,469.49.

McDowell v. PHA: PHA and plaintiffs representing a class of PHA residents reached a settlement in 2012 in connection with plaintiffs' efforts to compel PHA to pay gas utility allowances to eligible PHA residents as set forth in a 1998 Consent Decree, irrespective of changes in actual gas prices. The settlement, which has been agreed upon by the parties, and has been approved by the PHA Board and by HUD, provides that PHA establish a settlement fund in the amount of \$2.65 million to be distributed proportionally among class members who meet the criteria for class notice and proof of claim. The \$2.65 million will be reduced by setoffs for rent and other monies owed to PHA in the amount of approximately \$1.7 million. In May 2013, this settlement was approved by the Court and the settlement fund was established. PHA is working with the class to distribute the settlement amount.

Note 19. Contingencies (Continued)

Yvonne Lewis v. PHA, U.S. District Court for the Eastern District of Pennsylvania: U.S. District Court for the Eastern District of Pennsylvania: Ms. Lewis is a former PHA employee who filed an employment discrimination case alleging that she was discriminated against in the work she was assigned. Ms. Lewis was employed as an electrician. Ms. Lewis was seeking back-pay and front pay in excess of \$100,000. The case was settled for \$187,500 in November 2013 contingent upon HUD approval, which was received in or about February 2014. The settlement was paid on February 26, 2014.

Shamir Facen, et al. v. PHA, et al., Philadelphia County Court of Common Pleas: Philadelphia County Court of Common Pleas: This is a premises liability case in which minor plaintiffs allege that in 2009 they suffered severe injuries after falling from a second-story window of their scattered-site unit on Bancroft Street. The plaintiffs allege that the window was negligently installed and maintained, and have also sued the window manufacturer, which in turn joined the window designer as a defendant. The case was covered by insurance, subject to a \$150,000 deductible. We have negotiated a settlement of \$75,000, contingent upon HUD approval. We have not yet received an executed release for submission to HUD.

Lisa Martin v. PHA: This case involves damages for a ceiling collapse in one of PHA's public housing units. The case was settled in or about June 2014 with HUD approval for \$99,200. The settlement amount was paid on July 11, 2014.

Ethel Lee v. PHA, City of Philadelphia, City of Philadelphia Water Dept., Philadelphia County Court of Common Pleas: This is a major jury action where plaintiff alleges a fall as a result of pipes leaking and/or water main break. She alleges severe injuries to her left leg and knee. This case settled for \$75,000. As of the close of 3Q 2014, we were awaiting executed settlement documents to seek HUD's concurrence in the settlement.

Mulenga v. PHA: plaintiff alleged interference and retaliation in violation fo the Family and Medical Leave Act ("FMLA"); sec discrimination in violation of Title VII of the Civil Rights Act of 1964 ("Title VII"); and the Equal Protection Clause (section 1983). As this was a case that triggered the 3/3/10 insurance policy, and that policy's limits had already been exhausted, there was no insurance for the matter. It was handled internally and was settled and paid during the fiscal year in the amount of \$150,000.

Pending or Threatened Litigation

PHA is defending against four (4) employment discrimination and wrongful termination claims where the damages in the aggregate could exceed more than \$300,000. Although PHA is vigorously defending these actions, it is too early to determine with any certainty PHA's liability in each case.

Simbarash Madziva v. PHA, Pennsylvania Commonwealth Court: Mr. Madziva is a former PHA employee alleging that PHA violated his due process rights when PHA suspended his employment in October 2011 and terminated his employment in December 2011, without a hearing, for defending himself against a PHA resident who had been denied a housing transfer. PHA prevailed in the trial court and Mr. Madziva's claims were dismissed. PHA successfully argued that whether Mr. Madziva's version of the facts was true, his employment was at-will and PHA acted within its rights when it terminated his employment. He appealed the dismissal to Pennsylvania Commonwealth Court and prevailed so that the case remains viable. Mr. Madziva's theory of liability challenges the Pennsylvania at-will employment doctrine. He is attempting to create a protected right to self-defense while at work that would limit the rights of an employer to terminate an at-will employee. While the case is being handled under the HARRG EPL policy, the applicable policy does not provide for indemnification, so PHA would be liable for all sums in a settlement or judgment.

Note 19. Contingencies (Continued)

Theresa Howard v. PHA, U.S. District Court for the Eastern District of Pennsylvania: This federal action was filed in January 2013 against both PHA and the Carpenter's Union. In the complaint, former PHA provisional employee Theresa Howard ("Howard") sets forth claims of discrimination, retaliation, defamation and breach of contract. Howard is seeking in excess of \$500,000 in damages. Discovery has been extended.

Frederick Pasour v. PHA, U.S. District Court for the Eastern District of Pennsylvania: Mr. Pasour filed an employment law suit challenging the termination of his employment, alleging claims for due process violation, defamation, and invasion of privacy/false light. The case is being covered by insurance for defense costs only, with no indemnity coverage, subject to a reservation of rights.

Anthony Guidotti v. PHA, Richard Zappile, Geralyn Hemphill, Benjamin Walton, James Mitchell, Philadelphia County Court of Common Pleas: This is employment litigation in which the plaintiff, a former member of the PHA police force, alleges, *inter alia*, a violation of the Pennsylvania Whistle Blower Law in connection with the termination of his employment. The plaintiff is making a claim under the state whistleblower laws and is seeking a large monetary award. The case is being covered by insurance, subject to a \$150,000 deductible and a reservation of rights.

Tort Claims

Except as otherwise discussed above, as of March 31, 2014, PHA, through its insurance carrier, HARRG, is defending against 114 personal injury actions. Of those 114 personal injury actions, one (1) is an action where the damages are expected to exceed \$100,000. That matter, Tira Williams v. PHA, involves a claim that a woman's diagnosis of lung disease resulting in a lung transplant was caused by mold in a PHA owned unit and that PHA should be liable under Section 1983 for violation of her civil rights. Liability is hard to quantify at this time but could be well in excess of \$100,000. Plaintiff is currently seeking \$4 million in damages.

PHA's anticipated loss in each other case instance is limited to \$150,000 per claim inclusive of defense costs and liability payments. Although PHA is vigorously defending each of these actions, the parties' respective liability at this time remains uncertain. Of the remaining pending claims, it is too early to determine with any certainty PHA's liability, although any damages will likely be well below \$100,000 in each individual case.

Liens Filed by Philadelphia Gas Works

Philadelphia Gas Works ("PGW") has filed liens against several PHA properties auctioned in 2012 and 2013. The total value of the claims that have been secured by the liens, according to PGW, is \$813,837.66. In addition, PGW is seeking to hold PHA responsible for unpaid utility charges owed by PHA tenants in an amount totaling \$5,012,535 since August 2006, which includes \$1,432,716 of unpaid balances on accounts for which PHA has already paid amounts directly to PGW for the benefit of certain low-income PHA residents. PHA is contesting the validity of the claims on the ground that PGW does not have a contractual claim against PHA and by law is not permitted to lien PHA property. PHA may resort to litigation to force PGW to release the liens filed against PHA property, to restore funds to PHA and to prevent PGW from filing such liens in the future. PHA has reached a tentative agreement with PGW regarding this matter. Under the terms of the proposed agreement, PGW would reimburse PHA for all of the monies that it received as a result of the liens

Note 19. Contingencies (Continued)

The dispute with PGW was settled without litigation having been commenced, by an agreement effective September 15, 2013 in which PGW agreed to release all liens, not file liens thereafter, and return all monies that PGW received or that were escrowed as a result of the liens.

PHA made no payments in connection with the agreement, except that it began remitting to PGW and PECO directly certain utility allowance payments that otherwise would be paid to PHA Scattered Sites Tenants.

PHA also agreed to a cooperation program to assure PGW access to PHA units to facilitate shutoffs for tenant non-payment.

Note 20. Subsequent Events

On July 17, 2014, the Board of Commissioners via Resolution 11720 authorized PHA, subject to any applicable HUD approvals, to repay before maturity the following two (2) of PHA's component unit's outstanding series of Capital Fund Program Revenue Bonds: 1) Series B, issued in 2002 in the original amount of \$33,000,000 with a final maturity of December 1, 2021 and a current outstanding balance of \$16,550,000; and 2) Series C, issued in 2003 in the original amount of \$21,000,000 with a final maturity of December 1, 2017 and a current outstanding balance of \$7,145,000.

As of March 31, 2014, the Series B and Series C Bonds are recorded in the books of Tasker I, LP and Tasker II, LP, respectively.

PHA revised its FY2015 MTW Plan to include this payment and report to HUD.

Required Supplementary Information

Philadelphia Housing Authority

Required Supplementary Information

Schedule of Pension Funding Progress:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age			Funding Excess (Deficiency) (a-b)	Funding Ratio (a/b)	Covered Payroll (c)	Ratio of Funding Deficiency to Covered Payroll [(a-b)/c]
11/1/09	\$ 200,900,456	\$ 272,847,624		\$ (71,947,168)	74%	\$37,488,770		(192%)
11/1/10	205,295,672	275,396,108		(70,100,436)	75%	36,032,847		(195%)
11/1/11	203,315,070	273,155,055		(69,839,935)	74%	13,611,869		(513%)
11/1/12	201,154,443	275,285,243		(74,130,800)	73%	10,040,634		(738%)
11/1/13	205,065,040	271,349,834		(66,284,794)	76%	2,135,544		(3104%)

Supplementary Information

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2014

	Project Total	14.881 Moving to Work Demonstration Program	14.870 Resident Opportunity and Supportive Services	14.170 Congregate Housing Service Program	10.559 Summer Food Service Program for Children
111 Cash - Unrestricted	\$20,726,964	\$7,156,662	\$0	\$8,494	\$0
112 Cash - Restricted - Modernization and Development	\$0	\$0	\$0	\$0	\$0
113 Cash - Other Restricted	\$0	\$17,243,576	\$0	\$0	\$0
114 Cash - Tenant Security Deposits	\$800,020	\$0	\$0	\$0	\$0
115 Cash - Restricted for Payment of Current Liabilities	\$0	\$1,455,337	\$0	\$0	\$0
100 Total Cash	\$21,526,984	\$25,855,575	\$0	\$8,494	\$0
121 Accounts Receivable - PHA Projects	\$0	\$0	\$0	\$0	\$0
122 Accounts Receivable - HUD Other Projects	\$2,001,767	\$50,067,131	\$56,444	\$4,215	\$0
124 Accounts Receivable - Other Government	\$0	\$44,822	\$0	\$0	\$0
125 Accounts Receivable - Miscellaneous	\$2,052,491	\$12,085,841	\$0	\$0	\$0
126 Accounts Receivable - Tenants	\$652,954	\$0	\$0	\$0	\$0
126.1 Allowance for Doubtful Accounts -Tenants	-\$556,005	\$0	\$0	\$0	\$0
126.2 Allowance for Doubtful Accounts - Other	\$0	\$0	\$0	\$0	\$0
127 Notes, Loans, & Mortgages Receivable - Current	\$0	\$0	\$0	\$0	\$0
128 Fraud Recovery	\$0	\$0	\$0	\$0	\$0
128.1 Allowance for Doubtful Accounts - Fraud	\$0	\$0	\$0	\$0	\$0
129 Accrued Interest Receivable	\$0	\$28,177	\$0	\$0	\$0
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$4,151,207	\$62,225,971	\$56,444	\$4,215	\$0
131 Investments - Unrestricted	\$0	\$22,274,011	\$0	\$0	\$0
132 Investments - Restricted	\$0	\$0	\$0	\$0	\$0
135 Investments - Restricted for Payment of Current Liability	\$0	\$0	\$0	\$0	\$0
142 Prepaid Expenses and Other Assets	\$1,077,560	\$0	\$0	\$0	\$0
143 Inventories	\$1,368,194	\$0	\$0	\$0	\$0

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2014

	Project Total	14.881 Moving to Work Demonstration Program	14.870 Resident Opportunity and Supportive Services	14.170 Congregate Housing Service Program	10.559 Summer Food Service Program for Children
143.1 Allowance for Obsolete Inventories	-\$137,049	\$0	\$0	\$0	\$0
144 Inter Program Due From	\$0	\$1,280,698	\$0	\$5,146	\$0
145 Assets Held for Sale	\$0	\$0	\$0	\$0	\$0
150 Total Current Assets	\$27,986,896	\$111,636,255	\$56,444	\$17,855	\$0
161 Land	\$23,419,365	\$149,460	\$0	\$0	\$0
162 Buildings	\$1,164,056,266	\$278,441,325	\$0	\$0	\$0
163 Furniture, Equipment & Machinery - Dwellings	\$167,470	\$962,380	\$0	\$0	\$0
164 Furniture, Equipment & Machinery - Administration	\$372,033	\$20,110,337	\$116,475	\$0	\$0
165 Leasehold Improvements	\$0	\$0	\$0	\$0	\$0
166 Accumulated Depreciation	-\$809,297,408	-\$118,820,315	-\$116,475	\$0	\$0
167 Construction in Progress	\$11,467,370	\$12,166,862	\$0	\$0	\$0
168 Infrastructure	\$0	\$0	\$0	\$0	\$0
160 Total Capital Assets, Net of Accumulated Depreciation	\$390,185,096	\$193,010,049	\$0	\$0	\$0
171 Notes, Loans and Mortgages Receivable - Non-Current	\$0	\$0	\$0	\$0	\$0
172 Notes, Loans, & Mortgages Receivable - Non Current - Past	\$0	\$0	\$0	\$0	\$0
173 Grants Receivable - Non Current	\$0	\$0	\$0	\$0	\$0
174 Other Assets	\$0	\$0	\$0	\$0	\$0
176 Investments in Joint Ventures	\$520	\$810	\$0	\$0	\$0
180 Total Non-Current Assets	\$390,185,616	\$193,010,859	\$0	\$0	\$0
200 Deferred Outflow of Resources	\$0	\$0	\$0	\$0	\$0
290 Total Assets and Deferred Outflow of Resources	\$418,172,512	\$304,647,114	\$56,444	\$17,855	\$0

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2014

	Project Total	14.881 Moving to Work Demonstration Program	14.870 Resident Opportunity and Supportive Services	14.170 Congregate Housing Service Program	10.559 Summer Food Service Program for Children
311 Bank Overdraft	\$0	\$0	\$0	\$0	\$0
312 Accounts Payable <= 90 Days	\$4,581,230	\$1,203,361	\$1,299	\$17,855	\$0
313 Accounts Payable >90 Days Past Due	\$0	\$0	\$0	\$0	\$0
321 Accrued Wage/Payroll Taxes Payable	\$0	\$1,574,922	\$0	\$0	\$0
322 Accrued Compensated Absences - Current Portion	\$3,762,773	\$616,842	\$0	\$0	\$0
324 Accrued Contingency Liability	\$0	\$0	\$0	\$0	\$0
325 Accrued Interest Payable	\$0	\$0	\$0	\$0	\$0
331 Accounts Payable - HUD PHA Programs	\$0	\$0	\$0	\$0	\$0
332 Account Payable - PHA Projects	\$0	\$0	\$0	\$0	\$0
333 Accounts Payable - Other Government	\$98,625	\$0	\$0	\$0	\$0
341 Tenant Security Deposits	\$800,020	\$0	\$0	\$0	\$0
342 Unearned Revenue	\$5,837	\$12,882	\$41	\$0	\$0
343 Current Portion of Long-term Debt - Capital	\$0	\$0	\$0	\$0	\$0
344 Current Portion of Long-term Debt - Operating Borrowings	\$0	\$0	\$0	\$0	\$0
345 Other Current Liabilities	\$0	\$6,476,846	\$0	\$0	\$0
346 Accrued Liabilities - Other	\$7,758,010	\$4,166,029	\$0	\$0	\$0
347 Inter Program - Due To	\$0	\$0	\$55,104	\$0	\$0
348 Loan Liability - Current	\$0	\$0	\$0	\$0	\$0
310 Total Current Liabilities	\$17,006,495	\$14,050,882	\$56,444	\$17,855	\$0
351 Long-term Debt, Net of Current - Capital Projects/Mortgage	\$0	\$0	\$0	\$0	\$0
352 Long-term Debt, Net of Current - Operating Borrowings	\$0	\$0	\$0	\$0	\$0
353 Non-current Liabilities - Other	\$80,088	\$6,381,024	\$0	\$0	\$0
354 Accrued Compensated Absences - Non Current	\$2,508,494	\$411,228	\$0	\$0	\$0
355 Loan Liability - Non Current	\$0	\$0	\$0	\$0	\$0
356 FASB 5 Liabilities	\$0	\$0	\$0	\$0	\$0

Philadelphia Housing Authority (PA002)
 PHILADELPHIA, PA
Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2014

	Project Total	14.881 Moving to Work Demonstration Program	14.870 Resident Opportunity and Supportive Services	14.170 Congregate Housing Service Program	10.559 Summer Food Service Program for Children
357 Accrued Pension and OPEB Liabilities	\$1,835,618	\$0	\$0	\$0	\$0
350 Total Non-Current Liabilities	\$4,424,200	\$6,792,252	\$0	\$0	\$0
300 Total Liabilities	\$21,430,695	\$20,843,134	\$56,444	\$17,855	\$0
400 Deferred Inflow of Resources	\$0	\$0	\$0	\$0	\$0
508.3 Nonspendable Fund Balance					
508.4 Net Investment in Capital Assets	\$390,185,096	\$193,010,049	\$0	\$0	\$0
509.3 Restricted Fund Balance					
510.3 Committed Fund Balance					
511.3 Assigned Fund Balance					
511.4 Restricted Net Position	\$0	\$0	\$0	\$0	\$0
512.3 Unassigned Fund Balance					
512.4 Unrestricted Net Position	\$6,556,721	\$90,793,931	\$0	\$0	\$0
513 Total Equity - Net Assets / Position	\$396,741,817	\$283,803,980	\$0	\$0	\$0
600 Total Liabilities, Deferred Inflows of Resources and Equity -	\$418,172,512	\$304,647,114	\$56,444	\$17,855	\$0

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2014

	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	97.109 Disaster Housing Assistance Grant	6.2 Component Unit - Blended	1 Business Activities	6.1 Component Unit - Discretely Presented
111 Cash - Unrestricted	\$0	\$0	\$67,592,628	\$2,065,374	\$5,833,138
112 Cash - Restricted - Modernization and Development	\$0	\$0	\$0	\$0	\$0
113 Cash - Other Restricted	\$0	\$0	\$148,712	\$0	\$21,041,212
114 Cash - Tenant Security Deposits	\$0	\$0	\$0	\$0	\$540,183
115 Cash - Restricted for Payment of Current Liabilities	\$0	\$0	\$0	\$24,285	\$0
100 Total Cash	\$0	\$0	\$67,741,340	\$2,089,659	\$27,414,533
121 Accounts Receivable - PHA Projects	\$0	\$0	\$0	\$0	\$0
122 Accounts Receivable - HUD Other Projects	\$7,752	\$0	\$0	\$0	\$0
124 Accounts Receivable - Other Government	\$0	\$0	\$0	\$0	\$0
125 Accounts Receivable - Miscellaneous	\$0	\$0	\$8,242,555	\$1,040,834	\$2,711,952
126 Accounts Receivable - Tenants	\$0	\$0	\$0	\$11,926	\$1,111,409
126.1 Allowance for Doubtful Accounts -Tenants	\$0	\$0	\$0	-\$11,926	-\$638,392
126.2 Allowance for Doubtful Accounts - Other	\$0	\$0	-\$1,624,822	\$0	\$0
127 Notes, Loans, & Mortgages Receivable - Current	\$0	\$0	\$0		
128 Fraud Recovery	\$0	\$0	\$0	\$0	\$0
128.1 Allowance for Doubtful Accounts - Fraud	\$0	\$0	\$0	\$0	\$0
129 Accrued Interest Receivable	\$0	\$0	\$8,495	\$10	\$0
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$7,752	\$0	\$6,626,228	\$1,040,844	\$3,184,969
131 Investments - Unrestricted	\$0	\$0	\$0	\$0	\$0
132 Investments - Restricted	\$0	\$0	\$2,863,793	\$0	\$0
135 Investments - Restricted for Payment of Current Liability	\$0	\$0	\$0	\$0	\$0
142 Prepaid Expenses and Other Assets	\$0	\$0	\$15,494	\$0	\$668,945
143 Inventories	\$0	\$0	\$0	\$0	\$0
143.1 Allowance for Obsolete Inventories	\$0	\$0	\$0	\$0	\$0

Philadelphia Housing Authority (PA002)
 PHILADELPHIA, PA
Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2014

	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	97.109 Disaster Housing Assistance Grant	6.2 Component Unit - Blended	1 Business Activities	6.1 Component Unit - Discretely Presented
144 Inter Program Due From	\$1,280,923	\$95,807	\$0	\$0	\$0
145 Assets Held for Sale	\$0	\$0	\$0	\$0	\$0
150 Total Current Assets	\$1,288,675	\$95,807	\$77,246,855	\$3,130,503	\$31,268,447
161 Land	\$0	\$0	\$0	\$40,286	\$5,593,652
162 Buildings	\$0	\$0	\$0	\$53,357,226	\$616,104,499
163 Furniture, Equipment & Machinery - Dwellings	\$0	\$0	\$0	\$0	\$546,036
164 Furniture, Equipment & Machinery - Administration	\$0	\$0	\$67,998	\$22,677	\$3,854,252
165 Leasehold Improvements	\$0	\$0	\$0	\$0	\$0
166 Accumulated Depreciation	\$0	\$0	-\$62,493	-\$20,605,155	-\$172,272,076
167 Construction in Progress	\$0	\$0	\$0	\$402,095	\$0
168 Infrastructure	\$0	\$0	\$0	\$0	\$0
160 Total Capital Assets, Net of Accumulated Depreciation	\$0	\$0	\$5,505	\$33,217,129	\$453,826,363
171 Notes, Loans and Mortgages Receivable - Non-Current	\$0	\$0	\$0	\$353,256,112	\$0
172 Notes, Loans, & Mortgages Receivable - Non Current - Past	\$0	\$0	\$0	\$0	\$0
173 Grants Receivable - Non Current	\$0	\$0	\$0	\$0	\$0
174 Other Assets	\$0	\$0	\$0	\$88,012	\$3,036,764
176 Investments in Joint Ventures	\$0	\$0	\$0	\$5,075,262	\$0
180 Total Non-Current Assets	\$0	\$0	\$5,505	\$391,636,515	\$456,863,127
200 Deferred Outflow of Resources	\$0	\$0	\$0	\$0	\$0
290 Total Assets and Deferred Outflow of Resources	\$1,288,675	\$95,807	\$77,252,360	\$394,767,018	\$488,131,574
311 Bank Overdraft	\$0	\$0	\$0	\$0	\$0

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2014

	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	97.109 Disaster Housing Assistance Grant	6.2 Component Unit - Blended	1 Business Activities	6.1 Component Unit - Discretely Presented
312 Accounts Payable <= 90 Days	\$0	\$0	\$53,388	\$33,475	\$1,526,460
313 Accounts Payable >90 Days Past Due	\$0	\$0	\$0	\$0	\$0
321 Accrued Wage/Payroll Taxes Payable	\$0	\$0	\$1,632	\$0	\$0
322 Accrued Compensated Absences - Current Portion	\$0	\$0	\$49,026	\$0	\$0
324 Accrued Contingency Liability	\$0	\$0	\$0	\$0	\$0
325 Accrued Interest Payable	\$0	\$0	\$0	\$945,730	\$0
331 Accounts Payable - HUD PHA Programs	\$0	\$0	\$0	\$0	\$0
332 Account Payable - PHA Projects	\$0	\$0	\$0	\$0	\$0
333 Accounts Payable - Other Government	\$0	\$0	\$0	\$0	\$0
341 Tenant Security Deposits	\$0	\$0	\$0	\$0	\$540,183
342 Unearned Revenue	\$288,377	\$0	\$0	\$432,409	\$180,907
343 Current Portion of Long-term Debt - Capital	\$0	\$0	\$0	\$4,575,000	\$3,497,133
344 Current Portion of Long-term Debt - Operating Borrowings	\$0	\$0	\$0	\$0	\$0
345 Other Current Liabilities	\$0	\$0	\$12,816,880	\$124,311	\$2,875,968
346 Accrued Liabilities - Other	\$0	\$0	\$162,165	\$0	\$3,637,273
347 Inter Program - Due To	\$0	\$0	\$0	\$403,061	\$0
348 Loan Liability - Current	\$0	\$0	\$0	\$0	\$0
310 Total Current Liabilities	\$288,377	\$0	\$13,083,091	\$6,513,986	\$12,257,924
351 Long-term Debt, Net of Current - Capital Projects/Mortgage	\$0	\$0	\$0	\$51,197,958	\$359,081,215
352 Long-term Debt, Net of Current - Operating Borrowings	\$0	\$0	\$0	\$0	\$0
353 Non-current Liabilities - Other	\$0	\$0	\$0	\$0	\$57,662,000
354 Accrued Compensated Absences - Non Current	\$0	\$0	\$32,684	\$0	\$0
355 Loan Liability - Non Current	\$0	\$0	\$0	\$0	\$0
356 FASB 5 Liabilities	\$0	\$0	\$0	\$0	\$0
357 Accrued Pension and OPEB Liabilities	\$0	\$0	\$0	\$0	\$0

Philadelphia Housing Authority (PA002)
 PHILADELPHIA, PA
Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2014

	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	97.109 Disaster Housing Assistance Grant	6.2 Component Unit - Blended	1 Business Activities	6.1 Component Unit - Discretely Presented
350 Total Non-Current Liabilities	\$0	\$0	\$32,684	\$51,197,958	\$416,743,215
300 Total Liabilities	\$288,377	\$0	\$13,115,775	\$57,711,944	\$429,001,139
400 Deferred Inflow of Resources	\$0	\$0	\$0	\$0	\$0
508.3 Nonspendable Fund Balance					
508.4 Net Investment in Capital Assets	\$0	\$0	\$5,505	-\$22,555,829	\$93,956,330
509.3 Restricted Fund Balance					
510.3 Committed Fund Balance					
511.3 Assigned Fund Balance					
511.4 Restricted Net Position	\$0	\$0	\$3,012,505	\$0	\$0
512.3 Unassigned Fund Balance					
512.4 Unrestricted Net Position	\$1,000,298	\$95,807	\$61,118,575	\$359,610,903	-\$34,825,895
513 Total Equity - Net Assets / Position	\$1,000,298	\$95,807	\$64,136,585	\$337,055,074	\$59,130,435
600 Total Liabilities, Deferred Inflows of Resources and Equity -	\$1,288,675	\$95,807	\$77,252,360	\$394,767,018	\$488,131,574

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2014

	93.044 Special Programs for the Aging_Title III, Part B_Grants for Supportive	14.182 N/C S/R Section 8 Programs	14.HCV MTW Demonstration Program for HCV program	14.871 Housing Choice Vouchers	2 State/Local
111 Cash - Unrestricted	\$0	\$0			\$1,576,287
112 Cash - Restricted - Modernization and Development	\$0	\$0			
113 Cash - Other Restricted	\$0	\$0		\$9,800,783	
114 Cash - Tenant Security Deposits	\$0	\$0			
115 Cash - Restricted for Payment of Current Liabilities	\$0	\$0		\$3,034	
100 Total Cash	\$0	\$0	\$0	\$9,803,817	\$1,576,287
121 Accounts Receivable - PHA Projects	\$0	\$0		\$1,269,540	
122 Accounts Receivable - HUD Other Projects	\$0	\$0		\$2,025,014	\$0
124 Accounts Receivable - Other Government	\$0	\$0			
125 Accounts Receivable - Miscellaneous	\$0	\$0			\$120,378
126 Accounts Receivable - Tenants	\$0	\$0			
126.1 Allowance for Doubtful Accounts -Tenants	\$0	\$0			\$0
126.2 Allowance for Doubtful Accounts - Other	\$0	\$0		\$0	\$0
127 Notes, Loans, & Mortgages Receivable - Current	\$0	\$0			
128 Fraud Recovery	\$0	\$0			
128.1 Allowance for Doubtful Accounts - Fraud	\$0	\$0			
129 Accrued Interest Receivable	\$0	\$0		\$47,475	\$2
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$0	\$0	\$0	\$3,342,029	\$120,380
131 Investments - Unrestricted	\$0	\$0			
132 Investments - Restricted	\$0	\$0			
135 Investments - Restricted for Payment of Current Liability	\$0	\$0			
142 Prepaid Expenses and Other Assets	\$0	\$0			\$91
143 Inventories	\$0	\$0			
143.1 Allowance for Obsolete Inventories	\$0	\$0			

Philadelphia Housing Authority (PA002)
 PHILADELPHIA, PA
Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2014

	93.044 Special Programs for the Aging_Title III, Part B_Grants for Supportive	14.182 N/C S/R Section 8 Programs	14.HCV MTW Demonstration Program for HCV program	14.871 Housing Choice Vouchers	2 State/Local
144 Inter Program Due From	\$0	\$22,872			\$240,433
145 Assets Held for Sale	\$0	\$0			
150 Total Current Assets	\$0	\$22,872	\$0	\$13,145,846	\$1,937,191
161 Land	\$0	\$0			
162 Buildings	\$0	\$0			\$250,000
163 Furniture, Equipment & Machinery - Dwellings	\$0	\$0			\$1,319
164 Furniture, Equipment & Machinery - Administration	\$8,139	\$0		\$494,459	\$252,055
165 Leasehold Improvements	\$0	\$0			
166 Accumulated Depreciation	-\$8,139	\$0		-\$494,459	-\$134,667
167 Construction in Progress	\$0	\$0			
168 Infrastructure	\$0	\$0			
160 Total Capital Assets, Net of Accumulated Depreciation	\$0	\$0	\$0	\$0	\$368,707
171 Notes, Loans and Mortgages Receivable - Non-Current	\$0	\$0			
172 Notes, Loans, & Mortgages Receivable - Non Current - Past	\$0	\$0			
173 Grants Receivable - Non Current	\$0	\$0			
174 Other Assets	\$0	\$0			
176 Investments in Joint Ventures	\$0	\$0			
180 Total Non-Current Assets	\$0	\$0	\$0	\$0	\$368,707
200 Deferred Outflow of Resources	\$0	\$0	\$0		
290 Total Assets and Deferred Outflow of Resources	\$0	\$22,872	\$0	\$13,145,846	\$2,305,898
311 Bank Overdraft	\$0	\$0			

Philadelphia Housing Authority (PA002)
 PHILADELPHIA, PA
Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2014

	93.044 Special Programs for the Aging_Title III, Part B_Grants for Supportive	14.182 N/C S/R Section 8 Programs	14.HCV MTW Demonstration Program for HCV program	14.871 Housing Choice Vouchers	2 State/Local
312 Accounts Payable <= 90 Days	\$0	\$0		\$73	\$519
313 Accounts Payable >90 Days Past Due	\$0	\$0			
321 Accrued Wage/Payroll Taxes Payable	\$0	\$0			
322 Accrued Compensated Absences - Current Portion	\$0	\$0		\$57,436	
324 Accrued Contingency Liability	\$0	\$0			
325 Accrued Interest Payable	\$0	\$0			
331 Accounts Payable - HUD PHA Programs	\$0	\$0			\$0
332 Account Payable - PHA Projects	\$0	\$0			
333 Accounts Payable - Other Government	\$0	\$0			
341 Tenant Security Deposits	\$0	\$0			
342 Unearned Revenue	\$0	\$0			\$640,188
343 Current Portion of Long-term Debt - Capital	\$0	\$0			
344 Current Portion of Long-term Debt - Operating Borrowings	\$0	\$0			
345 Other Current Liabilities	\$0	\$0		\$3,034	
346 Accrued Liabilities - Other	\$0	\$0		\$12,151	
347 Inter Program - Due To	\$0	\$0		\$1,229,686	
348 Loan Liability - Current	\$0	\$0			
310 Total Current Liabilities	\$0	\$0	\$0	\$1,302,380	\$640,707
351 Long-term Debt, Net of Current - Capital Projects/Mortgage	\$0	\$0			
352 Long-term Debt, Net of Current - Operating Borrowings	\$0	\$0			
353 Non-current Liabilities - Other	\$0	\$0			
354 Accrued Compensated Absences - Non Current	\$0	\$0		\$38,291	
355 Loan Liability - Non Current	\$0	\$0			
356 FASB 5 Liabilities	\$0	\$0			
357 Accrued Pension and OPEB Liabilities	\$0	\$0	\$0	\$0	

Philadelphia Housing Authority (PA002)
 PHILADELPHIA, PA
Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2014

	93.044 Special Programs for the Aging_Title III, Part B_Grants for Supportive	14.182 N/C S/R Section 8 Programs	14.HCV MTW Demonstration Program for HCV program	14.871 Housing Choice Vouchers	2 State/Local
350 Total Non-Current Liabilities	\$0	\$0	\$0	\$38,291	\$0
300 Total Liabilities	\$0	\$0	\$0	\$1,340,671	\$640,707
400 Deferred Inflow of Resources	\$0	\$0	\$0	\$0	
508.3 Nonspendable Fund Balance					
508.4 Net Investment in Capital Assets	\$0	\$0			\$368,707
509.3 Restricted Fund Balance					
510.3 Committed Fund Balance					
511.3 Assigned Fund Balance					
511.4 Restricted Net Position	\$0	\$0		\$9,800,783	\$0
512.3 Unassigned Fund Balance					
512.4 Unrestricted Net Position	\$0	\$22,872	\$0	\$2,004,392	\$1,296,484
513 Total Equity - Net Assets / Position	\$0	\$22,872	\$0	\$11,805,175	\$1,665,191
600 Total Liabilities, Deferred Inflows of Resources and Equity -	\$0	\$22,872	\$0	\$13,145,846	\$2,305,898

Philadelphia Housing Authority (PA002)
 PHILADELPHIA, PA
Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2014

	14.879 Mainstream Vouchers	14.OPS MTW Demonstration Program for Low Rent	14.CFP MTW Demonstration Program for Capital Fund	14.856 Lower Income Housing Assistance Program_Section 8 Moderate	Subtotal
111 Cash - Unrestricted				\$1,078,804	\$106,038,351
112 Cash - Restricted - Modernization and Development				\$0	\$0
113 Cash - Other Restricted				\$0	\$48,234,283
114 Cash - Tenant Security Deposits				\$0	\$1,340,203
115 Cash - Restricted for Payment of Current Liabilities				\$0	\$1,482,656
100 Total Cash	\$0	\$0	\$0	\$1,078,804	\$157,095,493
121 Accounts Receivable - PHA Projects				\$0	\$1,269,540
122 Accounts Receivable - HUD Other Projects	\$112,784			\$326,293	\$54,601,400
124 Accounts Receivable - Other Government				\$0	\$44,822
125 Accounts Receivable - Miscellaneous				\$0	\$26,254,051
126 Accounts Receivable - Tenants				\$0	\$1,776,289
126.1 Allowance for Doubtful Accounts -Tenants				\$0	-\$1,206,323
126.2 Allowance for Doubtful Accounts - Other	\$0			\$0	-\$1,624,822
127 Notes, Loans, & Mortgages Receivable - Current				\$0	\$0
128 Fraud Recovery				\$0	\$0
128.1 Allowance for Doubtful Accounts - Fraud				\$0	\$0
129 Accrued Interest Receivable				\$6	\$84,165
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$112,784	\$0	\$0	\$326,299	\$81,199,122
131 Investments - Unrestricted				\$0	\$22,274,011
132 Investments - Restricted				\$0	\$2,863,793
135 Investments - Restricted for Payment of Current Liability				\$0	\$0
142 Prepaid Expenses and Other Assets				\$0	\$1,762,090
143 Inventories				\$0	\$1,368,194
143.1 Allowance for Obsolete Inventories				\$0	-\$137,049

Philadelphia Housing Authority (PA002)
 PHILADELPHIA, PA
Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2014

	14.879 Mainstream Vouchers	14.OPS MTW Demonstration Program for Low Rent	14.CFP MTW Demonstration Program for Capital Fund	14.856 Lower Income Housing Assistance Program_Section 8 Moderate	Subtotal
144 Inter Program Due From	\$131,150			\$1,124,305	\$4,181,334
145 Assets Held for Sale				\$0	\$0
150 Total Current Assets	\$243,934	\$0	\$0	\$2,529,408	\$270,606,988
161 Land				\$0	\$29,202,763
162 Buildings				\$633,750	\$2,112,843,066
163 Furniture, Equipment & Machinery - Dwellings				\$0	\$1,677,205
164 Furniture, Equipment & Machinery - Administration				\$0	\$25,298,425
165 Leasehold Improvements				\$0	\$0
166 Accumulated Depreciation				\$0	-\$1,121,811,187
167 Construction in Progress				\$0	\$24,036,327
168 Infrastructure				\$0	\$0
160 Total Capital Assets, Net of Accumulated Depreciation	\$0	\$0	\$0	\$633,750	\$1,071,246,599
171 Notes, Loans and Mortgages Receivable - Non-Current				\$0	\$353,256,112
172 Notes, Loans, & Mortgages Receivable - Non Current - Past				\$0	\$0
173 Grants Receivable - Non Current				\$0	\$0
174 Other Assets				\$0	\$3,124,776
176 Investments in Joint Ventures				\$0	\$5,076,592
180 Total Non-Current Assets	\$0	\$0	\$0	\$633,750	\$1,432,704,079
200 Deferred Outflow of Resources				\$0	\$0
290 Total Assets and Deferred Outflow of Resources	\$243,934	\$0	\$0	\$3,163,158	\$1,703,311,067
311 Bank Overdraft				\$0	\$0

Philadelphia Housing Authority (PA002)
 PHILADELPHIA, PA
Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2014

	14.879 Mainstream Vouchers	14.OPS MTW Demonstration Program for Low Rent	14.CFP MTW Demonstration Program for Capital Fund	14.856 Lower Income Housing Assistance Program_Section 8 Moderate	Subtotal
312 Accounts Payable <= 90 Days				\$0	\$7,417,660
313 Accounts Payable >90 Days Past Due				\$0	\$0
321 Accrued Wage/Payroll Taxes Payable				\$0	\$1,576,554
322 Accrued Compensated Absences - Current Portion				\$0	\$4,486,077
324 Accrued Contingency Liability				\$0	\$0
325 Accrued Interest Payable				\$0	\$945,730
331 Accounts Payable - HUD PHA Programs				\$0	\$0
332 Account Payable - PHA Projects				\$0	\$0
333 Accounts Payable - Other Government				\$0	\$98,625
341 Tenant Security Deposits				\$0	\$1,340,203
342 Unearned Revenue				\$120,045	\$1,680,686
343 Current Portion of Long-term Debt - Capital				\$0	\$8,072,133
344 Current Portion of Long-term Debt - Operating Borrowings				\$0	\$0
345 Other Current Liabilities				\$0	\$22,297,039
346 Accrued Liabilities - Other				\$8,378	\$15,744,006
347 Inter Program - Due To				\$2,493,483	\$4,181,334
348 Loan Liability - Current				\$0	\$0
310 Total Current Liabilities	\$0	\$0	\$0	\$2,621,906	\$67,840,047
351 Long-term Debt, Net of Current - Capital Projects/Mortgage				\$0	\$410,279,173
352 Long-term Debt, Net of Current - Operating Borrowings				\$0	\$0
353 Non-current Liabilities - Other				\$0	\$64,123,112
354 Accrued Compensated Absences - Non Current				\$0	\$2,990,697
355 Loan Liability - Non Current				\$0	\$0
356 FASB 5 Liabilities				\$0	\$0
357 Accrued Pension and OPEB Liabilities				\$0	\$1,835,618

Philadelphia Housing Authority (PA002)
 PHILADELPHIA, PA
Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2014

	14.879 Mainstream Vouchers	14.OPS MTW Demonstration Program for Low Rent	14.CFP MTW Demonstration Program for Capital Fund	14.856 Lower Income Housing Assistance Program_Section 8 Moderate	Subtotal
350 Total Non-Current Liabilities	\$0	\$0	\$0	\$0	\$479,228,600
300 Total Liabilities	\$0	\$0	\$0	\$2,621,906	\$547,068,647
400 Deferred Inflow of Resources				\$0	\$0
508.3 Nonspendable Fund Balance				\$0	
508.4 Net Investment in Capital Assets				\$633,750	\$655,603,608
509.3 Restricted Fund Balance				\$0	
510.3 Committed Fund Balance				\$0	
511.3 Assigned Fund Balance				\$0	
511.4 Restricted Net Position				\$0	\$12,813,288
512.3 Unassigned Fund Balance				\$0	
512.4 Unrestricted Net Position	\$243,934	\$0	\$0	-\$92,498	\$487,825,524
513 Total Equity - Net Assets / Position	\$243,934	\$0	\$0	\$541,252	\$1,156,242,420
600 Total Liabilities, Deferred Inflows of Resources and Equity -	\$243,934	\$0	\$0	\$3,163,158	\$1,703,311,067

Philadelphia Housing Authority (PA002)
 PHILADELPHIA, PA
Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2014

	ELIM	Total
111 Cash - Unrestricted		\$106,038,351
112 Cash - Restricted - Modernization and Development		\$0
113 Cash - Other Restricted		\$48,234,283
114 Cash - Tenant Security Deposits		\$1,340,203
115 Cash - Restricted for Payment of Current Liabilities		\$1,482,656
100 Total Cash	\$0	\$157,095,493
121 Accounts Receivable - PHA Projects		\$1,269,540
122 Accounts Receivable - HUD Other Projects		\$54,601,400
124 Accounts Receivable - Other Government		\$44,822
125 Accounts Receivable - Miscellaneous	-\$12,243,947	\$14,010,104
126 Accounts Receivable - Tenants		\$1,776,289
126.1 Allowance for Doubtful Accounts -Tenants		-\$1,206,323
126.2 Allowance for Doubtful Accounts - Other		-\$1,624,822
127 Notes, Loans, & Mortgages Receivable - Current		\$0
128 Fraud Recovery		\$0
128.1 Allowance for Doubtful Accounts - Fraud		\$0
129 Accrued Interest Receivable		\$84,165
120 Total Receivables, Net of Allowances for Doubtful Accounts	-\$12,243,947	\$68,955,175
131 Investments - Unrestricted		\$22,274,011
132 Investments - Restricted		\$2,863,793
135 Investments - Restricted for Payment of Current Liability		\$0
142 Prepaid Expenses and Other Assets		\$1,762,090
143 Inventories		\$1,368,194
143.1 Allowance for Obsolete Inventories		-\$137,049

Philadelphia Housing Authority (PA002)
 PHILADELPHIA, PA
Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2014

	ELIM	Total
144 Inter Program Due From	-\$4,181,334	\$0
145 Assets Held for Sale		\$0
150 Total Current Assets	-\$16,425,281	\$254,181,707
161 Land		\$29,202,763
162 Buildings		\$2,112,843,066
163 Furniture, Equipment & Machinery - Dwellings		\$1,677,205
164 Furniture, Equipment & Machinery - Administration		\$25,298,425
165 Leasehold Improvements		\$0
166 Accumulated Depreciation		-\$1,121,811,187
167 Construction in Progress		\$24,036,327
168 Infrastructure		\$0
160 Total Capital Assets, Net of Accumulated Depreciation	\$0	\$1,071,246,599
171 Notes, Loans and Mortgages Receivable - Non-Current		\$353,256,112
172 Notes, Loans, & Mortgages Receivable - Non Current - Past		\$0
173 Grants Receivable - Non Current		\$0
174 Other Assets		\$3,124,776
176 Investments in Joint Ventures		\$5,076,592
180 Total Non-Current Assets	\$0	\$1,432,704,079
200 Deferred Outflow of Resources	\$0	\$0
290 Total Assets and Deferred Outflow of Resources	-\$16,425,281	\$1,686,885,786
311 Bank Overdraft		\$0

Philadelphia Housing Authority (PA002)
 PHILADELPHIA, PA
Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2014

	ELIM	Total
312 Accounts Payable <= 90 Days		\$7,417,660
313 Accounts Payable >90 Days Past Due		\$0
321 Accrued Wage/Payroll Taxes Payable		\$1,576,554
322 Accrued Compensated Absences - Current Portion		\$4,486,077
324 Accrued Contingency Liability		\$0
325 Accrued Interest Payable		\$945,730
331 Accounts Payable - HUD PHA Programs		\$0
332 Account Payable - PHA Projects		\$0
333 Accounts Payable - Other Government		\$98,625
341 Tenant Security Deposits		\$1,340,203
342 Unearned Revenue		\$1,680,686
343 Current Portion of Long-term Debt - Capital		\$8,072,133
344 Current Portion of Long-term Debt - Operating Borrowings		\$0
345 Other Current Liabilities	-\$12,243,947	\$10,053,092
346 Accrued Liabilities - Other		\$15,744,006
347 Inter Program - Due To	-\$4,181,334	\$0
348 Loan Liability - Current		\$0
310 Total Current Liabilities	-\$16,425,281	\$51,414,766
351 Long-term Debt, Net of Current - Capital Projects/Mortgage		\$410,279,173
352 Long-term Debt, Net of Current - Operating Borrowings		\$0
353 Non-current Liabilities - Other		\$64,123,112
354 Accrued Compensated Absences - Non Current		\$2,990,697
355 Loan Liability - Non Current		\$0
356 FASB 5 Liabilities		\$0
357 Accrued Pension and OPEB Liabilities		\$1,835,618

Philadelphia Housing Authority (PA002)
 PHILADELPHIA, PA
Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2014

	ELIM	Total
350 Total Non-Current Liabilities	\$0	\$479,228,600
300 Total Liabilities	-\$16,425,281	\$530,643,366
400 Deferred Inflow of Resources	\$0	\$0
508.3 Nonspendable Fund Balance		
508.4 Net Investment in Capital Assets		\$655,603,608
509.3 Restricted Fund Balance		
510.3 Committed Fund Balance		
511.3 Assigned Fund Balance		
511.4 Restricted Net Position		\$12,813,288
512.3 Unassigned Fund Balance		
512.4 Unrestricted Net Position		\$487,825,524
513 Total Equity - Net Assets / Position	\$0	\$1,156,242,420
600 Total Liabilities, Deferred Inflows of Resources and Equity -	-\$16,425,281	\$1,686,885,786

Philadelphia Housing Authority (PA002)
 PHILADELPHIA, PA
Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2014

	Project Total	14.881 Moving to Work Demonstration Program	14.870 Resident Opportunity and Supportive Services	14.170 Congregate Housing Service Program	10.559 Summer Food Service Program for Children
70300 Net Tenant Rental Revenue	\$23,471,271	\$0	\$0	\$0	\$0
70400 Tenant Revenue - Other	\$751,240	\$0	\$0	\$0	\$0
70500 Total Tenant Revenue	\$24,222,511	\$0	\$0	\$0	\$0
70600 HUD PHA Operating Grants	\$0	\$0	\$311,346	\$120,297	\$0
70610 Capital Grants	\$0				
70710 Management Fee					
70720 Asset Management Fee					
70730 Book Keeping Fee					
70740 Front Line Service Fee					
70750 Other Fees					
70700 Total Fee Revenue					
70800 Other Government Grants	\$0	\$0	\$0	\$0	\$263,336
71100 Investment Income - Unrestricted	\$149,801	\$153,188	\$0	\$0	\$0
71200 Mortgage Interest Income	\$0	\$0	\$0	\$0	\$0
71300 Proceeds from Disposition of Assets Held for Sale	\$0	\$0	\$0	\$0	\$0
71310 Cost of Sale of Assets	\$0	\$0	\$0	\$0	\$0
71400 Fraud Recovery	\$20,977	\$0	\$0	\$0	\$0
71500 Other Revenue	\$206,877	\$357,203	\$0	\$30,074	\$126,736
71600 Gain or Loss on Sale of Capital Assets	\$1,822,633	\$838,198	\$0	\$0	\$0
72000 Investment Income - Restricted	\$0	\$0	\$0	\$0	\$0
70000 Total Revenue	\$26,422,799	\$1,348,589	\$311,346	\$150,371	\$390,072
91100 Administrative Salaries	\$18,204,816	\$12,389,652	\$63,223	\$0	\$0

Philadelphia Housing Authority (PA002)
 PHILADELPHIA, PA
Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2014

	Project Total	14.881 Moving to Work Demonstration Program	14.870 Resident Opportunity and Supportive Services	14.170 Congregate Housing Service Program	10.559 Summer Food Service Program for Children
91200 Auditing Fees	\$446,538	\$13,000	\$0	\$0	\$0
91300 Management Fee	\$0	\$0	\$0	\$0	\$0
91310 Book-keeping Fee	\$0	\$0	\$0	\$0	\$0
91400 Advertising and Marketing	\$111,346	\$0	\$0	\$0	\$0
91500 Employee Benefit contributions - Administrative	\$10,156,371	\$9,483,715	\$0	\$0	\$0
91600 Office Expenses	\$4,472,722	\$643,877	\$6,604	\$0	\$1,728
91700 Legal Expense	\$1,134,967	\$1,709,618	\$0	\$0	\$0
91800 Travel	\$94,804	\$26,829	\$41	\$0	\$1,553
91810 Allocated Overhead	\$0	\$0	\$0	\$0	\$0
91900 Other	\$2,935,047	\$7,232,198	\$6,022	\$0	\$0
91000 Total Operating - Administrative	\$37,556,611	\$31,498,889	\$75,890	\$0	\$3,281
92000 Asset Management Fee	\$0				
92100 Tenant Services - Salaries	\$87,091	\$316,214	\$163,052	\$13,798	\$94,278
92200 Relocation Costs	\$259,982	\$0	\$0	\$0	\$0
92300 Employee Benefit Contributions - Tenant Services	\$49,002	\$251,877	\$133	\$3,464	\$0
92400 Tenant Services - Other	\$496,045	\$210,279	\$72,269	\$131,780	\$292,513
92500 Total Tenant Services	\$892,120	\$778,370	\$235,454	\$149,042	\$386,791
93100 Water	\$10,037,450	\$13,439	\$0	\$0	\$0
93200 Electricity	\$6,339,089	\$126,682	\$0	\$0	\$0
93300 Gas	\$6,230,885	\$0	\$0	\$0	\$0
93400 Fuel	\$0	\$0	\$0	\$0	\$0
93500 Labor	\$77,751	\$0	\$0	\$0	\$0
93600 Sewer	\$0	\$0	\$0	\$0	\$0
93700 Employee Benefit Contributions - Utilities	\$41,832	\$0	\$0	\$0	\$0

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2014

	Project Total	14.881 Moving to Work Demonstration Program	14.870 Resident Opportunity and Supportive Services	14.170 Congregate Housing Service Program	10.559 Summer Food Service Program for Children
93800 Other Utilities Expense	\$51,280	\$0	\$0	\$0	\$0
93000 Total Utilities	\$22,778,287	\$140,121	\$0	\$0	\$0
94100 Ordinary Maintenance and Operations - Labor	\$30,175,292	\$261,233	\$0	\$0	\$0
94200 Ordinary Maintenance and Operations - Materials and	\$5,707,910	\$72,611	\$0	\$0	\$0
94300 Ordinary Maintenance and Operations Contracts	\$4,887,939	\$133,205	\$0	\$0	\$0
94500 Employee Benefit Contributions - Ordinary Maintenance	\$16,474,658	\$208,082	\$0	\$0	\$0
94000 Total Maintenance	\$57,245,799	\$675,131	\$0	\$0	\$0
95100 Protective Services - Labor	\$3,670,454	\$362,634	\$0	\$0	\$0
95200 Protective Services - Other Contract Costs	\$2,296,977	\$608,160	\$0	\$0	\$0
95300 Protective Services - Other	\$156,912	\$0	\$0	\$0	\$0
95500 Employee Benefit Contributions - Protective Services	\$2,065,108	\$288,852	\$0	\$0	\$0
95000 Total Protective Services	\$8,189,451	\$1,259,646	\$0	\$0	\$0
96110 Property Insurance	\$5,636,453	\$0	\$0	\$0	\$0
96120 Liability Insurance	\$515,581	\$0	\$0	\$0	\$0
96130 Workmen's Compensation	\$4,768,100	-\$3,971,169	\$2	\$132	\$0
96140 All Other Insurance	\$74,088	\$23,969	\$0	\$0	\$0
96100 Total insurance Premiums	\$10,994,222	-\$3,947,200	\$2	\$132	\$0
96200 Other General Expenses	\$16,674,341	\$493,741	\$0	\$0	\$0
96210 Compensated Absences	\$0	\$0	\$0	\$0	\$0
96300 Payments in Lieu of Taxes	\$0	\$0	\$0	\$0	\$0
96400 Bad debt - Tenant Rents	\$217,592	\$0	\$0	\$0	\$0
96500 Bad debt - Mortgages	\$0	\$0	\$0	\$0	\$0

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2014

	Project Total	14.881 Moving to Work Demonstration Program	14.870 Resident Opportunity and Supportive Services	14.170 Congregate Housing Service Program	10.559 Summer Food Service Program for Children
96600 Bad debt - Other	\$0	\$0	\$0	\$0	\$0
96800 Severance Expense	\$278,097	\$168,677	\$0	\$1,197	\$0
96000 Total Other General Expenses	\$17,170,030	\$662,418	\$0	\$1,197	\$0
96710 Interest of Mortgage (or Bonds) Payable	\$0	\$1,404,008	\$0	\$0	\$0
96720 Interest on Notes Payable (Short and Long Term)	\$0	\$0	\$0	\$0	\$0
96730 Amortization of Bond Issue Costs	\$0	\$0	\$0	\$0	\$0
96700 Total Interest Expense and Amortization Cost	\$0	\$1,404,008	\$0	\$0	\$0
96900 Total Operating Expenses	\$154,826,520	\$32,471,383	\$311,346	\$150,371	\$390,072
97000 Excess of Operating Revenue over Operating Expenses	-\$128,403,721	-\$31,122,794	\$0	\$0	\$0
97100 Extraordinary Maintenance	\$1,054,688	\$399,732	\$0	\$0	\$0
97200 Casualty Losses - Non-capitalized	\$0	\$0	\$0	\$0	\$0
97300 Housing Assistance Payments	\$0	\$123,907,670	\$0	\$0	\$0
97350 HAP Portability-In	\$0	\$0	\$0	\$0	\$0
97400 Depreciation Expense	\$42,009,811	\$12,363,688	\$1,246	\$0	\$0
97500 Fraud Losses	\$0	\$0	\$0	\$0	\$0
97600 Capital Outlays - Governmental Funds					
97700 Debt Principal Payment - Governmental Funds					
97800 Dwelling Units Rent Expense	\$0				
90000 Total Expenses	\$197,891,019	\$169,142,473	\$312,592	\$150,371	\$390,072
10010 Operating Transfer In	\$0	\$321,051,762	\$0	\$0	\$0
10020 Operating transfer Out	\$0	\$0	\$0	\$0	\$0

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2014

	Project Total	14.881 Moving to Work Demonstration Program	14.870 Resident Opportunity and Supportive Services	14.170 Congregate Housing Service Program	10.559 Summer Food Service Program for Children
10030 Operating Transfers from/to Primary Government	\$0	-\$3,028,947	\$0	\$0	\$0
10040 Operating Transfers from/to Component Unit	\$0	\$0	\$0	\$0	\$0
10050 Proceeds from Notes, Loans and Bonds					
10060 Proceeds from Property Sales					
10070 Extraordinary Items, Net Gain/Loss	\$0	\$0	\$0	\$0	\$0
10080 Special Items (Net Gain/Loss)	\$0	\$0	\$0	\$0	\$0
10091 Inter Project Excess Cash Transfer In	\$0				
10092 Inter Project Excess Cash Transfer Out	\$0				
10093 Transfers between Program and Project - In	\$142,674,062		\$0	\$0	\$0
10094 Transfers between Project and Program - Out	-\$8,572,464	-\$141,914,315	\$0	\$0	\$0
10100 Total Other financing Sources (Uses)	\$134,101,598	\$176,108,500	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total	-\$37,366,622	\$8,314,616	-\$1,246	\$0	\$0
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0	\$0
11030 Beginning Equity	\$434,108,439	\$275,489,364	\$1,246	\$0	\$0
11040 Prior Period Adjustments, Equity Transfers and Correction	\$0	\$0	\$0	\$0	\$0
11050 Changes in Compensated Absence Balance					
11060 Changes in Contingent Liability Balance					
11070 Changes in Unrecognized Pension Transition Liability					
11080 Changes in Special Term/Severance Benefits Liability					
11090 Changes in Allowance for Doubtful Accounts - Dwelling					
11100 Changes in Allowance for Doubtful Accounts - Other					
11170 Administrative Fee Equity					
11180 Housing Assistance Payments Equity					
11190 Unit Months Available	130104	190008			

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2014

	Project Total	14.881 Moving to Work Demonstration Program	14.870 Resident Opportunity and Supportive Services	14.170 Congregate Housing Service Program	10.559 Summer Food Service Program for Children
11210 Number of Unit Months Leased	122332	190008			
11270 Excess Cash	-\$4,095,311				
11610 Land Purchases	\$0				
11620 Building Purchases	\$13,069,561				
11630 Furniture & Equipment - Dwelling Purchases	\$0				
11640 Furniture & Equipment - Administrative Purchases	\$0				
11650 Leasehold Improvements Purchases	\$0				
11660 Infrastructure Purchases	\$0				
13510 CFFP Debt Service Payments	\$0				
13901 Replacement Housing Factor Funds	\$14,178				

Philadelphia Housing Authority (PA002)
 PHILADELPHIA, PA
Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2014

	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	97.109 Disaster Housing Assistance Grant	6.2 Component Unit - Blended	1 Business Activities	6.1 Component Unit - Discretely Presented
70300 Net Tenant Rental Revenue	\$0	\$0	\$0	\$0	\$21,781,506
70400 Tenant Revenue - Other	\$0	\$0	\$0	\$0	\$0
70500 Total Tenant Revenue	\$0	\$0	\$0	\$0	\$21,781,506
70600 HUD PHA Operating Grants	\$1,967,322	\$0	\$0	\$0	
70610 Capital Grants					
70710 Management Fee					
70720 Asset Management Fee					
70730 Book Keeping Fee					
70740 Front Line Service Fee					
70750 Other Fees					
70700 Total Fee Revenue					
70800 Other Government Grants	\$0	\$0	\$0	\$0	
71100 Investment Income - Unrestricted	\$0	\$0	\$128,704	\$363	\$15,363
71200 Mortgage Interest Income	\$0	\$0	\$0	\$5,553,976	
71300 Proceeds from Disposition of Assets Held for Sale	\$0	\$0	\$0	\$0	
71310 Cost of Sale of Assets	\$0	\$0	\$0	\$0	
71400 Fraud Recovery	\$0	\$0	\$0	\$0	
71500 Other Revenue	\$0	\$0	\$1,728,171	\$217,415	\$5,214,668
71600 Gain or Loss on Sale of Capital Assets	\$0	\$0	\$0	-\$3,668,303	
72000 Investment Income - Restricted	\$0	\$0	\$0	\$0	\$241
70000 Total Revenue	\$1,967,322	\$0	\$1,856,875	\$2,103,451	\$27,011,778
91100 Administrative Salaries	\$109,989	\$0	\$472,788	\$0	\$3,419,447
91200 Auditing Fees	\$0	\$0	\$52,249	\$0	\$564,593

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2014

	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	97.109 Disaster Housing Assistance Grant	6.2 Component Unit - Blended	1 Business Activities	6.1 Component Unit - Discretely Presented
91300 Management Fee	\$0	\$0	\$0	\$0	\$1,833,514
91310 Book-keeping Fee	\$0	\$0	\$0	\$0	\$0
91400 Advertising and Marketing	\$0	\$0	\$0	\$0	\$52,921
91500 Employee Benefit contributions - Administrative	\$52,572	\$0	\$299,105	\$193,695	\$447,714
91600 Office Expenses	\$0	\$0	\$58,278	\$0	\$457,818
91700 Legal Expense	\$0	\$0	\$0	\$0	\$443,428
91800 Travel	\$0	\$0	\$830	\$5,162	\$0
91810 Allocated Overhead	\$0	\$0	\$0	\$0	\$0
91900 Other	\$0	\$0	\$329,555	\$99,308	\$555,984
91000 Total Operating - Administrative	\$162,561	\$0	\$1,212,805	\$298,165	\$7,775,419
92000 Asset Management Fee					
92100 Tenant Services - Salaries	\$0	\$0	\$0	\$0	
92200 Relocation Costs	\$0	\$0	\$0	\$0	
92300 Employee Benefit Contributions - Tenant Services	\$0	\$0	\$0	\$0	
92400 Tenant Services - Other	\$0	\$0	\$0	\$0	
92500 Total Tenant Services	\$0	\$0	\$0	\$0	\$0
93100 Water	\$0	\$0	\$0	\$2,577	\$2,630,086
93200 Electricity	\$0	\$0	\$3,659	\$4,633	\$1,062,686
93300 Gas	\$0	\$0	\$0	\$0	\$574,936
93400 Fuel	\$0	\$0	\$0	\$0	\$1,119
93500 Labor	\$0	\$0	\$0	\$0	\$0
93600 Sewer	\$0	\$0	\$0	\$0	\$131,872
93700 Employee Benefit Contributions - Utilities	\$0	\$0	\$0	\$0	\$0
93800 Other Utilities Expense	\$0	\$0	\$0	\$0	\$0

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2014

	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	97.109 Disaster Housing Assistance Grant	6.2 Component Unit - Blended	1 Business Activities	6.1 Component Unit - Discretely Presented
93000 Total Utilities	\$0	\$0	\$3,659	\$7,210	\$4,400,699
94100 Ordinary Maintenance and Operations - Labor	\$0	\$0	\$0	\$25	\$2,026,015
94200 Ordinary Maintenance and Operations - Materials and	\$0	\$0	\$25,919	\$0	
94300 Ordinary Maintenance and Operations Contracts	\$0	\$0	\$530,479	\$0	\$6,714,140
94500 Employee Benefit Contributions - Ordinary Maintenance	\$0	\$0	\$0	\$0	
94000 Total Maintenance	\$0	\$0	\$556,398	\$25	\$8,740,155
95100 Protective Services - Labor	\$0	\$0	\$0	\$0	
95200 Protective Services - Other Contract Costs	\$0	\$0	\$0	\$0	
95300 Protective Services - Other	\$0	\$0	\$0	\$0	
95500 Employee Benefit Contributions - Protective Services	\$0	\$0	\$0	\$0	
95000 Total Protective Services	\$0	\$0	\$0	\$0	\$0
96110 Property Insurance	\$0	\$0	\$8,586	\$0	\$1,904,879
96120 Liability Insurance	\$0	\$0	\$0	\$0	\$0
96130 Workmen's Compensation	\$5,136	\$0	\$5,866	\$35,361	\$130,449
96140 All Other Insurance	\$0	\$0	\$0	\$0	\$48,120
96100 Total insurance Premiums	\$5,136	\$0	\$14,452	\$35,361	\$2,083,448
96200 Other General Expenses	\$19,047	\$0	\$197,773	\$0	\$579,680
96210 Compensated Absences	\$0	\$0	\$0	\$0	\$0
96300 Payments in Lieu of Taxes	\$0	\$0	\$0	\$0	\$0
96400 Bad debt - Tenant Rents	\$0	\$0	\$0	\$0	\$124,866
96500 Bad debt - Mortgages	\$0	\$0	\$0	\$0	\$0
96600 Bad debt - Other	\$0	\$0	\$633,726	\$0	\$69

Philadelphia Housing Authority (PA002)
 PHILADELPHIA, PA
Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2014

	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	97.109 Disaster Housing Assistance Grant	6.2 Component Unit - Blended	1 Business Activities	6.1 Component Unit - Discretely Presented
96800 Severance Expense	\$4,384	\$0	\$24,826	\$0	\$0
96000 Total Other General Expenses	\$23,431	\$0	\$856,325	\$0	\$704,615
96710 Interest of Mortgage (or Bonds) Payable	\$0	\$0	\$0	\$2,984,733	\$6,013,765
96720 Interest on Notes Payable (Short and Long Term)	\$0	\$0	\$0	\$0	
96730 Amortization of Bond Issue Costs	\$0	\$0	\$0	\$0	
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$2,984,733	\$6,013,765
96900 Total Operating Expenses	\$191,128	\$0	\$2,643,639	\$3,325,494	\$29,718,101
97000 Excess of Operating Revenue over Operating Expenses	\$1,776,194	\$0	-\$786,764	-\$1,222,043	-\$2,706,323
97100 Extraordinary Maintenance	\$0	\$0	\$5,624	\$457,568	
97200 Casualty Losses - Non-capitalized	\$0	\$0	\$0	\$0	
97300 Housing Assistance Payments	\$1,641,235	\$0	\$0	\$0	
97350 HAP Portability-In	\$0	\$0	\$0	\$0	
97400 Depreciation Expense	\$0	\$0	\$0	\$2,648,316	\$18,266,300
97500 Fraud Losses	\$0	\$0	\$0	\$0	
97600 Capital Outlays - Governmental Funds					
97700 Debt Principal Payment - Governmental Funds					
97800 Dwelling Units Rent Expense	\$0				
90000 Total Expenses	\$1,832,363	\$0	\$2,649,263	\$6,431,378	\$47,984,401
10010 Operating Transfer In	\$0	\$0	\$0	\$0	
10020 Operating transfer Out	\$0	\$0	\$0	\$0	
10030 Operating Transfers from/to Primary Government	\$0	\$0	\$2,099,283	\$929,664	

Philadelphia Housing Authority (PA002)
 PHILADELPHIA, PA
Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2014

	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	97.109 Disaster Housing Assistance Grant	6.2 Component Unit - Blended	1 Business Activities	6.1 Component Unit - Discretely Presented
10040 Operating Transfers from/to Component Unit	\$0	\$0		\$0	
10050 Proceeds from Notes, Loans and Bonds					
10060 Proceeds from Property Sales					
10070 Extraordinary Items, Net Gain/Loss	\$0	\$0	\$0	\$0	-\$27,314,059
10080 Special Items (Net Gain/Loss)	\$0	\$0	\$0	\$0	
10091 Inter Project Excess Cash Transfer In					
10092 Inter Project Excess Cash Transfer Out					
10093 Transfers between Program and Project - In	\$0	\$0	\$0	\$7,979,701	
10094 Transfers between Project and Program - Out	\$0	\$0	\$0	-\$124,749	
10100 Total Other financing Sources (Uses)	\$0	\$0	\$2,099,283	\$8,784,616	-\$27,314,059
10000 Excess (Deficiency) of Total Revenue Over (Under) Total	\$134,959	\$0	\$1,306,895	\$4,456,689	-\$48,286,682
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$4,390,000	\$3,320,000
11030 Beginning Equity	\$865,339	\$95,807	\$0	\$395,733,653	\$0
11040 Prior Period Adjustments, Equity Transfers and Correction	\$0	\$0	\$62,829,690	-\$63,135,268	\$107,417,117
11050 Changes in Compensated Absence Balance					
11060 Changes in Contingent Liability Balance					
11070 Changes in Unrecognized Pension Transition Liability					
11080 Changes in Special Term/Severance Benefits Liability					
11090 Changes in Allowance for Doubtful Accounts - Dwelling					
11100 Changes in Allowance for Doubtful Accounts - Other					
11170 Administrative Fee Equity					
11180 Housing Assistance Payments Equity					
11190 Unit Months Available	4608				38100
11210 Number of Unit Months Leased	4608				37255

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2014

	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	97.109 Disaster Housing Assistance Grant	6.2 Component Unit - Blended	1 Business Activities	6.1 Component Unit - Discretely Presented
11270 Excess Cash					
11610 Land Purchases					
11620 Building Purchases					
11630 Furniture & Equipment - Dwelling Purchases					
11640 Furniture & Equipment - Administrative Purchases					
11650 Leasehold Improvements Purchases					
11660 Infrastructure Purchases					
13510 CFFP Debt Service Payments					
13901 Replacement Housing Factor Funds					

Philadelphia Housing Authority (PA002)
 PHILADELPHIA, PA
Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2014

	93.044 Special Programs for the Aging_Title III, Part B_Grants for Supportive	14.182 N/C S/R Section 8 Programs	14.HCV MTW Demonstration Program for HCV program	14.871 Housing Choice Vouchers	2 State/Local
70300 Net Tenant Rental Revenue	\$0	\$0			
70400 Tenant Revenue - Other	\$0	\$0			
70500 Total Tenant Revenue	\$0	\$0	\$0	\$0	\$0
70600 HUD PHA Operating Grants	\$0	\$0	\$177,309,803	\$9,013,903	
70610 Capital Grants					
70710 Management Fee					
70720 Asset Management Fee					
70730 Book Keeping Fee					
70740 Front Line Service Fee					
70750 Other Fees					
70700 Total Fee Revenue					
70800 Other Government Grants	\$0	\$0			\$449,929
71100 Investment Income - Unrestricted	\$0	\$0			
71200 Mortgage Interest Income	\$0	\$0			
71300 Proceeds from Disposition of Assets Held for Sale	\$0	\$0			
71310 Cost of Sale of Assets	\$0	\$0			
71400 Fraud Recovery	\$0	\$0		\$14,019	
71500 Other Revenue	\$0	\$0		\$6,311,539	\$3,683
71600 Gain or Loss on Sale of Capital Assets	\$0	\$0			
72000 Investment Income - Restricted	\$0	\$0			
70000 Total Revenue	\$0	\$0	\$177,309,803	\$15,339,461	\$453,612
91100 Administrative Salaries	\$0	\$0		\$437,102	\$87,431
91200 Auditing Fees	\$0	\$0			

Philadelphia Housing Authority (PA002)
 PHILADELPHIA, PA
Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2014

	93.044 Special Programs for the Aging_Title III, Part B_Grants for Supportive	14.182 N/C S/R Section 8 Programs	14.HCV MTW Demonstration Program for HCV program	14.871 Housing Choice Vouchers	2 State/Local
91300 Management Fee	\$0	\$0			
91310 Book-keeping Fee	\$0	\$0			
91400 Advertising and Marketing	\$0	\$0			
91500 Employee Benefit contributions - Administrative	\$0	\$0		\$236,724	\$34,345
91600 Office Expenses	\$0	\$0			
91700 Legal Expense	\$0	\$0			
91800 Travel	\$0	\$0			\$843
91810 Allocated Overhead	\$0	\$0			
91900 Other	\$0	\$0		\$41,304	\$16,906
91000 Total Operating - Administrative	\$0	\$0	\$0	\$715,130	\$139,525
92000 Asset Management Fee					
92100 Tenant Services - Salaries	\$0	\$0			
92200 Relocation Costs	\$0	\$0			
92300 Employee Benefit Contributions - Tenant Services	\$0	\$0			
92400 Tenant Services - Other	\$0	\$0			\$194,400
92500 Total Tenant Services	\$0	\$0	\$0	\$0	\$194,400
93100 Water	\$0	\$0			
93200 Electricity	\$0	\$0			
93300 Gas	\$0	\$0			
93400 Fuel	\$0	\$0			
93500 Labor	\$0	\$0			
93600 Sewer	\$0	\$0			
93700 Employee Benefit Contributions - Utilities	\$0	\$0			
93800 Other Utilities Expense	\$0	\$0			

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2014

	93.044 Special Programs for the Aging_Title III, Part B_Grants for Supportive	14.182 N/C S/R Section 8 Programs	14.HCV MTW Demonstration Program for HCV program	14.871 Housing Choice Vouchers	2 State/Local
93000 Total Utilities	\$0	\$0	\$0	\$0	\$0
94100 Ordinary Maintenance and Operations - Labor	\$0	\$0			
94200 Ordinary Maintenance and Operations - Materials and	\$0	\$0			
94300 Ordinary Maintenance and Operations Contracts	\$0	\$0	\$0		\$57,961
94500 Employee Benefit Contributions - Ordinary Maintenance	\$0	\$0			
94000 Total Maintenance	\$0	\$0	\$0	\$0	\$57,961
95100 Protective Services - Labor	\$0	\$0			
95200 Protective Services - Other Contract Costs	\$0	\$0			
95300 Protective Services - Other	\$0	\$0			
95500 Employee Benefit Contributions - Protective Services	\$0	\$0			
95000 Total Protective Services	\$0	\$0	\$0	\$0	\$0
96110 Property Insurance	\$0	\$0			
96120 Liability Insurance	\$0	\$0			
96130 Workmen's Compensation	\$0	\$0		\$11,517	\$826
96140 All Other Insurance	\$0	\$0			
96100 Total insurance Premiums	\$0	\$0	\$0	\$11,517	\$826
96200 Other General Expenses	\$0	\$0		\$8,197	
96210 Compensated Absences	\$0	\$0			
96300 Payments in Lieu of Taxes	\$0	\$0			
96400 Bad debt - Tenant Rents	\$0	\$0			
96500 Bad debt - Mortgages	\$0	\$0			
96600 Bad debt - Other	\$0	\$0			

Philadelphia Housing Authority (PA002)
 PHILADELPHIA, PA
Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2014

	93.044 Special Programs for the Aging_Title III, Part B_Grants for Supportive	14.182 N/C S/R Section 8 Programs	14.HCV MTW Demonstration Program for HCV program	14.871 Housing Choice Vouchers	2 State/Local
96800 Severance Expense	\$0	\$0		\$3,706	
96000 Total Other General Expenses	\$0	\$0	\$0	\$11,903	\$0
96710 Interest of Mortgage (or Bonds) Payable	\$0	\$0			
96720 Interest on Notes Payable (Short and Long Term)	\$0	\$0			
96730 Amortization of Bond Issue Costs	\$0	\$0			
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$0	\$0
96900 Total Operating Expenses	\$0	\$0	\$0	\$738,550	\$392,712
97000 Excess of Operating Revenue over Operating Expenses	\$0	\$0	\$177,309,803	\$14,600,911	\$60,900
97100 Extraordinary Maintenance	\$0	\$0			
97200 Casualty Losses - Non-capitalized	\$0	\$0			
97300 Housing Assistance Payments	\$0	\$0		\$7,259,861	
97350 HAP Portability-In	\$0	\$0		\$5,933,048	
97400 Depreciation Expense	\$0	\$0			\$24,515
97500 Fraud Losses	\$0	\$0			
97600 Capital Outlays - Governmental Funds					
97700 Debt Principal Payment - Governmental Funds					
97800 Dwelling Units Rent Expense					
90000 Total Expenses	\$0	\$0	\$0	\$13,931,459	\$417,227
10010 Operating Transfer In	\$0	\$0		\$0	
10020 Operating transfer Out	\$0	\$0	-\$177,309,803	\$0	
10030 Operating Transfers from/to Primary Government	\$0	\$0		\$0	

Philadelphia Housing Authority (PA002)
 PHILADELPHIA, PA
Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2014

	93.044 Special Programs for the Aging_Title III, Part B_Grants for Supportive	14.182 N/C S/R Section 8 Programs	14.HCV MTW Demonstration Program for HCV program	14.871 Housing Choice Vouchers	2 State/Local
10040 Operating Transfers from/to Component Unit	\$0	\$0		\$0	
10050 Proceeds from Notes, Loans and Bonds					
10060 Proceeds from Property Sales					
10070 Extraordinary Items, Net Gain/Loss	\$0	\$0			
10080 Special Items (Net Gain/Loss)	\$0	\$0			
10091 Inter Project Excess Cash Transfer In					
10092 Inter Project Excess Cash Transfer Out					
10093 Transfers between Program and Project - In	\$0	\$0			
10094 Transfers between Project and Program - Out	\$0	\$0			
10100 Total Other financing Sources (Uses)	\$0	\$0	-\$177,309,803	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total	\$0	\$0	\$0	\$1,408,002	\$36,385
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0	\$0
11030 Beginning Equity	\$0	\$22,872	\$0	\$10,397,173	\$1,628,806
11040 Prior Period Adjustments, Equity Transfers and Correction	\$0	\$0	\$0		\$0
11050 Changes in Compensated Absence Balance					
11060 Changes in Contingent Liability Balance					
11070 Changes in Unrecognized Pension Transition Liability					
11080 Changes in Special Term/Severance Benefits Liability					
11090 Changes in Allowance for Doubtful Accounts - Dwelling					
11100 Changes in Allowance for Doubtful Accounts - Other					
11170 Administrative Fee Equity				\$2,004,392	
11180 Housing Assistance Payments Equity				\$9,800,783	
11190 Unit Months Available				6844	
11210 Number of Unit Months Leased				6844	

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2014

	93.044 Special Programs for the Aging_Title III, Part B_Grants for Supportive	14.182 N/C S/R Section 8 Programs	14.HCV MTW Demonstration Program for HCV program	14.871 Housing Choice Vouchers	2 State/Local
11270 Excess Cash					
11610 Land Purchases					
11620 Building Purchases					
11630 Furniture & Equipment - Dwelling Purchases					
11640 Furniture & Equipment - Administrative Purchases					
11650 Leasehold Improvements Purchases					
11660 Infrastructure Purchases					
13510 CFFP Debt Service Payments					
13901 Replacement Housing Factor Funds					

Philadelphia Housing Authority (PA002)
 PHILADELPHIA, PA
Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2014

	14.879 Mainstream Vouchers	14.OPS MTW Demonstration Program for Low Rent	14.CFP MTW Demonstration Program for Capital Fund	14.856 Lower Income Housing Assistance Program_Section 8 Moderate	Subtotal
70300 Net Tenant Rental Revenue				\$0	\$45,252,777
70400 Tenant Revenue - Other				\$0	\$751,240
70500 Total Tenant Revenue	\$0	\$0	\$0	\$0	\$46,004,017
70600 HUD PHA Operating Grants	\$523,572	\$113,606,751	\$17,065,647	\$1,881,356	\$321,799,997
70610 Capital Grants			\$13,069,561	\$0	\$13,069,561
70710 Management Fee				\$0	
70720 Asset Management Fee				\$0	
70730 Book Keeping Fee				\$0	
70740 Front Line Service Fee				\$0	
70750 Other Fees				\$0	
70700 Total Fee Revenue				\$0	\$0
70800 Other Government Grants				\$0	\$713,265
71100 Investment Income - Unrestricted				\$110	\$447,529
71200 Mortgage Interest Income				\$0	\$5,553,976
71300 Proceeds from Disposition of Assets Held for Sale				\$0	\$0
71310 Cost of Sale of Assets				\$0	\$0
71400 Fraud Recovery				\$0	\$34,996
71500 Other Revenue				\$19,800	\$14,216,166
71600 Gain or Loss on Sale of Capital Assets				\$0	-\$1,007,472
72000 Investment Income - Restricted				\$0	\$241
70000 Total Revenue	\$523,572	\$113,606,751	\$30,135,208	\$1,901,266	\$400,832,276
91100 Administrative Salaries	\$21,632			\$79,838	\$35,285,918
91200 Auditing Fees				\$0	\$1,076,380

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2014

	14.879 Mainstream Vouchers	14.OPS MTW Demonstration Program for Low Rent	14.CFP MTW Demonstration Program for Capital Fund	14.856 Lower Income Housing Assistance Program_Section 8 Moderate	Subtotal
91300 Management Fee				\$0	\$1,833,514
91310 Book-keeping Fee				\$0	\$0
91400 Advertising and Marketing				\$0	\$164,267
91500 Employee Benefit contributions - Administrative	\$11,350			\$38,161	\$20,953,752
91600 Office Expenses				\$0	\$5,641,027
91700 Legal Expense				\$0	\$3,288,013
91800 Travel				\$0	\$130,062
91810 Allocated Overhead				\$0	\$0
91900 Other				\$0	\$11,216,324
91000 Total Operating - Administrative	\$32,982	\$0	\$0	\$117,999	\$79,589,257
92000 Asset Management Fee				\$0	\$0
92100 Tenant Services - Salaries				\$0	\$674,433
92200 Relocation Costs				\$0	\$259,982
92300 Employee Benefit Contributions - Tenant Services				\$0	\$304,476
92400 Tenant Services - Other				\$0	\$1,397,286
92500 Total Tenant Services	\$0	\$0	\$0	\$0	\$2,636,177
93100 Water				\$0	\$12,683,552
93200 Electricity				\$0	\$7,536,749
93300 Gas				\$0	\$6,805,821
93400 Fuel				\$0	\$1,119
93500 Labor				\$0	\$77,751
93600 Sewer				\$0	\$131,872
93700 Employee Benefit Contributions - Utilities				\$0	\$41,832
93800 Other Utilities Expense				\$0	\$51,280

Philadelphia Housing Authority (PA002)
 PHILADELPHIA, PA
Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2014

	14.879 Mainstream Vouchers	14.OPS MTW Demonstration Program for Low Rent	14.CFP MTW Demonstration Program for Capital Fund	14.856 Lower Income Housing Assistance Program_Section 8 Moderate	Subtotal
93000 Total Utilities	\$0	\$0	\$0	\$0	\$27,329,976
94100 Ordinary Maintenance and Operations - Labor				\$0	\$32,462,565
94200 Ordinary Maintenance and Operations - Materials and				\$0	\$5,806,440
94300 Ordinary Maintenance and Operations Contracts				\$0	\$12,323,724
94500 Employee Benefit Contributions - Ordinary Maintenance				\$0	\$16,682,740
94000 Total Maintenance	\$0	\$0	\$0	\$0	\$67,275,469
95100 Protective Services - Labor				\$0	\$4,033,088
95200 Protective Services - Other Contract Costs				\$0	\$2,905,137
95300 Protective Services - Other				\$0	\$156,912
95500 Employee Benefit Contributions - Protective Services				\$0	\$2,353,960
95000 Total Protective Services	\$0	\$0	\$0	\$0	\$9,449,097
96110 Property Insurance				\$0	\$7,549,918
96120 Liability Insurance				\$0	\$515,581
96130 Workmen's Compensation				\$3,728	\$989,948
96140 All Other Insurance				\$0	\$146,177
96100 Total insurance Premiums	\$0	\$0	\$0	\$3,728	\$9,201,624
96200 Other General Expenses	\$491			\$70,994	\$18,044,264
96210 Compensated Absences				\$0	\$0
96300 Payments in Lieu of Taxes				\$0	\$0
96400 Bad debt - Tenant Rents				\$0	\$342,458
96500 Bad debt - Mortgages				\$0	\$0
96600 Bad debt - Other				\$0	\$633,795

Philadelphia Housing Authority (PA002)
 PHILADELPHIA, PA
Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2014

	14.879 Mainstream Vouchers	14.OPS MTW Demonstration Program for Low Rent	14.CFP MTW Demonstration Program for Capital Fund	14.856 Lower Income Housing Assistance Program_Section 8 Moderate	Subtotal
96800 Severance Expense	\$862			\$3,183	\$484,932
96000 Total Other General Expenses	\$1,353	\$0	\$0	\$74,177	\$19,505,449
96710 Interest of Mortgage (or Bonds) Payable				\$0	\$10,402,506
96720 Interest on Notes Payable (Short and Long Term)				\$0	\$0
96730 Amortization of Bond Issue Costs				\$0	\$0
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$0	\$10,402,506
96900 Total Operating Expenses	\$34,335	\$0	\$0	\$195,904	\$225,389,555
97000 Excess of Operating Revenue over Operating Expenses	\$489,237	\$113,606,751	\$30,135,208	\$1,705,362	\$175,442,721
97100 Extraordinary Maintenance				\$0	\$1,917,612
97200 Casualty Losses - Non-capitalized				\$0	\$0
97300 Housing Assistance Payments	\$482,391			\$1,646,968	\$134,938,125
97350 HAP Portability-In				\$0	\$5,933,048
97400 Depreciation Expense				\$0	\$75,313,876
97500 Fraud Losses				\$0	\$0
97600 Capital Outlays - Governmental Funds				\$0	
97700 Debt Principal Payment - Governmental Funds				\$0	
97800 Dwelling Units Rent Expense				\$0	\$0
90000 Total Expenses	\$516,726	\$0	\$0	\$1,842,872	\$443,492,216
10010 Operating Transfer In				\$0	\$321,051,762
10020 Operating transfer Out		-\$113,606,751	-\$30,135,208	\$0	-\$321,051,762
10030 Operating Transfers from/to Primary Government				\$0	\$0

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2014

	14.879 Mainstream Vouchers	14.OPS MTW Demonstration Program for Low Rent	14.CFP MTW Demonstration Program for Capital Fund	14.856 Lower Income Housing Assistance Program_Section 8 Moderate	Subtotal
10040 Operating Transfers from/to Component Unit				\$0	\$0
10050 Proceeds from Notes, Loans and Bonds				\$0	
10060 Proceeds from Property Sales				\$0	
10070 Extraordinary Items, Net Gain/Loss				\$0	-\$27,314,059
10080 Special Items (Net Gain/Loss)				\$0	\$0
10091 Inter Project Excess Cash Transfer In				\$0	\$0
10092 Inter Project Excess Cash Transfer Out				\$0	\$0
10093 Transfers between Program and Project - In				\$0	\$150,653,763
10094 Transfers between Project and Program - Out				-\$42,235	-\$150,653,763
10100 Total Other financing Sources (Uses)	\$0	-\$113,606,751	-\$30,135,208	-\$42,235	-\$27,314,059
10000 Excess (Deficiency) of Total Revenue Over (Under) Total	\$6,846	\$0	\$0	\$16,159	-\$69,973,999
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0	\$7,710,000
11030 Beginning Equity	\$237,088	\$0	\$0	\$525,093	\$1,119,104,880
11040 Prior Period Adjustments, Equity Transfers and Correction				\$0	\$107,111,539
11050 Changes in Compensated Absence Balance				\$0	
11060 Changes in Contingent Liability Balance				\$0	
11070 Changes in Unrecognized Pension Transition Liability				\$0	
11080 Changes in Special Term/Severance Benefits Liability				\$0	
11090 Changes in Allowance for Doubtful Accounts - Dwelling				\$0	
11100 Changes in Allowance for Doubtful Accounts - Other				\$0	
11170 Administrative Fee Equity				\$0	\$2,004,392
11180 Housing Assistance Payments Equity				\$0	\$9,800,783
11190 Unit Months Available	840			2964	373468
11210 Number of Unit Months Leased	803			2964	364814

Philadelphia Housing Authority (PA002)
 PHILADELPHIA, PA
Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2014

	14.879 Mainstream Vouchers	14.OPS MTW Demonstration Program for Low Rent	14.CFP MTW Demonstration Program for Capital Fund	14.856 Lower Income Housing Assistance Program_Section 8 Moderate	Subtotal
11270 Excess Cash				\$0	-\$4,095,311
11610 Land Purchases				\$0	\$0
11620 Building Purchases				\$0	\$13,069,561
11630 Furniture & Equipment - Dwelling Purchases				\$0	\$0
11640 Furniture & Equipment - Administrative Purchases				\$0	\$0
11650 Leasehold Improvements Purchases				\$0	\$0
11660 Infrastructure Purchases				\$0	\$0
13510 CFFP Debt Service Payments				\$0	\$0
13901 Replacement Housing Factor Funds				\$0	\$14,178

Philadelphia Housing Authority (PA002)
 PHILADELPHIA, PA
Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2014

	ELIM	Total
70300 Net Tenant Rental Revenue		\$45,252,777
70400 Tenant Revenue - Other		\$751,240
70500 Total Tenant Revenue	\$0	\$46,004,017
70600 HUD PHA Operating Grants		\$321,799,997
70610 Capital Grants		\$13,069,561
70710 Management Fee		
70720 Asset Management Fee		
70730 Book Keeping Fee		
70740 Front Line Service Fee		
70750 Other Fees		
70700 Total Fee Revenue	\$0	\$0
70800 Other Government Grants		\$713,265
71100 Investment Income - Unrestricted		\$447,529
71200 Mortgage Interest Income		\$5,553,976
71300 Proceeds from Disposition of Assets Held for Sale		\$0
71310 Cost of Sale of Assets		\$0
71400 Fraud Recovery		\$34,996
71500 Other Revenue		\$14,216,166
71600 Gain or Loss on Sale of Capital Assets		-\$1,007,472
72000 Investment Income - Restricted		\$241
70000 Total Revenue	\$0	\$400,832,276
91100 Administrative Salaries		\$35,285,918
91200 Auditing Fees		\$1,076,380

Philadelphia Housing Authority (PA002)
 PHILADELPHIA, PA
Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2014

	ELIM	Total
91300 Management Fee		\$1,833,514
91310 Book-keeping Fee		\$0
91400 Advertising and Marketing		\$164,267
91500 Employee Benefit contributions - Administrative		\$20,953,752
91600 Office Expenses		\$5,641,027
91700 Legal Expense		\$3,288,013
91800 Travel		\$130,062
91810 Allocated Overhead		\$0
91900 Other		\$11,216,324
91000 Total Operating - Administrative	\$0	\$79,589,257
92000 Asset Management Fee		\$0
92100 Tenant Services - Salaries		\$674,433
92200 Relocation Costs		\$259,982
92300 Employee Benefit Contributions - Tenant Services		\$304,476
92400 Tenant Services - Other		\$1,397,286
92500 Total Tenant Services	\$0	\$2,636,177
93100 Water		\$12,683,552
93200 Electricity		\$7,536,749
93300 Gas		\$6,805,821
93400 Fuel		\$1,119
93500 Labor		\$77,751
93600 Sewer		\$131,872
93700 Employee Benefit Contributions - Utilities		\$41,832
93800 Other Utilities Expense		\$51,280

Philadelphia Housing Authority (PA002)
 PHILADELPHIA, PA
Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2014

	ELIM	Total
93000 Total Utilities	\$0	\$27,329,976
94100 Ordinary Maintenance and Operations - Labor		\$32,462,565
94200 Ordinary Maintenance and Operations - Materials and		\$5,806,440
94300 Ordinary Maintenance and Operations Contracts		\$12,323,724
94500 Employee Benefit Contributions - Ordinary Maintenance		\$16,682,740
94000 Total Maintenance	\$0	\$67,275,469
95100 Protective Services - Labor		\$4,033,088
95200 Protective Services - Other Contract Costs		\$2,905,137
95300 Protective Services - Other		\$156,912
95500 Employee Benefit Contributions - Protective Services		\$2,353,960
95000 Total Protective Services	\$0	\$9,449,097
96110 Property Insurance		\$7,549,918
96120 Liability Insurance		\$515,581
96130 Workmen's Compensation		\$989,948
96140 All Other Insurance		\$146,177
96100 Total insurance Premiums	\$0	\$9,201,624
96200 Other General Expenses		\$18,044,264
96210 Compensated Absences		\$0
96300 Payments in Lieu of Taxes		\$0
96400 Bad debt - Tenant Rents		\$342,458
96500 Bad debt - Mortgages		\$0
96600 Bad debt - Other		\$633,795

Philadelphia Housing Authority (PA002)
 PHILADELPHIA, PA
Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2014

	ELIM	Total
96800 Severance Expense		\$484,932
96000 Total Other General Expenses	\$0	\$19,505,449
96710 Interest of Mortgage (or Bonds) Payable		\$10,402,506
96720 Interest on Notes Payable (Short and Long Term)		\$0
96730 Amortization of Bond Issue Costs		\$0
96700 Total Interest Expense and Amortization Cost	\$0	\$10,402,506
96900 Total Operating Expenses	\$0	\$225,389,555
97000 Excess of Operating Revenue over Operating Expenses	\$0	\$175,442,721
97100 Extraordinary Maintenance		\$1,917,612
97200 Casualty Losses - Non-capitalized		\$0
97300 Housing Assistance Payments		\$134,938,125
97350 HAP Portability-In		\$5,933,048
97400 Depreciation Expense		\$75,313,876
97500 Fraud Losses		\$0
97600 Capital Outlays - Governmental Funds		
97700 Debt Principal Payment - Governmental Funds		
97800 Dwelling Units Rent Expense		\$0
90000 Total Expenses	\$0	\$443,492,216
10010 Operating Transfer In	-\$321,051,762	\$0
10020 Operating transfer Out	\$321,051,762	\$0
10030 Operating Transfers from/to Primary Government		\$0

Philadelphia Housing Authority (PA002)
 PHILADELPHIA, PA
Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2014

	ELIM	Total
10040 Operating Transfers from/to Component Unit		\$0
10050 Proceeds from Notes, Loans and Bonds		
10060 Proceeds from Property Sales		
10070 Extraordinary Items, Net Gain/Loss		-\$27,314,059
10080 Special Items (Net Gain/Loss)		\$0
10091 Inter Project Excess Cash Transfer In		\$0
10092 Inter Project Excess Cash Transfer Out		\$0
10093 Transfers between Program and Project - In	-\$150,653,763	\$0
10094 Transfers between Project and Program - Out	\$150,653,763	\$0
10100 Total Other financing Sources (Uses)	\$0	-\$27,314,059
10000 Excess (Deficiency) of Total Revenue Over (Under) Total	\$0	-\$69,973,999
11020 Required Annual Debt Principal Payments		\$7,710,000
11030 Beginning Equity		\$1,119,104,880
11040 Prior Period Adjustments, Equity Transfers and Correction		\$107,111,539
11050 Changes in Compensated Absence Balance		
11060 Changes in Contingent Liability Balance		
11070 Changes in Unrecognized Pension Transition Liability		
11080 Changes in Special Term/Severance Benefits Liability		
11090 Changes in Allowance for Doubtful Accounts - Dwelling		
11100 Changes in Allowance for Doubtful Accounts - Other		
11170 Administrative Fee Equity		\$2,004,392
11180 Housing Assistance Payments Equity		\$9,800,783
11190 Unit Months Available		373468
11210 Number of Unit Months Leased		364814

Philadelphia Housing Authority (PA002)
PHILADELPHIA, PA
Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2014

	ELIM	Total
11270 Excess Cash		-\$4,095,311
11610 Land Purchases		\$0
11620 Building Purchases		\$13,069,561
11630 Furniture & Equipment - Dwelling Purchases		\$0
11640 Furniture & Equipment - Administrative Purchases		\$0
11650 Leasehold Improvements Purchases		\$0
11660 Infrastructure Purchases		\$0
13510 CFFP Debt Service Payments		\$0
13901 Replacement Housing Factor Funds		\$14,178

HUD Supplementary Information

Philadelphia Housing Authority

Schedule of Actual Modernization Cost Certificate

Hope VI Grant

March 31, 2014

<u>Program/Grant</u>	<u>PA26URD0021104</u>
Original Funds Aproved	\$ 17,059,932
Funds Disbursed	17,059,932
Funds Expended	<u>17,059,932</u>
Excess (Deficiency) of Advances Due to (from) HUD	<u>\$ -</u>

The Actual Modernization Cost Certificates are in agreement with the records of the
Philadelphia Housing Authority, Philadelphia, PA.

Other Supplementary Information

Philadelphia Housing Authority
Combining Statement of Net Position
March 31, 2014

	State and Local Grants	Section 8 Housing Choice Program	Section 8 Mainstream Program	Section 8 Modern Rehab Prg No. 1	Section 8 Modern Rehab Prg No. 2	Section 8 Modern Rehab Prg No. 3	Section 8 Modern Rehab Prg No. 4	Section 8 Modern Rehab Prg No. 5
Assets								
Current Assets								
Cash and cash equivalents	\$ 1,576,287	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted cash	-	9,803,817	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-
Receivables, net	120,380	3,342,029	112,784	94,878	37,218	75,219	-	-
Due from other governments	-	-	-	-	-	-	-	-
Due from other funds	240,433	-	131,150	4,035	363,390	315,562	31,663	11,991
Other assets	91	-	-	-	-	-	-	-
Total current assets	1,937,191	13,145,846	243,934	98,913	400,608	390,781	31,663	11,991
Noncurrent Assets								
Mortgage receivable	-	-	-	-	-	-	-	-
Restricted cash	-	-	-	-	-	-	-	-
Restricted investments	-	-	-	-	-	-	-	-
Capital assets, net of depreciation	368,707	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-
Total noncurrent assets	368,707	-	-	-	-	-	-	-
Total assets	\$ 2,305,898	\$ 13,145,846	\$ 243,934	\$ 98,913	\$ 400,608	\$ 390,781	\$ 31,663	\$ 11,991
Liabilities and Net Position								
Current Liabilities								
Accounts payable	\$ 519	\$ 73	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	12,151	-	-	-	-	-	-
Current portion of long-term debt	-	-	-	-	-	-	-	-
Due to other government agencies	-	-	-	-	-	-	-	-
Due to other funds	-	1,229,686	-	-	-	-	-	-
Compensated absences	-	57,436	-	-	-	-	-	-
Trust and deposits	-	-	-	-	-	-	-	-
Unearned revenues and other current liabilities	640,188	3,034	-	-	-	-	-	-
Total current liabilities	640,707	1,302,380	-	-	-	-	-	-
Noncurrent liabilities								
Compensated absences	-	38,291	-	-	-	-	-	-
Bonds, notes and loans payable	-	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-	-	-
Total noncurrent liabilities	-	38,291	-	-	-	-	-	-
Total liabilities	640,707	1,340,671	-	-	-	-	-	-
Net Position								
Net investment in capital assets	368,707	-	-	-	-	-	-	-
Restricted for Section 8	-	9,800,783	-	-	-	-	-	-
Restricted for development	-	-	-	-	-	-	-	-
Unrestricted (deficit)	1,296,484	2,004,392	243,934	98,913	400,608	390,781	31,663	11,991
Total net position	1,665,191	11,805,175	243,934	98,913	400,608	390,781	31,663	11,991
Total liabilities and net position	\$ 2,305,898	\$ 13,145,846	\$ 243,934	\$ 98,913	\$ 400,608	\$ 390,781	\$ 31,663	\$ 11,991

Philadelphia Housing Authority
Combining Statement of Net Position (Continued)
March 31, 2014

	Section 8 Modern Rehab Prg No. 6	Section 8 Modern Rehab Prg No. 7	Section 8 Modern Rehab Prg No. 8	Section 8 Modern Rehab Prg No. 9	Section 8 Modern Rehab Prg No. 10	Section 8 Modern Rehab Prg No. 2	Section 8 Modern Rehab Prg Admin Fees	Section 8 Modern Rehab Prg	Section 8 Single Room Occupancy Program
Assets									
Current Assets									
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 1,078,804	\$ -	\$ -	\$ -	\$ -
Restricted cash	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-
Receivables, net	-	27,458	91,520	-	6	-	-	-	7,752
Due from other governments	-	-	-	-	-	-	-	-	-
Due from other funds	21,217	68,453	24,104	283,890	-	-	-	-	1,280,923
Other assets	-	-	-	-	-	-	-	-	-
Total current assets	21,217	95,911	115,624	283,890	1,078,810	-	-	-	1,288,675
Noncurrent Assets									
Mortgage receivable	-	-	-	-	-	-	-	-	-
Restricted cash	-	-	-	-	-	-	-	-	-
Restricted investments	-	-	-	-	-	-	-	-	-
Capital assets, net of depreciation	-	-	-	-	633,750	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-
Total noncurrent assets	-	-	-	-	633,750	-	-	-	-
Total assets	\$ 21,217	\$ 95,911	\$ 115,624	\$ 283,890	\$ 1,712,560	\$ -	\$ -	\$ -	\$ 1,288,675
Liabilities and Net Position									
Current Liabilities									
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-	8,378	-	-	-	-
Current portion of long-term debt	-	-	-	-	-	-	-	-	-
Due to other government agencies	-	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	2,493,483	-	-	-	-
Compensated absences	-	-	-	-	-	-	-	-	-
Trust and deposits	-	-	-	-	-	-	-	-	-
Unearned revenues and other current liabilities	-	-	-	120,045	-	-	-	-	288,377
Total current liabilities	-	-	-	120,045	2,501,861	-	-	-	288,377
Noncurrent liabilities									
Compensated absences	-	-	-	-	-	-	-	-	-
Bonds, notes and loans payable	-	-	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-	-	-	-
Total noncurrent liabilities	-	-	-	-	-	-	-	-	-
Total liabilities	-	-	-	120,045	2,501,861	-	-	-	288,377
Net Position									
Net investment in capital assets	-	-	-	-	633,750	-	-	-	-
Restricted for Section 8	-	-	-	-	-	-	-	-	-
Restricted for development	-	-	-	-	-	-	-	-	-
Unrestricted (deficit)	21,217	95,911	115,624	163,845	(1,423,051)	-	-	-	1,000,298
Total net position	21,217	95,911	115,624	163,845	(789,301)	-	-	-	1,000,298
Total liabilities and net position	\$ 21,217	\$ 95,911	\$ 115,624	\$ 283,890	\$ 1,712,560	\$ -	\$ -	\$ -	\$ 1,288,675

Philadelphia Housing Authority
Combining Statement of Net Position (Continued)
March 31, 2014

	Section 8 New Construction Programs	Congregate Housing Program	Resident Opportunity and Self-Sufficiency Program	Disaster Funding Program	Veterans Affairs Program	Modern Rehab Prg No. 3	ARRA Competitive Programs	Healthy Homes Program
Assets								
Current Assets								
Cash and cash equivalents	\$ -	\$ 8,494	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted cash	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-
Receivables, net	-	4,215	56,444	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-	-
Due from other funds	22,872	5,146	-	95,807	-	-	-	-
Other assets	-	-	-	-	-	-	-	-
Total current assets	22,872	17,855	56,444	95,807	-	-	-	-
Noncurrent Assets								
Mortgage receivable	-	-	-	-	-	-	-	-
Restricted cash	-	-	-	-	-	-	-	-
Restricted investments	-	-	-	-	-	-	-	-
Capital assets, net of depreciation	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-
Total noncurrent assets	-	-	-	-	-	-	-	-
Total assets	\$ 22,872	\$ 17,855	\$ 56,444	\$ 95,807	\$ -	\$ -	\$ -	\$ -
Liabilities and Net Position								
Current Liabilities								
Accounts payable	\$ -	\$ 17,855	\$ 1,299	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-	-	-	-	-
Current portion of long-term debt	-	-	-	-	-	-	-	-
Due to other government agencies	-	-	-	-	-	-	-	-
Due to other funds	-	-	55,104	-	-	-	-	-
Compensated absences	-	-	-	-	-	-	-	-
Trust and deposits	-	-	-	-	-	-	-	-
Unearned revenues and other current liabilities	-	-	41	-	-	-	-	-
Total current liabilities	-	17,855	56,444	-	-	-	-	-
Noncurrent liabilities								
Compensated absences	-	-	-	-	-	-	-	-
Bonds, notes and loans payable	-	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-	-	-
Total noncurrent liabilities	-	-	-	-	-	-	-	-
Total liabilities	-	17,855	56,444	-	-	-	-	-
Net Position								
Net investment in capital assets	-	-	-	-	-	-	-	-
Restricted for Section 8	-	-	-	-	-	-	-	-
Restricted for development	-	-	-	-	-	-	-	-
Unrestricted (deficit)	22,872	-	-	95,807	-	-	-	-
Total net position	22,872	-	-	95,807	-	-	-	-
Total liabilities and net position	\$ 22,872	\$ 17,855	\$ 56,444	\$ 95,807	\$ -	\$ -	\$ -	\$ -

Philadelphia Housing Authority
Combining Statement of Net Position (Continued)
March 31, 2014

	Moving to Work Program	Project Totals	Other Business Activities	Long Term Notes Receivable	Debt Service Fund	General Purpose Bonds	Blended Component Units	Total PHA Programs
Assets								
Current Assets								
Cash and cash equivalents	\$ 8,674,096	\$ 19,209,530	\$ 1,891,048	\$ -	\$ 169,155	\$ 5,171	\$ 67,592,628	\$ 100,205,213
Restricted cash	18,698,913	800,020	24,285	-	-	-	148,712	29,475,747
Investments	22,274,011	-	-	-	-	-	-	22,274,011
Receivables, net	62,225,971	4,151,207	1,040,843	-	1	-	6,626,228	78,014,153
Due from other governments	-	-	-	-	-	-	-	-
Due from other funds	1,280,698	-	-	-	-	-	-	4,181,334
Other assets	-	2,308,705	-	-	-	-	15,494	2,324,290
Total current assets	113,153,689	26,469,462	2,956,176	-	169,156	5,171	74,383,062	236,474,748
Noncurrent Assets								
Mortgage receivable	-	-	-	353,256,112	-	-	-	353,256,112
Restricted cash	-	-	-	-	-	-	-	-
Restricted investments	-	-	-	-	-	-	2,863,793	2,863,793
Capital assets, net of depreciation	193,010,049	390,185,096	5,220,923	-	27,190,003	806,203	5,505	617,420,236
Other assets	810	520	88,012	5,075,262	-	-	-	5,164,604
Total noncurrent assets	193,010,859	390,185,616	5,308,935	358,331,374	27,190,003	806,203	2,869,298	978,704,745
Total assets	\$ 306,164,548	\$ 416,655,078	\$ 8,265,111	\$ 358,331,374	\$ 27,359,159	\$ 811,374	\$ 77,252,360	\$ 1,215,179,493
Liabilities and Net Position								
Current Liabilities								
Accounts payable	\$ 1,203,361	\$ 4,581,230	\$ 33,475	\$ -	\$ -	\$ 53,388	\$ 5,891,200	
Accrued liabilities	5,740,955	7,758,010	-	-	771,563	174,167	163,797	14,629,021
Current portion of long-term debt	-	-	-	-	4,575,000	-	-	4,575,000
Due to other government agencies	-	98,625	-	-	-	-	-	98,625
Due to other funds	-	-	402,689	-	372	-	-	4,181,334
Compensated absences	616,841	3,762,773	-	-	-	-	49,026	4,486,076
Trust and deposits	-	800,020	-	-	-	-	-	800,020
Unearned revenues and other current liabilities	6,489,728	5,837	556,720	-	-	-	12,816,880	20,920,850
Total current liabilities	14,050,885	17,006,495	992,884	-	5,346,935	174,167	13,083,091	55,582,126
Noncurrent liabilities								
Compensated absences	411,228	2,508,494	-	-	-	-	32,684	2,990,697
Bonds, notes and loans payable	-	-	-	-	40,197,958	11,000,000	-	51,197,958
Other liabilities	7,898,457	398,272	-	-	-	-	-	8,296,729
Total noncurrent liabilities	8,309,685	2,906,766	-	-	40,197,958	11,000,000	32,684	62,485,384
Total liabilities	22,360,570	19,913,261	992,884	-	45,544,893	11,174,167	13,115,775	118,067,510
Net Position								
Net investment in capital assets	193,010,049	390,185,096	5,220,923	-	(17,582,955)	(10,193,797)	5,505	561,647,278
Restricted for Section 8	-	-	-	-	-	-	-	9,800,783
Restricted for development	-	-	-	-	-	-	3,012,505	3,012,505
Unrestricted (deficit)	90,793,929	6,556,721	2,051,304	358,331,374	(602,779)	(168,996)	61,118,575	522,651,417
Total net position	283,803,978	396,741,817	7,272,227	358,331,374	(18,185,734)	(10,362,793)	64,136,585	1,097,111,983
Total liabilities and net position	\$ 306,164,548	\$ 416,655,078	\$ 8,265,111	\$ 358,331,374	\$ 27,359,159	\$ 811,374	\$ 77,252,360	\$ 1,215,179,493

Philadelphia Housing Authority
Combining Statement of Net Position (Continued)
March 31, 2014

	Elimination	Totals
Assets		
Current Assets		
Cash and cash equivalents	\$ -	\$ 100,205,213
Restricted cash	- -	29,475,747
Investments	- -	22,274,011
Receivables, net	(12,243,947)	65,770,206
Due from other governments	- -	-
Due from other funds	(4,181,334)	-
Other assets	- -	2,324,290
Total current assets	(16,425,281)	220,049,467
Noncurrent Assets		
Mortgage receivable	- -	353,256,112
Restricted cash	- -	-
Restricted investments	- -	2,863,793
Capital assets, net of depreciation	- -	617,420,236
Other assets	- -	5,164,604
Total noncurrent assets	- -	978,704,745
Total assets	\$ (16,425,281)	\$ 1,198,754,212
Liabilities and Net Position		
Current Liabilities		
Accounts payable	\$ -	\$ 5,891,200
Accrued liabilities	- -	14,629,021
Current portion of long-term debt	- -	4,575,000
Due to other government agencies	- -	98,625
Due to other funds	(4,181,334)	-
Compensated absences	- -	4,486,076
Trust and deposits	- -	800,020
Unearned revenues and other current liabilities	(12,243,947)	8,676,903
Total current liabilities	(16,425,281)	39,156,845
Noncurrent liabilities		
Compensated absences	- -	2,990,697
Bonds, notes and loans payable	- -	51,197,958
Other liabilities	- -	8,296,729
Total noncurrent liabilities	- -	62,485,384
Total liabilities	(16,425,281)	101,642,229
Net Position		
Net investment in capital assets	- -	561,647,278
Restricted for Section 8	- -	9,800,783
Restricted for development	- -	3,012,505
Unrestricted (deficit)	522,651,417	-
Total net position	- -	1,097,111,983
Total liabilities and net position	\$ (16,425,281)	\$ 1,198,754,212

Philadelphia Housing Authority

Combining Statement of Revenues, Expenses and Changes in Net Position

Year Ended March 31, 2014

	State and Local Grants	Section 8 Housing Choice Program	Section 8 Mainstream Program	Section 8 Modern Rehab Prg No. 1	Section 8 Modern Rehab Prg No. 2	Section 8 Modern Rehab Prg No. 3	Section 8 Modern Rehab Prg No. 4	Section 8 Modern Rehab Prg No. 5
Operating Revenue								
Total tenant revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating subsidies	449,929	9,013,903	523,572	371,756	502,876	465,365	-	-
Other income	3,683	6,311,539	-	-	-	-	-	-
Total operating revenue	453,612	15,325,442	523,572	371,756	502,876	465,365	-	-
Operating Expenses								
Administrative	139,525	715,130	32,982	21,018	31,051	29,616	-	-
Tenant services	194,400	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-	-
Maintenance	57,961							
Protective services								
General	826	23,420	1,353	1,231	1,818	1,734	-	-
Housing assistance programs		13,192,909	482,391	330,006	441,199	406,538		
Depreciation and amortization	24,515	-	-	-	-	-	-	-
Total operating expenses	417,227	13,931,459	516,726	352,255	474,068	437,888	-	-
Operating income (loss)	36,385	1,393,983	6,846	19,501	28,808	27,477	-	-
Nonoperating Revenue and (Expenses)								
Interest and investment earnings	-	-	-	-	-	-	-	-
Other revenue/charges	-	14,019	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-
Net nonoperating revenue	-	14,019	-	-	-	-	-	-
Income (loss) before capital contributions	36,385	1,408,002	6,846	19,501	28,808	27,477	-	-
Capital contributions								
HUD capital subsidies	-	-	-	-	-	-	-	-
Other nonoperating contributions	-	-	-	-	-	-	-	-
Partners contributions	-	-	-	-	-	-	-	-
Change in net position	36,385	1,408,002	6,846	19,501	28,808	27,477	-	-
Net position, beginning								
As previously reported	1,628,806	10,397,173	237,088	79,412	371,800	363,304	31,663	11,991
Prior period adjustments and equity transfers	-	-	-	-	-	-	-	-
As restated	1,628,806	10,397,173	237,088	79,412	371,800	363,304	31,663	11,991
Net position, ending	\$ 1,665,191	\$ 11,805,175	\$ 243,934	\$ 98,913	\$ 400,608	\$ 390,781	\$ 31,663	\$ 11,991

Philadelphia Housing Authority
Combining Statement of Revenues, Expenses and Changes in Net Position (Continued)
Year Ended March 31, 2014

	Section 8 Modern Rehab Prg No. 6	Section 8 Modern Rehab Prg No. 7	Section 8 Modern Rehab Prg No. 8	Section 8 Modern Rehab Prg No. 9	Section 8 Modern Rehab Prg No. 10	Section 8 Modern Rehab Prg Admin Fees	Total Section 8 Modern Rehab Prg	Section 8 Single Room Occupancy Program	Section 8 New Construction Programs
Operating Revenue									
Total tenant revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating subsidies	-	85,141	218,422	237,796	-	-	-	1,967,322	-
Other income	-	-	19,800	-	-	-	-	-	-
Total operating revenue	-	85,141	238,222	237,796	-	-	-	1,967,322	-
Operating Expenses									
Administrative	-	4,777	10,519	21,018	-	-	-	162,561	-
Tenant services	-	-	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-	-	-
Maintenance	-	-	-	-	-	-	-	-	-
Protective services	-	-	-	-	-	-	-	-	-
General	-	280	616	72,226	-	-	-	28,567	-
Housing assistance programs	-	75,652	197,527	196,046	-	-	-	1,641,235	-
Depreciation and amortization	-	-	-	-	-	-	-	-	-
Total operating expenses	-	80,709	208,662	289,290	-	-	-	1,832,363	-
Operating income (loss)	-	4,432	29,560	(51,494)	-	-	-	134,959	-
Nonoperating Revenue and (Expenses)									
Interest and investment earnings	-	-	-	-	110	-	-	-	-
Other revenue/charges	-	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-	-
Net nonoperating revenue	-	-	-	-	110	-	-	-	-
Income (loss) before capital contributions	-	4,432	29,560	(51,494)	110	-	-	134,959	-
Capital contributions									
HUD capital subsidies	-	-	-	-	-	-	-	-	-
Other nonoperating contributions	-	-	-	-	(42,235)	-	-	-	-
Partners contributions	-	-	-	-	-	-	-	-	-
Change in net position	-	4,432	29,560	(51,494)	(42,125)	-	-	134,959	-
Net position, beginning									
As previously reported	21,217	91,479	86,064	215,339	(747,176)	-	-	865,339	22,872
Prior period adjustments and equity transfers	-	-	-	-	-	-	-	-	-
As restated	21,217	91,479	86,064	215,339	(747,176)	-	-	865,339	22,872
Net position, ending	\$21,217	\$95,911	\$ 115,624	\$ 163,845	\$ (789,301)	\$ -	\$ -	\$ 1,000,298	\$ 22,872

Philadelphia Housing Authority
Combining Statement of Revenues, Expenses and Changes in Net Position (Continued)
Year Ended March 31, 2014

	SR Community	Congregate Housing Program	Summer Feeding Program	Resident Opportunity and Self-Sufficiency Program	Disaster Funding Program	Veterans Affairs Program	ARRA Competitive Programs	ARRA Formula Program	Healthy Homes Program
Operating Revenue									
Total tenant revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating subsidies	-	120,297	263,336	311,346	-	-	-	-	-
Other income	-	30,074	126,736	-	-	-	-	-	-
Total operating revenue	-	150,371	390,072	311,346	-	-	-	-	-
Operating Expenses									
Administrative	-	-	3,281	75,890	-	-	-	-	-
Tenant services	-	149,042	386,791	235,454	-	-	-	-	-
Utilities	-	-	-	-	-	-	-	-	-
Maintenance	-	-	-	-	-	-	-	-	-
Protective services	-	1,329	-	2	-	-	-	-	-
General	-	-	-	-	-	-	-	-	-
Housing assistance programs	-	-	-	1,246	-	-	-	-	-
Depreciation and amortization	-	-	-	-	-	-	-	-	-
Total operating expenses	-	150,371	390,072	312,592	-	-	-	-	-
Operating income (loss)	-	-	-	(1,246)	-	-	-	-	-
Nonoperating Revenue and (Expenses)									
Interest and investment earnings	-	-	-	-	-	-	-	-	-
Other revenue/charges	-	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-	-
Net nonoperating revenue	-	-	-	-	-	-	-	-	-
Income (loss) before capital contributions	-	-	-	(1,246)	-	-	-	-	-
Capital contributions									
HUD capital subsidies	-	-	-	-	-	-	-	-	-
Other nonoperating contributions	-	-	-	-	-	-	-	-	-
Partners contributions	-	-	-	-	-	-	-	-	-
Change in net position	-	-	-	(1,246)	-	-	-	-	-
Net position, beginning									
As previously reported	-	-	-	1,246	95,807	-	-	-	-
Prior period adjustments and equity transfers	-	-	-	-	-	-	-	-	-
As restated	-	-	-	1,246	95,807	-	-	-	-
Net position, ending	\$ -	\$ -	\$ -	\$ -	\$ 95,807	\$ -	\$ -	\$ -	\$ -

Philadelphia Housing Authority

Combining Statement of Revenues, Expenses and Changes in Net Position (Continued)

Year Ended March 31, 2014

	Moving to Work Program	Project Total	Other Business Activities	Long-Term Notes Receivable	Debt Service Fund	General Purpose Bonds	Blended Component Units	Total PHA Programs
Operating Revenue								
Total tenant revenue	\$ -	\$ 24,222,511	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24,222,511
Operating subsidies	307,982,201	-	-	-	-	-	-	\$ 322,513,262
Other income	357,203	206,877	217,415	-	-	-	1,728,172	\$ 9,001,499
Total operating revenue	308,339,404	24,429,388	217,415	-	-	-	1,728,172	355,737,272
Operating Expenses								
Administrative	31,498,889	37,556,611	298,165	-	-	-	1,212,805	71,813,838
Tenant services	778,370	892,120	-	-	-	-	-	2,636,177
Utilities	140,121	22,778,287	7,210	-	-	-	3,659	22,929,277
Maintenance	1,074,863	58,300,490	457,593	-	-	-	562,022	60,452,929
Protective services	1,259,646	8,189,451	-	-	-	-	-	9,449,097
General	(3,284,782)	28,164,252	35,361	-	-	-	870,777	25,919,010
Housing assistance programs	123,907,670	-	-	-	-	-	-	140,871,173
Depreciation and amortization	12,363,688	42,009,811	325,156	-	2,300,082	23,078	-	57,047,576
Total operating expenses	167,738,465	197,891,022	1,123,485	-	2,300,082	23,078	2,649,263	391,119,077
Operating income (loss)	140,600,939	(173,461,634)	(906,070)	-	(2,300,082)	(23,078)	(921,091)	(35,381,805)
Nonoperating Revenue and (Expenses)								
Interest and investment earnings	153,188	149,801	349	5,553,976	14	-	128,704	5,986,142
Other revenue/charges	838,198	1,843,610	617,109	(4,285,412)	-	-	-	(972,476)
Interest expense	(1,404,008)	-	-	-	(2,457,233)	(527,500)	-	(4,388,741)
Net nonoperating revenue	(412,622)	1,993,411	617,458	1,268,564	(2,457,219)	(527,500)	128,704	624,925
Income (loss) before capital contributions	140,188,317	(171,468,223)	(288,612)	1,268,564	(4,757,301)	(550,578)	(792,387)	(34,756,880)
Capital contributions								
HUD capital subsidies	13,069,561	-	-	-	-	-	-	13,069,561
Other nonoperating contributions	(144,943,262)	134,101,598	804,915	551,938	6,900,263	527,500	2,099,283	-
Partners contributions	-	-	-	-	-	-	-	-
Change in net position	(131,873,701)	134,101,598	804,915	551,938	6,900,263	527,500	2,099,283	13,069,561
Net position, beginning	8,314,616	(37,366,625)	516,303	1,820,502	2,142,962	(23,078)	1,306,896	(21,687,319)
As previously reported	275,489,364	434,108,439	70,185,457	356,216,607	(20,328,696)	(10,339,715)	-	1,119,104,880
Prior period adjustments and equity transfers	-	-	(63,429,533)	294,265	-	-	62,829,690	(305,578)
As restated	275,489,364	434,108,439	6,755,924	356,510,872	(20,328,696)	(10,339,715)	62,829,690	1,118,799,302
Net position, ending	\$ 283,803,980	\$ 396,741,814	\$ 7,272,227	\$ 358,331,374	\$ (18,185,734)	\$ (10,362,793)	\$ 64,136,586	\$ 1,097,111,983

Philadelphia Housing Authority
Component Units
Combining Statement of Net Position
March 31, 2014

	Neumann North	Raymond Rosen Assoc. t/a 8 Diamonds Townhouses	Ridge Avenue Housing	St. Anthony's Senior Residences	St. Ignatius Senior Housing I	St. Ignatius Senior Housing II	Southwark Plaza	Spring Garden Housing I
Assets								
Current Assets								
Cash	\$ 18,651	\$ 144,552	\$ 62,847	\$ 89,289	\$ 601,387	\$ 802,368	\$ 31,606	\$ 9,356
Restricted cash	387,322	1,485,082	462,105	167,322	437,062	660,376	604,142	111,290
Investments	-	-	-	-	-	-	-	-
Receivables, net	460	12,538	27,929	4,910	312,505	531	15,406	41,649
Due from other governments	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-
Other assets	5,460	33,850	39,637	8,230	7,114	5,853	39,079	19,979
Total current assets	411,893	1,676,022	592,518	269,751	1,358,068	1,469,128	690,233	182,274
Noncurrent Assets								
Mortgage receivable	-	-	-	-	-	-	-	-
Restricted Cash	-	-	-	-	-	-	-	-
Restricted investments	-	-	-	-	-	-	-	-
Capital assets, net of depreciation	8,034,443	13,294,304	1,745,000	2,849,796	5,740,044	6,841,341	35,185,644	9,611,726
Other assets	-	43,680	266,834	2,831	-	11,653	19,389	10,950
Total noncurrent assets	8,034,443	13,337,984	2,011,834	2,852,627	5,740,044	6,852,994	35,205,033	9,622,676
Total assets	\$ 8,446,336	\$ 15,014,006	\$ 2,604,352	\$ 3,122,378	\$ 7,098,112	\$ 8,322,122	\$ 35,895,266	\$ 9,804,950
Liabilities and Net Position								
Current Liabilities								
Accounts payable	\$ 15,019	\$ 269,988	\$ 41,396	\$ 1,725	\$ 165,715	\$ 3,656	\$ 156,508	\$ 23,908
Accrued liabilities	48,579	9,102	21,786	18,645	74,667	55,636	750,850	99,805
Current portion of long-term debt	22,133	-	-	-	-	-	-	-
Due to other government agencies	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-
Compensated absences	-	-	-	-	-	-	-	-
Trust and deposits	32,357	77,964	37,962	14,054	25,912	5,346	64,897	18,228
Unearned revenues and other current liabilities	29,766	15,837	1,492,327	3,081	110,346	464	27,040	756
Total current liabilities	147,854	372,891	1,593,471	37,505	376,640	65,102	999,295	142,697
Noncurrent liabilities								
Compensated absences	-	-	-	-	-	-	-	-
Bonds, notes and loans payable	4,263,964	15,968,970	18,369,277	1,650,000	2,517,755	1,150,000	38,682,801	7,046,317
Other liabilities	1,399,012	1,579,035	724,359	172,491	747,420	343,939	-	5,118,950
Total noncurrent liabilities	5,662,976	17,548,005	19,093,636	1,822,491	3,265,175	1,493,939	38,682,801	12,165,267
Total liabilities	5,810,830	17,920,896	20,687,107	1,859,996	3,641,815	1,559,041	39,682,096	12,307,964
Net Position								
Net investment in capital assets	3,770,479	(2,674,666)	(16,624,277)	1,199,796	3,222,289	5,691,341	(3,497,157)	2,565,409
Restricted	-	-	-	-	-	-	-	-
Unrestricted (deficit)	(1,134,973)	(232,224)	(1,458,478)	62,586	234,008	1,071,740	(289,673)	(5,068,423)
Total net position	2,635,506	(2,906,890)	(18,082,755)	1,262,382	3,456,297	6,763,081	(3,786,830)	(2,503,014)
Total liabilities and net position	\$ 8,446,336	\$ 15,014,006	\$ 2,604,352	\$ 3,122,378	\$ 7,098,112	\$ 8,322,122	\$ 35,895,266	\$ 9,804,950

Philadelphia Housing Authority
Component Units
Combining Statement of Net Position (Continued)
March 31, 2014

	Spring Garden Historic	Uni-Penn Housing Partnership I	Uni-Penn Housing Partnership II	Cambridge Plaza I	Cambridge Plaza II	Cambridge Plaza III	Germantown House	Lucien E. Blackwell Homes Phase II
Assets								
Current Assets								
Cash	\$ 162,849	\$ 12,615	\$ 50,457	\$ 53,412	\$ 2,563	\$ 111,189	\$ 45,133	\$ 374,676
Restricted cash	832,670	85,924	205,757	309,859	560,387	520,348	1,260,351	897,301
Investments	-	-	-	-	-	-	-	-
Receivables, net	5,207	1,260	10,684	23,832	7,440	61,135	412,903	65,450
Due from other governments	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-
Other assets	9,351	21,136	17,540	33,667	24,278	12,893	57,711	-
Total current assets	1,010,077	120,935	284,438	420,770	594,668	705,565	1,776,098	1,337,427
Noncurrent Assets								
Mortgage receivable	-	-	-	-	-	-	-	-
Restricted cash	-	-	-	-	-	-	-	-
Restricted investments	-	-	-	-	-	-	-	-
Capital assets, net of depreciation	15,464,423	147,000	458,000	5,003,533	6,439,067	6,541,890	15,457,982	13,023,656
Other assets	93,043	6,752	6,670	24,813	44,549	26,801	56,952	47,295
Total noncurrent assets	15,557,466	153,752	464,670	5,028,346	6,483,616	6,568,691	15,514,934	13,070,951
Total assets	\$ 16,567,543	\$ 274,687	\$ 749,108	\$ 5,449,116	\$ 7,078,284	\$ 7,274,256	\$ 17,291,032	\$ 14,408,378
Liabilities and Net Position								
Current Liabilities								
Accounts payable	\$ 179,177	\$ 37,645	\$ 144,912	\$ 15,163	\$ 12,625	\$ 12,498	\$ 22,911	\$ 77,927
Accrued liabilities	37,457	-	-	55,788	76,395	69,018	214,467	67,712
Current portion of long-term debt	-	-	-	-	-	-	-	-
Due to other government agencies	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-
Compensated absences	-	-	-	-	-	-	-	-
Trust and deposits	33,698	12,032	12,515	4,218	4,455	4,123	13,708	6,930
Unearned revenues and other current liabilities	10,063	3,226	646,402	4,310	1,371	4,351	-	3,934
Total current liabilities	260,395	52,903	803,829	79,479	94,846	89,990	251,086	156,503
Noncurrent liabilities								
Compensated absences	-	-	-	-	-	-	-	-
Bonds, notes and loans payable	8,842,425	2,440,589	3,213,383	2,686,182	3,593,093	3,041,325	8,187,912	4,201,075
Other liabilities	1,300,208	2,033,840	2,395,164	1,616,376	1,763,394	1,333,032	1,773,020	1,296,570
Total noncurrent liabilities	10,142,633	4,474,429	5,608,547	4,302,558	5,356,487	4,374,357	9,960,932	5,497,645
Total liabilities	10,403,028	4,527,332	6,412,376	4,382,037	5,451,333	4,464,347	10,212,018	5,654,148
Net Position								
Net investment in capital assets	6,621,998	(2,293,589)	(2,755,383)	5,003,533	2,845,974	3,500,565	7,270,070	8,822,581
Restricted	-	-	-	-	-	-	-	-
Unrestricted (deficit)	(457,483)	(1,959,056)	(2,907,885)	(3,936,454)	(1,219,023)	(690,656)	(191,056)	(68,351)
Total net position	6,164,515	(4,252,645)	(5,663,268)	1,067,079	1,626,951	2,809,909	7,079,014	8,754,230
Total liabilities and net position	\$ 16,567,543	\$ 274,687	\$ 749,108	\$ 5,449,116	\$ 7,078,284	\$ 7,274,256	\$ 17,291,032	\$ 14,408,378

Philadelphia Housing Authority
Component Units
Combining Statement of Net Position (Continued)
March 31, 2014

	Lucien E. Blackwell Homes Phase III	Ludlow Scattered	Mantua I	Mantua II	Marshall Shepard	Mill Creek Phase I	Mt. Olivet	Nellie Reynolds
Assets								
Current Assets								
Cash	\$ 139,433	\$ 80,366	\$ 23,664	\$ 216,649	\$ 151,508	\$ 146,567	\$ 96,555	\$ 36,015
Restricted cash	503,151	843,284	383,743	520,900	795,109	1,042,631	1,819,064	567,664
Investments	-	-	-	-	-	-	-	-
Receivables, net	84,512	95,325	39,837	23,804	210,550	149,172	315,971	140,517
Due from other governments	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-
Other assets	-	-	-	17,147	-	-	-	67,631
Total current assets	727,096	1,018,975	447,244	778,500	1,157,167	1,338,370	2,231,590	811,827
Noncurrent Assets								
Mortgage receivable	-	-	-	-	-	-	-	-
Restricted ash	-	-	-	-	-	-	-	-
Restricted investments	-	-	-	-	-	-	-	-
Capital assets, net of depreciation	11,112,508	19,947,712	15,517,836	14,168,488	17,346,334	12,976,292	11,272,503	15,700,581
Other assets	91,136	50,581	102,282	143,573	426,586	35,581	171,446	30,668
Total noncurrent assets	11,203,644	19,998,293	15,620,118	14,312,061	17,772,920	13,011,873	11,443,949	15,731,249
Total assets	\$ 11,930,740	\$ 21,017,268	\$ 16,067,362	\$ 15,090,561	\$ 18,930,087	\$ 14,350,243	\$ 13,675,539	\$ 16,543,076
Liabilities and Net Position								
Current Liabilities								
Accounts payable	\$ 13,649	\$ 11,388	\$ 3,397	\$ 3,135	\$ 12,747	\$ 18,497	\$ 28,265	\$ 12,199
Accrued liabilities	124,978	97,345	49,174	25,746	101,118	227,165	336,718	98,650
Current portion of long-term debt	-	-	-	-	-	-	-	-
Due to other government agencies	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-
Compensated absences	-	-	-	-	-	-	-	-
Trust and deposits	4,752	7,760	4,851	4,950	7,920	9,009	15,642	6,138
Unearned revenues and other current liabilities	1,625	4,344	1,076	178,189	3,259	5,025	12,396	2,455
Total current liabilities	145,004	120,837	58,498	212,020	125,044	259,696	393,021	119,442
Noncurrent liabilities								
Compensated absences	-	-	-	-	-	-	-	-
Bonds, notes and loans payable	2,944,341	11,545,499	15,759,606	14,748,290	14,395,705	6,103,752	9,740,166	2,848,291
Other liabilities	838,517	2,391,210	1,948,987	1,500,000	2,549,794	2,840,505	3,436,758	759,666
Total noncurrent liabilities	3,782,858	13,936,709	17,708,593	16,248,290	16,945,499	8,944,257	13,176,924	3,607,957
Total liabilities	3,927,862	14,057,546	17,767,091	16,460,310	17,070,543	9,203,953	13,569,945	3,727,399
Net Position								
Net investment in capital assets	8,168,167	8,402,213	(241,770)	(579,802)	2,950,629	6,872,540	1,532,337	12,852,290
Restricted	-	-	-	-	-	-	-	-
Unrestricted (deficit)	(165,289)	(1,442,491)	(1,457,959)	(789,947)	(1,091,085)	(1,726,250)	(1,426,743)	(36,613)
Total net position	8,002,878	6,959,722	(1,699,729)	(1,369,749)	1,859,544	5,146,290	105,594	12,815,677
Total liabilities and net position	\$ 11,930,740	\$ 21,017,268	\$ 16,067,362	\$ 15,090,561	\$ 18,930,087	\$ 14,350,243	\$ 13,675,539	\$ 16,543,076

Philadelphia Housing Authority
Component Units
Combining Statement of Net Position (Continued)
March 31, 2014

	Norris Apartments LP	Paschall I	Paschall II	Richard Allen Phase III	Suffolk Manor	Tasker I	Tasker II	Uni-Penn Housing t/a MLK Plaza IV
Assets								
Current Assets								
Cash	\$ 108,525	\$ 40,550	\$ 489,255	\$ 142,767	\$ 563,637	\$ 269,127	\$ 537,691	\$ 125,048
Restricted cash	17,900	43,950	234,580	1,531,563	345,412	1,696,105	701,541	393,211
Investments	-	-	-	-	-	-	-	-
Receivables, net	12,986	20,595	21,584	95,635	153,214	242,053	301,612	83,940
Due from other governments	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-
Other assets	12,154	33,032	38,460	22,153	42,175	-	16,245	21,277
Total current assets	151,565	138,127	783,879	1,792,118	1,104,438	2,207,285	1,557,089	623,476
Noncurrent Assets								
Mortgage receivable	-	-	-	-	-	-	-	-
Restricted cash	-	-	-	-	-	-	-	-
Restricted investments	-	-	-	-	-	-	-	-
Capital assets, net of depreciation	19,683,937	17,726,398	17,783,790	23,276,653	17,876,790	33,590,230	23,885,732	7,132,149
Other assets	101,137	93,329	56,655	49,800	18,268	540,582	316,043	24,867
Total noncurrent assets	19,785,074	17,819,727	17,840,445	23,326,453	17,895,058	34,130,812	24,201,775	7,157,016
Total assets	\$ 19,936,639	\$ 17,957,854	\$ 18,624,324	\$ 25,118,571	\$ 18,999,496	\$ 36,338,097	\$ 25,758,864	\$ 7,780,492
Liabilities and Net Position								
Current Liabilities								
Accounts payable	\$ 801	\$ 1,216	\$ 2,545	\$ 16,851	\$ 25,505	\$ 85,725	\$ 59,959	\$ 638
Accrued liabilities	30,919	51,183	35,032	135,980	234,059	206,895	118,528	75,639
Current portion of long-term debt	-	-	-	-	-	-	-	-
Due to other government agencies	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-
Compensated absences	-	-	-	-	-	-	-	-
Trust and deposits	4,950	4,950	4,950	19,183	17,859	26,753	18,752	3,960
Unearned revenues and other current liabilities	163,722	148,251	148,228	13,246	-	9,406	5,457	1,673
Total current liabilities	200,392	205,600	190,755	185,260	277,423	328,779	202,696	81,910
Noncurrent liabilities								
Compensated absences	-	-	-	-	-	-	-	-
Bonds, notes and loans payable	19,204,431	16,817,247	18,126,521	22,190,978	10,453,027	32,385,000	20,990,000	3,351,430
Other liabilities	1,995,109	2,081,692	2,262,032	487,980	5,646,877	471,112	513,107	1,313,828
Total noncurrent liabilities	21,199,540	18,898,939	20,388,553	22,678,958	16,099,904	32,856,112	21,503,107	4,665,258
Total liabilities	21,399,932	19,104,539	20,579,308	22,864,218	16,377,327	33,184,891	21,705,803	4,747,168
Net Position								
Net investment in capital assets	479,506	909,151	(342,731)	1,085,675	7,423,763	1,205,230	2,895,732	3,780,719
Restricted	-	-	-	-	-	-	-	-
Unrestricted (deficit)	(1,942,799)	(2,055,836)	(1,612,253)	1,168,678	(4,801,594)	1,947,976	1,157,329	(747,395)
Total net position	(1,463,293)	(1,146,685)	(1,954,984)	2,254,353	2,622,169	3,153,206	4,053,061	3,033,324
Total liabilities and net position	\$ 19,936,639	\$ 17,957,854	\$ 18,624,324	\$ 25,118,571	\$ 18,999,496	\$ 36,338,097	\$ 25,758,864	\$ 7,780,492

Philadelphia Housing Authority
Component Units
Combining Statement of Net Position (Continued)
March 31, 2014

	Warnock I	Warnock II	Total Discrete Units
Assets			
Current Assets			
Cash	\$ 68,661	\$ 24,170	\$ 5,833,138
Restricted cash	703,725	450,564	21,581,395
Investments	-	-	-
Receivables, net	74,975	114,848	3,184,969
Due from other governments	-	-	-
Due from other funds	-	-	-
Other assets	30,111	32,782	668,945
Total current assets	877,472	622,364	31,268,447
Noncurrent Assets			
Mortgage receivable	-	-	-
Restricted cash	-	-	-
Restricted investments	-	-	-
Capital assets, net of depreciation	15,427,563	13,563,018	453,826,363
Other assets	67,415	54,603	3,036,764
Total noncurrent assets	15,494,978	13,617,621	456,863,127
Total assets	\$ 16,372,450	\$ 14,239,985	\$ 488,131,574
Liabilities and Net Position			
Current Liabilities			
Accounts payable	\$ 31,847	\$ 17,323	\$ 1,526,460
Accrued liabilities	33,923	54,314	3,637,273
Current portion of long-term debt	-	-	22,133
Due to other government agencies	-	-	-
Due to other funds	-	-	-
Compensated absences	-	-	-
Trust and deposits	5,049	4,356	540,183
Unearned revenues and other current liabilities	1,060	4,189	3,056,875
Total current liabilities	71,879	80,182	8,782,924
Noncurrent liabilities			
Compensated absences	-	-	-
Bonds, notes and loans payable	7,842,724	7,254,139	362,556,215
Other liabilities	819,034	2,208,982	57,662,000
Total noncurrent liabilities	8,661,758	9,463,121	420,218,215
Total liabilities	8,733,637	9,543,303	429,001,139
Net Position			
Net investment in capital assets	7,584,839	6,308,879	93,956,330
Restricted	-	-	-
Unrestricted (deficit)	53,974	(1,612,197)	(34,825,895)
Total net position	7,638,813	4,696,682	59,130,435
Total liabilities and net position	\$ 16,372,450	\$ 14,239,985	\$ 488,131,574

Philadelphia Housing Authority

Component Units

Combining Statement of Revenues, Expenses and Changes in Net Position

Year Ended March 31, 2014

	Neumann North	t/a 8 Diamonds Townhouses	Ridge Avenue Housing	St. Anthony's Senior Residences	St. Ignatius Senior Housing I	St. Ignatius Senior Housing II	Southwark Plaza	Spring Garden Housing I
	Raymond Rosen Assoc.							
Operating Revenue								
Total tenant revenue	\$ 627,622	\$ 575,107	\$ 875,210	\$ 334,196	\$ 546,787	\$ 446,847	\$ 950,046	\$ 632,177
Operating subsidies	-	-	-	-	-	-	-	-
Other income	20,539	622,621	11,262	9,074	14,757	-	2,097,370	7,073
Total operating revenue	648,161	1,197,728	886,472	343,270	561,544	446,847	3,047,416	639,250
Operating Expenses								
Administrative	144,600	361,328	304,644	110,800	155,847	82,826	882,651	187,071
Tenant services	-	-	-	-	-	-	-	-
Utilities	187,769	190,816	124,039	29,934	118,607	65,885	709,138	81,500
Maintenance	154,089	358,709	332,239	102,045	93,362	76,495	1,158,121	210,033
Protective services	-	-	-	-	-	-	-	-
General	71,778	145,103	169,226	52,116	78,183	66,249	453,590	170,664
Housing assistance programs	-	-	-	-	-	-	-	-
Depreciation and amortization	267,310	912,035	675,984	244,893	231,676	213,256	1,460,006	343,228
Total operating expenses	825,546	1,967,991	1,606,132	539,788	677,675	504,711	4,663,506	992,496
Operating income (loss)	(177,385)	(770,263)	(719,660)	(196,518)	(116,131)	(57,864)	(1,616,090)	(353,246)
Nonoperating Revenue and (Expenses)								
Interest and investment earnings	1,485	2,431	3	382	2,534	-	3,002	54
Special items	-	-	(15,501,487)	-	-	-	-	-
Interest expense	(156,567)	(79,845)	-	(17,464)	(90,124)	(62,540)	-	(586,908)
Net nonoperating revenue	(155,082)	(77,414)	(15,501,484)	(17,082)	(87,590)	(62,540)	3,002	(586,854)
Income (loss) before capital contributions	(332,467)	(847,677)	(16,221,144)	(213,600)	(203,721)	(120,404)	(1,613,088)	(940,100)
Capital contributions								
HUD capital subsidies	-	-	-	-	-	-	-	-
Other nonoperating contributions	-	-	-	-	-	-	-	-
Partner distributions	-	-	-	-	-	-	-	-
Partners contributions	-	-	-	40,192	1,088,423	-	479,716	
	-	-	-	40,192	1,088,423	-	479,716	
Change in net position	(332,467)	(847,677)	(16,221,144)	(213,600)	(163,529)	968,019	(1,613,088)	(460,384)
Net position, beginning								
As previously reported	2,967,973	(2,059,213)	(1,861,611)	1,475,982	3,619,826	5,795,062	(2,173,742)	(2,042,630)
Prior period adjustments	-	-	-	-	-	-	-	-
As restated	2,967,973	(2,059,213)	(1,861,611)	1,475,982	3,619,826	5,795,062	(2,173,742)	(2,042,630)
Net position, ending	\$ 2,635,506	\$ (2,906,890)	\$ (18,082,755)	\$ 1,262,382	\$ 3,456,297	\$ 6,763,081	\$ (3,786,830)	\$ (2,503,014)

Philadelphia Housing Authority

Component Units

Combining Statement of Revenues, Expenses and Changes in Net Position (Continued)

Year Ended March 31, 2014

	Spring Garden Historic	Uni-Penn Housing Partnership I	Uni-Penn Housing Partnership II	Cambridge Plaza I	Cambridge Plaza II	Cambridge Plaza III	Germantown House	Lucien E. Blackwell Homes Phase II
Operating Revenue								
Total tenant revenue	\$ 466,533	\$ 305,261	\$ 277,996	\$ 306,638	\$ 376,920	\$ 314,950	\$ 1,459,112	\$ 479,839
Operating subsidies	-	-	-	-	-	-	-	-
Other income	10,121	1,276	8,167	1,017	3,169	3,375	10,309	5,675
Total operating revenue	476,654	306,537	286,163	307,655	380,089	318,325	1,469,421	485,514
Operating Expenses								
Administrative	242,906	135,830	109,508	86,240	153,635	107,895	508,645	111,054
Tenant services	-	-	-	6,524	-	-	5,876	6,028
Utilities	87,487	39,151	86,283	42,258	54,741	46,639	263,859	59,801
Maintenance	104,084	131,540	138,649	109,404	113,738	112,614	562,780	224,436
Protective services	-	-	-	-	-	-	-	-
General	82,042	58,005	54,077	45,508	37,576	31,902	65,718	45,295
Housing assistance programs	-	-	-	-	-	-	-	-
Depreciation and amortization	545,541	215,930	243,720	209,405	261,740	244,699	481,209	533,166
Total operating expenses	1,062,060	580,456	632,237	499,339	621,430	543,749	1,888,087	979,780
Operating income (loss)	(585,406)	(273,919)	(346,074)	(191,684)	(241,341)	(225,424)	(418,666)	(494,266)
Nonoperating Revenue and (Expenses)								
Interest and investment earnings	-	-	340	65	89	135	309	279
Special items	-	(5,178,741)	(6,633,831)	-	-	-	-	-
Interest expense	(102,000)	(158,163)	(138,123)	(140,815)	(187,919)	(159,061)	(162,295)	(153,823)
Net nonoperating revenue	(102,000)	(5,336,904)	(6,771,614)	(140,750)	(187,830)	(158,926)	(161,986)	(153,544)
Income (loss) before capital contributions	(687,406)	(5,610,823)	(7,117,688)	(332,434)	(429,171)	(384,350)	(580,652)	(647,810)
Capital contributions								
HUD capital subsidies	-	-	-	-	-	-	-	-
Other nonoperating contributions	-	-	-	-	-	-	-	-
Partner distributions	(45,450)	-	-	-	-	-	-	-
Partners contributions	-	-	-	-	-	-	-	-
(45,450)	-	-	-	-	-	-	-	-
Change in net position	(732,856)	(5,610,823)	(7,117,688)	(332,434)	(429,171)	(384,350)	(580,652)	(647,810)
Net position, beginning								
As previously reported	6,897,371	1,358,178	1,454,420	1,399,513	2,056,122	3,194,259	7,659,666	9,402,040
Prior period adjustments	-	-	-	-	-	-	-	-
As restated	6,897,371	1,358,178	1,454,420	1,399,513	2,056,122	3,194,259	7,659,666	9,402,040
Net position, ending	\$ 6,164,515	\$ (4,252,645)	\$ (5,663,268)	\$ 1,067,079	\$ 1,626,951	\$ 2,809,909	\$ 7,079,014	\$ 8,754,230

Philadelphia Housing Authority

Component Units

Combining Statement of Revenues, Expenses and Changes in Net Position (Continued)

Year Ended March 31, 2014

	Lucien E. Blakcwell Homes Phase III	Ludlow Scattered	Mantua I	Mantua II	Marshall Shepard	Mill Creek Phase I	Mt. Olivet	Nellie Reynolds
Operating Revenue								
Total tenant revenue	\$ 396,124	\$ 490,158	\$ 479,218	\$ 204,502	\$ 618,314	\$ 718,339	\$ 1,743,845	\$ 763,480
Operating subsidies	-	-	-	-	-	-	-	-
Other income	10,808	4,297	2,063	30,900	5,174	15,264	5,972	909
Total operating revenue	406,932	494,455	481,281	235,402	623,488	733,603	1,749,817	764,389
Operating Expenses								
Administrative	182,964	222,243	151,766	79,346	306,869	349,343	610,822	197,949
Tenant services		5,757			5,774		6,313	5,577
Utilities	53,031	76,458	22,888	42,545	68,512	91,917	314,911	155,470
Maintenance	87,859	119,219	239,390	32,229	154,691	130,524	661,649	301,650
Protective services	-	-	-	-	-	-	-	-
General	45,293	36,510	39,761	59,964	51,161	93,664	93,462	82,496
Housing assistance programs								
Depreciation and amortization	371,994	616,229	573,045	533,256	666,586	505,481	385,667	469,296
Total operating expenses	741,141	1,076,416	1,026,850	747,340	1,253,593	1,170,929	2,072,824	1,212,438
Operating income (loss)	(334,209)	(581,961)	(545,569)	(511,938)	(630,105)	(437,326)	(323,007)	(448,049)
Nonoperating Revenue and (Expenses)								
Interest and investment earnings	132	135	560	885	170	171	231	135
Special items	-	-	-	-	-	-	-	-
Interest expense	(119,988)	(345,167)	(208,522)	-	(431,871)	(312,104)	(332,749)	(146,687)
Net nonoperating revenue	(119,856)	(345,032)	(207,962)	885	(431,701)	(311,933)	(332,518)	(146,552)
Income (loss) before capital contributions	(454,065)	(926,993)	(753,531)	(511,053)	(1,061,806)	(749,259)	(655,525)	(594,601)
Capital contributions								
HUD capital subsidies	-	-	-	-	-	-	-	-
Other nonoperating contributions	-	-	-	-	-	-	-	-
Partner distributions	-	-	-	-	-	-	(2,665)	-
Partners contributions	-	-	326,308	330,687	-	-	-	-
	-	-	326,308	330,687	-	-	(2,665)	-
Change in net position	(454,065)	(926,993)	(427,223)	(180,366)	(1,061,806)	(749,259)	(658,190)	(594,601)
Net position, beginning								
As previously reported	8,456,943	7,886,715	(1,272,506)	(1,189,383)	2,921,350	5,895,549	763,784	13,410,278
Prior period adjustments	-	-	-	-	-	-	-	-
As restated	8,456,943	7,886,715	(1,272,506)	(1,189,383)	2,921,350	5,895,549	763,784	13,410,278
Net position, ending	\$ 8,002,878	\$ 6,959,722	\$ (1,699,729)	\$ (1,369,749)	\$ 1,859,544	\$ 5,146,290	\$ 105,594	\$ 12,815,677

Philadelphia Housing Authority

Component Units

Combining Statement of Revenues, Expenses and Changes in Net Position (Continued)

Year Ended March 31, 2014

	Norris Apartments LP	Paschall I	Paschall II	Richard Allen Phase III	Suffolk Manor	Tasker I	Tasker II	Uni-Penn Housing t/a MLK Plaza IV
Operating Revenue								
Total tenant revenue	\$ 275,866	\$ 283,065	\$ 271,968	\$ 1,015,753	\$ 1,213,539	\$ 1,827,892	\$ 1,302,667	\$ 312,456
Operating subsidies	-	-	-	-	-	-	-	-
Other income	2,043	2,460	4,405	5,852	2,255	10,422	13,844	4,462
Total operating revenue	277,909	285,525	276,373	1,021,605	1,215,794	1,838,314	1,316,511	316,918
Operating Expenses								
Administrative	119,810	56,583	124,667	384,814	421,722	328,903	254,823	57,867
Tenant services	5,000	5,150	5,150	5,000	6,524	7,932	7,710	6,075
Utilities	32,232	52,344	43,405	185,762	254,266	391,376	226,706	55,225
Maintenance	86,098	107,207	36,772	292,964	415,616	857,886	638,494	148,346
Protective services	-	-	-	-	-	-	-	-
General	24,129	41,777	44,136	82,534	63,078	127,577	94,210	28,954
Housing assistance programs								
Depreciation and amortization	669,156	688,057	723,851	814,485	601,199	1,389,946	972,493	262,742
Total operating expenses	936,425	951,118	977,981	1,765,559	1,762,405	3,103,620	2,194,436	559,209
Operating income (loss)	(658,516)	(665,593)	(701,608)	(743,954)	(546,611)	(1,265,306)	(877,925)	(242,291)
Nonoperating Revenue and (Expenses)								
Interest and investment earnings	212	45	273	251	327	307	334	107
Special items	-	-	-	-	-	-	-	-
Interest expense	(237,104)	(213,115)	(293,545)	(22,191)	(500,292)	(32,385)	(20,990)	(151,486)
Net nonoperating revenue	(236,892)	(213,070)	(293,272)	(21,940)	(499,965)	(32,078)	(20,656)	(151,379)
Income (loss) before capital contributions	(895,408)	(878,663)	(994,880)	(765,894)	(1,046,576)	(1,297,384)	(898,581)	(393,670)
Capital contributions								
HUD capital subsidies	-	-	-	-	-	-	-	-
Other nonoperating contributions	-	-	-	-	-	-	-	-
Partner distributions								
Partners contributions	-	-	-	-	-	-	-	-
Change in net position	(895,408)	(878,663)	(994,880)	(765,894)	(1,046,576)	(1,297,384)	(898,581)	(393,670)
Net position, beginning								
As previously reported	(567,885)	(268,022)	(960,104)	3,020,247	3,668,745	4,450,590	4,951,642	3,426,994
Prior period adjustments	-	-	-	-	-	-	-	-
As restated	(567,885)	(268,022)	(960,104)	3,020,247	3,668,745	4,450,590	4,951,642	3,426,994
Net position, ending	\$ (1,463,293)	\$ (1,146,685)	\$ (1,954,984)	\$ 2,254,353	\$ 2,622,169	\$ 3,153,206	\$ 4,053,061	\$ 3,033,324

Philadelphia Housing Authority

Component Units

Combining Statement of Revenues, Expenses and Changes in Net Position (Continued)

Year Ended March 31, 2014

	Warnock I	Warnock II	Total Discrete Units
Operating Revenue			
Total tenant revenue	\$ 344,654	\$ 544,425	\$ 21,781,506
Operating subsidies	-	-	-
Other income	1,869	538	2,949,342
Total operating revenue	<u>346,523</u>	<u>544,963</u>	<u>24,730,848</u>
Operating Expenses			
Administrative	79,152	160,296	7,775,419
Tenant services	-	(90,390)	-
Utilities	41,672	104,072	4,400,699
Maintenance	162,603	284,620	8,740,155
Protective services	-	-	-
General	36,209	68,001	2,739,948
Housing assistance programs	-	-	-
Depreciation and amortization	496,037	442,982	18,266,300
Total operating expenses	<u>815,673</u>	<u>969,581</u>	<u>41,922,521</u>
Operating income (loss)	<u>(469,150)</u>	<u>(424,618)</u>	<u>(17,191,673)</u>
Nonoperating Revenue and (Expenses)			
Interest and investment earnings	133	88	15,604
Special items	-	-	(27,314,059)
Interest expense	(140,132)	(309,790)	(6,013,765)
Net nonoperating revenue	<u>(139,999)</u>	<u>(309,702)</u>	<u>(33,312,220)</u>
Income (loss) before capital contributions	<u>(609,149)</u>	<u>(734,320)</u>	<u>(50,503,893)</u>
Capital contributions			
HUD capital subsidies	-	-	-
Other nonoperating contributions	-	-	-
Partner distributions			(48,115)
Partners contributions	-	-	2,265,326
	-	-	2,217,211
Change in net position	<u>(609,149)</u>	<u>(734,320)</u>	<u>(48,286,682)</u>
Net position, beginning			
As previously reported	8,247,962	5,431,002	107,417,117
Prior period adjustments	-	-	-
As restated	<u>8,247,962</u>	<u>5,431,002</u>	<u>107,417,117</u>
Net position, ending	<u>\$ 7,638,813</u>	<u>\$ 4,696,682</u>	<u>\$ 59,130,435</u>

PHILADELPHIA HOUSING AUTHORITY
STATEMENT OF NET POSITION
(City of Philadelphia Format)
March 31, 2014

Assets	
Current Assets	
Cash and cash equivalents	\$ 106,038,351
Restricted cash	51,057,142
Investments	22,274,011
Receivables	68,955,175
Mortgage receivable	
Other current assets	2,993,235
Total current assets	251,317,914
Nonconcurrent assets	
Restricted cash and investments	2,863,793
Land, building and equipment - net of accumulated depreciation	1,071,246,599
Other assets	8,201,368
Total noncurrent assets	1,082,311,760
Total assets	\$ 1,333,629,674
Liabilities	
Current Liabilities	
Accounts payable	\$ 7,417,660
Accrued liabilities	18,266,294
Current portion of long-term debt	8,072,133
Due to other government agencies	98,625
Compensated absences	4,486,076
Trust and deposit liabilities	1,340,203
Deferred credits and other liabilities	11,733,778
Total current liabilities	51,414,769
Noncurrent Liabilities	
Long-term debt	57,023,061
Other long-term liabilities	68,949,426
Total noncurrent liabilities	125,972,487
Total liabilities	177,387,256
Net Position	
Net investment in capital assets	655,603,608
Restricted	12,813,288
Unrestricted	487,825,522
Total net position	1,156,242,418
Total liabilities and net position	\$ 1,333,629,674

Philadelphia Housing Authority

Statement of Activities
(City of Philadelphia Format)
Year Ended March 31, 2014

	Expenses	Tenant Revenue	Operating Grants and Contributions	Capital Grants	Net (Expense) Revenue and Changes in Net Position
Functions program					
Housing activities	\$433,041,598	\$ 46,004,017	\$303,994,019	\$ 13,069,561	\$ (69,974,001)
Changes in net position					
Net position, beginning					1,226,521,997
Prior period adjustments					(305,578)
Net position, ending					<u>\$ 1,156,242,418</u>

Single Audit Section

Philadelphia Housing Authority

Schedule of Expenditures of Federal Awards
Year Ended March 31, 2014

	Federal CFDA Number	Federal Expenditures
Federal Grant/Pass-Through Grantor/Program or Cluster Title		
<u>U.S. Department of Housing and Urban Development</u>		
Congregate Housing Services Program	14.170	\$ 120,297
Section 8 Project-Based Cluster		
Section 8 Moderate Rehabilitation Single Room Occupancy	14.249	1,967,322
Lower Income Housing Assistance Program - Section 8		
Moderate Rehabilitation	14.856	1,881,356
Total Section 8 Project-Based Cluster		<u>3,848,678</u>
Moving to Work Demonstration Program		
Section 8 Housing Choice Vouchers		177,309,803
Public and Indian Housing		113,606,751
Public Housing Capital Fund		30,135,208
Total Moving to Work Demonstration Program	14.881	<u>321,051,762</u>
Resident Opportunity and Supportive Services - Service Coordinators	14.870	311,346
Housing Voucher Cluster		
Section 8 Housing Choice Vouchers	14.871	9,013,903
Mainstream Vouchers	14.879	523,572
Total Housing Voucher Cluster		<u>9,537,475</u>
<u>U.S. Department of Agriculture</u>		
Summer Food Service Program for Children	10.559	263,336
<u>U.S. Department of Health and Human Services</u>		
Child Care and Development Block Grant	93.575	<u>449,929</u>
		<u>\$ 335,582,823</u>

See Notes to Schedule of Expenditures of Federal Awards.

Philadelphia Housing Authority

Notes to Schedule of Expenditures of Federal Awards Year Ended March 31, 2014

Note 1 Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of PHA under programs of the federal government for the year ended March 31, 2014.

Expenditures reported on the Schedule are reported on the accrual basis of accounting and are presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the schedule presents only a selected portion of the operations of PHA, it is not intended to and does not present the financial position, changes in net position or cash flows of PHA.

Note 2. Expenditures to Subrecipients

Of the federal expenditures presented in the schedule, PHA provided federal awards to subrecipients as follows:

CFDA Number	Program Name	Subrecipient	Amount Provided
14.881	Moving to Work Demonstration Program	Cambridge Plaza LP	\$ 245,501
		Cambridge Plaza II, L.P.	342,755
		Cambridge III, L.P.	290,848
		(Falls Ridge) Ridge Avenue Housing, L.P.	484,442
		Germantown House	966,581
		Lucien E. Blackwell Homes Phase II, L.P.	330,493
		Lucien E. Blackwell Homes Phase III, L.P.	372,188
		Ludlow Scattered Sites Phase III, L.P.	373,941
		Mantua Phase I, L.P.	366,762
		Mantua Phase II, L.P.	31,233
		Marshall Shepard Village, L.P.	548,615
		Mill Creek	581,015
		Mt. Olivet L.P.	1,225,283
		Nellie Reynolds Gardens, L.P.	520,107
		Neuman North, L.P.	252,661
		Norris Apartments, L.P.	109,736
		Paschall L.P. Phase I	109,238
		Paschall L.P. Phase II	59,136
		Raymond Rosen (8 Diamonds)	615,331
		Richard Allen Phase III	696,657
		Southwark (Courtyards)	2,005,288
		Spring Garden Housing Limited Partnership	354,431
		Spring Garden II	102,651
		St. Anthony's Senior Residences Associates, L.P.	157,064
		St. Ignatius Senior Housing I, L.P. (Angela Court I)	264,361
		St. Ignatius Senior Housing II, L.P. (Angela Court II)	199,218
		Suffolk Manor	744,286
		Tasker I	1,194,825
		Tasker II	921,907
		Uni-Penn (MLK I) I	178,737
		Uni-Penn (MLK II) II	162,142
		Uni-Penn (MLK IV) IV	177,882
		Warnock Phase I	236,421
		Warnock Phase II	389,848
			<u>\$ 15,611,584</u>



**Independent Auditor's 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
Philadelphia Housing Authority
Philadelphia, Pennsylvania

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the proprietary fund type, the aggregate discretely presented component units and aggregate remaining fund information of Philadelphia Housing Authority (PHA), as of and for the year ended March 31, 2014, and the related notes to the financial statements, which collectively comprise PHA's basic financial statements, and have issued our report thereon dated December 18, 2014. Our report includes a reference to other auditors who audited the financial statements of the fiduciary fund type and the discretely presented component units, as described in our report on PHA's financial statements. The financial statements of the discretely presented component units were not audited in accordance with *Government Auditing Standards*.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered PHA's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of PHA's internal control. Accordingly, we do not express an opinion on the effectiveness of PHA's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as Finding 2014-001 that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether PHA's financial statements are free from 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*.

Entity's Response to Findings

PHA's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. PHA's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

The image shows a handwritten signature in black ink. The signature reads "McGladrey LLP" in a cursive style. The "M" and "L" in "McGladrey" are capitalized and have decorative loops. The "LLP" is written in a smaller, simpler font at the end.

Blue Bell, Pennsylvania
December 18, 2014



**Independent Auditor's Report for Each Major Program and on Internal Control
Over Compliance Required by OMB Circular A-133**

Board of Commissioners
Philadelphia Housing Authority
Philadelphia, Pennsylvania

Report on Compliance for Each Major Federal Program

We have audited Philadelphia Housing Authority's (PHA) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of PHA's major federal programs for the year ended March 31, 2014. PHA's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of PHA's major federal programs based on our audit of the types of compliance requirements referred to above. 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 PHA'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 on compliance for each major federal program. However, our audit does not provide a legal determination of PHA's compliance.

Opinion on Each Major Federal Program

In our opinion, PHA complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended March 31, 2014.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular No. A-133 and which are described in the accompanying schedule of findings and questioned costs as Findings 2014-002 through 2014-004. Our opinion on each major federal program is not modified with respect to these matters.

Finding #	CFDA #	Program (or Cluster) Name Compliance Requirement	
2014-002	14.881	Moving to Work Demonstration Program	Reporting
2014-003	14.881	Moving to Work Demonstration Program	Eligibility
2014-004	14.881	Moving to Work Demonstration Program	Allowable costs/cost principles

PHA's response to the noncompliance findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. PHA's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of PHA is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered PHA's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of PHA's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. Additionally, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as Findings 2014-002, 2014-003, 2014-004, 2014-005, and 2014-006, that we consider to be significant deficiencies.

Finding #	CFDA #	Program (or Cluster) Name	Compliance Requirement
2014-002	14.881	Moving to Work Demonstration Program	Reporting
2014-003	14.881	Moving to Work Demonstration Program	Eligibility
2014-004	14.881	Moving to Work Demonstration Program	Allowable costs/cost principles
2014-005	14.881	Moving to Work Demonstration Program	Reporting
2014-006	14.881	Moving to Work Demonstration Program	Procurement, Suspension and Debarment

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

McGladrey LLP

Blue Bell, Pennsylvania
December 18, 2014

Philadelphia Housing Authority

Schedule of Findings and Questioned Costs
Year Ended March 31, 2014

I. Summary of Independent Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	<u>_</u> Yes <input checked="" type="checkbox"/> No
• Significant deficiency(ies) identified?	<input checked="" type="checkbox"/> Yes <u>_</u> None Reported
Noncompliance material to financial statements noted?	<u>_</u> Yes <input checked="" type="checkbox"/> No

Federal Awards

Internal control over major programs:	
• Material weakness(es) identified?	<u>_</u> Yes <input checked="" type="checkbox"/> No
• Significant deficiency(ies) identified?	<input checked="" type="checkbox"/> Yes <u>_</u> None Reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	<input checked="" type="checkbox"/> Yes <u>_</u> No

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
14.881	Moving to Work Demonstration Program

Dollar threshold used to distinguish between type A and type B programs \$3,000,000

Auditee qualified as low-risk auditee? _ Yes No

Philadelphia Housing Authority

Schedule of Findings and Questioned Costs Year Ended March 31, 2014

II. Financial Statement Findings

This section identifies the significant deficiencies; material weaknesses; fraud; non-compliance with provisions of laws, regulations, contracts and grant agreements; and abuse related to the financial statements for which *Government Auditing Standards* require reporting in a Circular A-133 audit.

A. Internal Control Findings

Finding No. 2014-001 - Financial Reporting

Criteria

Management is responsible for the accurate and complete preparation of internal and year-end financial statement information. Effective reviews over the transactions must be in place to ensure that material transactions are appropriately recorded in the financial statements.

Statement of Condition

There were several adjustments made to the trial balance that were identified as a result of the audit.

Cause of Condition

Management did not properly analyze and evaluate critical liabilities such as workers' compensation claims payable and litigation claims payable as of the reporting date. Cash reserves deposited with the insurance company were erroneously recorded as workers' compensation liability. Employee benefit plans had not been fully analyzed to ensure accuracy of accounting and reporting.

Effect of Condition

The Authority has a significant deficiency in internal control over financial reporting.

Recommendation

We recommend the Authority enhance their existing financial reporting close process to formally incorporate a regular analysis of all critical asset and liability accounts at the end of each reporting period to ensure accuracy and completeness of all critical financial statement balances.

Management's Response

In FY2013 the predecessor auditor established the method of using cash collateral paid to Liberty Mutual to establish the liability. PHA followed the same methodology in FY2014.

Management currently has a process to analyze all critical asset and liability accounts during the closing process. Based on this process, several adjusting entries were made. The entries for Worker's Compensation decreased the liability and one entry for legal claims increased the liability.

Philadelphia Housing Authority

Schedule of Findings and Questioned Costs Year Ended March 31, 2014

II. Financial Statement Findings (Continued)

Finding No. 2014-001 - Financial Reporting (Continued)

Management's Response (Continued)

The current process in place includes meeting and discussing the workers' compensation liability with PHA Risk Management, PHA Finance, Conner Strong (PHA's Insurance Broker) and Liberty Mutual. The estimated liability for Worker's Compensation was decreased during the audit process after several meetings with McGladrey, Finance, OAC, Risk Management, Conner Strong, and Liberty Mutual. The estimated worker's compensation claim payable was conservatively overstated. After a series of meetings, management decided to lower the liability to reflect a more accurate payable. Management will modify the existing process to review the worker's compensation liability at mid-year and at year-end to re-evaluate the liability based on current losses, future potential claims, payments made to Liberty Mutual and other factors that may impact Worker's Compensation.

III. Findings and Questioned Costs for Federal Awards

This section identifies the audit findings required to be reported by Circular A-133 Section .510(a) (for example, material weaknesses, significant deficiencies, and material instances of noncompliance, including questioned costs), as well as any abuse findings involving federal awards that are material to a major program.

Finding No. 2014-002 - Reporting – Form HUD-50058

Federal program information

U.S. Department of Housing and Urban Development
CFDA 14.881 Moving to Work Demonstration Program

Section 8 Housing Choice Vouchers
Program Year: April 1, 2013 to March 31, 2014
Program Number: PA002VOW

Public and Indian Housing
Program Year: April 1, 2013 to March 31, 2014
Program Number: PA002-00000114D and PA002-00000113D

Criteria

Per 24 CFR Part 908 and 24 CFR Section 982.158, the public housing authority is required to submit Form HUD-50058, *Family Report* (OMB No. 2577-0083), through the Public and Indian Housing Information Center (PIC) to HUD each time the public housing authority completes an admission, annual re-examination, interim re-examination, portability move-in, or other change of unit for a family. The public housing authority must also submit the *Family Report* when a family ends participation in the program or moves out of the public housing authority's jurisdiction under portability. The *Family Report* contains critical information indicated as *Key Line Items*.

Philadelphia Housing Authority

Schedule of Findings and Questioned Costs Year Ended March 31, 2014

III. Findings and Questioned Costs for Federal Awards (Continued)

Finding No. 2014-002 - Reporting – Form HUD-50058 (Continued)

Criteria (Continued)

Additional criteria which relate to, or are impacted by, the information reported via Form HUD-50058 include:

MTW agencies must assure that housing assisted under the demonstration program meets housing quality standards established or approved by the Secretary. HCV program regulations at 24 CFR sections 982.401 through 982.405 set forth basic housing quality standards (HQS) which all units must meet, and the public housing authority must verify by inspection, before initial assistance can be paid on behalf of a family and at least annually throughout the term of the assisted tenancy.

MTW agencies are required to establish and implement a reasonable rent policy, which shall be designed to encourage employment and self-sufficiency by participating families, consistent with the purpose of the MTW demonstration, such as by excluding some or all of a family's earned income for purposes of determining rent. The rent policy must be in the Annual MTW Plan and Reports (Section 204(c)(3)(B) of Pub. L.No. 104-134 (42 USC 1437f(note))).

Statement of Condition

Tenant file inspections included 60 files from the Housing Choice Voucher (HCV) program and 60 files from the Low Rent Public Housing (LPH) program. Out of 60 HCV tenant files inspected, 21 files (35%) had one or more exceptions noted. Out of 60 LPH tenant files selected, 29 files (48%) had one or more exceptions noted. These exceptions involved incorrect Form HUD-50058 reporting (below) and deficiencies in Eligibility and Tenant File Maintenance (Finding 2014-003).

Exceptions involving incorrect information being reported to HUD via Form HUD-50058 consisted of the following:

Housing Choice Voucher Program

- (a) 6 HCV HUD-50058 forms showed an incorrect date of admission to the program. Inspection of the files showed earlier lease agreements dated several years before the reported admission date.
- (b) 3 HCV files were missing income verification support for some of the listed income sources, specifically the CIS/EIV printouts supporting SSI and SSP income. Income must be verified with applicable supporting documents such as paystubs, EIV reports, benefit letters, DPA CIS database printout, etc. As such, it cannot be determined if the total annual income reported to HUD via Form HUD-50058 is accurate.
- (c) 3 of the HCV files selected related to \$-0- income tenants. Out of these 3 tenant files, 1 was not compliant with the Authority's policy to verify \$-0- income every 180 days. \$-0- income is verified by running and reviewing EIV report for income. The verification was subsequently completed 7 months beyond the 180 day due date.
- (d) 1 HCV rent calculation utilized an incorrect utility allowance which resulted in excess HAP paid on behalf of the tenant. The HCV tenant was a CRP participant but was provided the higher utility allowance applicable to non-CRP tenants.
- (e) 4 HCV income calculations did not agree to supporting documents such as paystubs, 3rd party confirmations of income, etc. As such, reported total annual income is incorrect. Tenant rent is correspondingly understated and HAP was paid in excess on behalf of these tenants.
- (f) 3 HCV units were inspected timely but not reported as inspected and passed on Form HUD-50058 on the correct date.

Philadelphia Housing Authority

Schedule of Findings and Questioned Costs Year Ended March 31, 2014

III. Findings and Questioned Costs for Federal Awards (Continued)

Finding No. 2014-002 - Reporting – Form HUD-50058 (Continued)

Statement of Condition: (Continued)

Housing Choice Voucher Program (Continued)

- (g) 2 HCV tenants had Family Self Sufficiency (FSS) escrow balances accrued but were not reported as current FSS participants. Further investigation showed that the reported information was correct but the FSS accounts had not been properly closed out.

Low Rent Public Housing Program

- (a) 4 LPH files were missing income verification support for some or all income sources. Income must be verified with supporting documents such as paystubs, EIV reports, benefit letters, DPA CIS database printout, etc. As such, it cannot be determined if the total annual income reported to HUD via Form HUD-50058 is accurate.
- (b) 3 of the LPH files selected related to \$-0- income tenants. Out of these 3 files, 1 file was missing evidence that an EIV report was run for the 180 day re-certification. As such, it could not be confirmed that there was no income on the EIV report for the tenant.
- (c) 4 LPH income calculations did not agree to supporting documents, such as paystubs, etc. As such, reported total annual income is incorrect. Tenant rent is correspondingly incorrect and may be non-compliant with the established reasonable rent policy. Rent is restricted to the lesser of a percentage of annual income or a ceiling rent.
- (d) 2 LPH calculations improperly included or excluded the \$500 working family deduction. Either the deduction was not supported by evidence of a minimum of 20 hours worked or evidence of the minimum hours was obtained but the deduction was not granted. Therefore, incorrect total annual income was reported to HUD. Improperly excluding the \$500 working family deduction is also results in non-compliance with the established reasonable rent policy. Rent is restricted to the lesser of a percentage of annual income or a ceiling rent.
- (e) 8 LPH income re-certifications were not completed within the required time frame.
- (f) 2 LPH HUD-50058 forms reported prior re-exam dates which were not evidenced by supporting documents or disagreed with CRM records.

Questioned Costs

Questioned costs for each of the conditions above:

Housing Choice Voucher Program

- (a) None
- (b) \$793 of unverified annual income reported for 3 tenants
- (c) Undeterminable understatement of annual income and corresponding excess HAP.
- (d) Tenant share of rent was \$99 per month lower than it should be.
- (e) HAP paid in excess on behalf of tenants was \$274 for the year.
- (f) None
- (g) Unknown
- (h) Unknown

Philadelphia Housing Authority

Schedule of Findings and Questioned Costs Year Ended March 31, 2014

III. Findings and Questioned Costs for Federal Awards (Continued)

Finding No. 2014-002 - Reporting – Form HUD-50058 (Continued)

Questioned Costs (Continued)

Low Rent Public Housing Program

- (a) Undeterminable amount of unverified annual income reported
- (b) Undeterminable understatement of annual income and corresponding undercharge in rent.
- (c) 2 LPH tenants were charged \$504 in excess for the year. Undeterminable effect on the remaining 2 LPH tenant files.
- (d) Errors net to \$1 overcharge of rent.
- (e) Undeterminable
- (f) Undeterminable

Cause of Condition

The causes of conditions noted were:

Housing Choice Voucher Program

- (a) These dates were imported from the previous operating system (CCS) into Elite. CCS was a contract based system which only maintained information on the most recent contract, not the date of admission. The Authority converted from CCS to Elite in December 2008, and due to the limitations of CCS, the software engineers used the move-in date of the unit occupied at time of conversion as the date of admission.
- (b) Staff responsible for these files did not follow the Authority's policies and procedures regarding documentation that should be retained for the income verification. Support was obtained and kept for certain income elements but not others. For one of the files, it was noted that the entire recertification effective for the fiscal year was misplaced during one of the various office moves and transitions and was unavailable for inspection.
- (c) Staff responsible for these files did not follow the Authority's policy requiring re-verification of income for \$-0- income tenants every 180 days.
- (d) Staff responsible for these files did not properly identify these tenants as CRP participants and did not notice that the system glitch which resulted in the calculation incorrectly using the utility allowance chart for non-CRP tenants.
- (e) Mathematical and data entry errors when aggregating and annualizing income. Accidental exclusion of Child Support income from the calculation. Transposition of numbers during calculation.
- (f) As Form HUD-50058 is automatically populated from the CRM database, management knows that the errors in the inspection dates on Form HUD-50058 are due to a system glitch. The system was not detecting the recent inspections and instead pulled a prior date.
- (g) Due to significant turnover in the department, FSS contract files have not been adequately maintained and FSS escrow balances have not been properly closed out for tenants terminated from the program. The Authority believes a majority of the remaining accrued escrow balance relates to expired FFS contracts and is currently reviewing and reconciling all files.

Low Rent Public Housing Program

- (a) Staff responsible for these files did not follow the Authority's policies and procedures regarding documentation that should be retained for the income verification.
- (b) Instance of staff oversight in retaining the EIV report which supports the re-certification.

Philadelphia Housing Authority

Schedule of Findings and Questioned Costs Year Ended March 31, 2014

III. Findings and Questioned Costs for Federal Awards (Continued)

Finding No. 2014-002 - Reporting – Form HUD-50058 (Continued)

Cause of Condition (Continued)

Low Rent Public Housing Program (Continued)

- (c) Mathematical errors when aggregating and annualizing income. One calculation agreed to supporting documents but was entered into CRM incorrectly, resulting in an erroneous Form HUD-50058.
- (d) Staff did not properly verify and document that the family was eligible for the working family deduction. Staff did not properly apply a deduction for which evidence showed they qualified. These were human errors.
- (e) Staff responsible for these files did not follow the Authority's policy regarding frequency of re-exams and the documentation and support that must be maintained.
- (f) The re-exam documentation was misplaced for one file and was unavailable for inspection. Incorrect date of re-exam was reported and did not align with CRM records.

Recommendation

Except for the system glitch where CRM was not detecting more recent inspection dates for HUD Form-50058, most of the exceptions noted in the tenant files relate to human errors. The Authority has established policies and controls which did not operate effectively or as designed in these instances. We make the following recommendations:

- Strengthen and expand review of manual data inputs and calculations. The Authority currently has review procedures in place but the scope of these was not sufficient to detect and correct the manual errors noted.
- The Authority uses reports which show \$-0- income tenants and the last date of EIV verification to identify upcoming due dates for re-certification. The \$-0- income file which did not undergo re-exam within the 180 days time requirement was not detected under this control. The Authority should evaluate why a flag was not raised for this file despite an appropriately designed control and adjust accordingly.
- Create an automated control within Elite to prevent the use of non-CRP utility allowances for CRP participants.
- Enhance and reinforce training of staff to ensure they understand
 - Established policies regarding what support must be maintained in the file for each element.
 - Method for calculating income and importance of double-checking work to prevent data entry errors.
 - Available deductions and the documentation that must be retained for each.
- The Authority has established automated controls to alert management when files are soon-to-be due or overdue for re-certification. This control did not effectively ensure the re-certifications were completed timely for 8 files inspected. The Authority should review why these were not completed timely despite the alerts in place. The Authority should improve follow up on existing alerts for when files are due for recertification.
- The Authority should strengthen existing policies, procedures, and internal controls to ensure that unit inspections deficiencies are addressed and appropriately documented.

The Authority should continue efforts to review the FSS escrow balances and close out balances as appropriate. The Authority should also determine currently active participants and ensure that their FSS accounts are being properly administered.

The Authority should investigate and correct the system issues which caused the incorrect inspection dates to be reported to HUD via Form HUD-50058.

Philadelphia Housing Authority

Schedule of Findings and Questioned Costs Year Ended March 31, 2014

III. Findings and Questioned Costs for Federal Awards (Continued)

Finding No. 2014-002 - Reporting – Form HUD-50058 (Continued)

Management's Response

Housing Choice Voucher Program (HCV)

- (a) On December 1, 2008 PHA switched the HCV Program software from the CCS system to the Elite system. The CCS system was only capable of maintaining data for one transaction at a time and therefore only maintained the current contract. Subsequently, admission dates were overwritten once an update contract was entered. When the conversion to Elite occurred the software engineers used the most recent unit information for determining the "date of admission" in Elite.
- (b, d, e, g) In May of 2013, the Philadelphia Housing Authority (PHA) reorganized its HCV department in order to provide improved services to clients and owners and to streamline the administration of the program. Beginning in March of 2013, various training on HCV Program rules, procedures and regulations was conducted and professional certification is now required for all employees who determine eligibility, lease clients, recertify, determine rent and conduct inspections for the program; Employees were required to become certified either as HCV Specialist or Housing Quality Standards (HQS). Additionally, all Directors are now certified in HCV Executive Management. Included within these sessions was training on rent calculations and the new alternative utility allowance program (which went into effect with the August 2013 initials, transfers and recertifications, and zero income clients). Lastly the HCV program is in the process of hiring a full time HCV compliance staff to assist with ongoing monitoring of program compliance. In addition to PHA's Compliance Department, this compliance role will conduct secondary file reviews to review and verify tenant file compliance.
- (c) There was one instance of a 0-income tenant who was not re-verified within the required 180 period. PHA staff identified the error and shortly after, performed the verification of eligibility. HCV has since put protocols in place to monitor zero-income verification checks that are due. PHA has updated procedures to include a zero income report, which now alerts when a tenant is due for verification, prior to the 180-day threshold.
- (f) The inspection dates were populated by the system and for the instances cited, populated incorrectly. Staff has been instructed to manually review dates that populate on the Form 50058 to ensure that system population errors are detected and corrected.
- (g) In December of 2014 reconciliation was performed on all FSS accounts/participants and when warranted, accounts have been closed accordingly. PHA is currently drafting and implementing updated procedures and associated reporting to ensure regular reconciliation of FSS accounts and timely close out of participant files.

Low Rent Public Housing (PH) Program

- (a – d) Beginning in March of 2013, various training on PH Program rules, procedures and regulations was conducted and professional certification is now required for all employees who determine eligibility, lease clients, recertify, determine rent and conduct inspections for the program; Employees were certified as PH Specialists, and the certification is required to remain employed as a Property Manager. Included within these sessions was training on recertification, interim, and rent calculation (including deductions and utility allowances). Additionally the PH Program has secured two PH Compliance Specialists to assist with ongoing monitoring of program compliance. PHA's Compliance Department will continue to conduct secondary file reviews to review and verify tenant file compliance.

Philadelphia Housing Authority

Schedule of Findings and Questioned Costs Year Ended March 31, 2014

III. Findings and Questioned Costs for Federal Awards (Continued)

Finding No. 2014-002 - Reporting – Form HUD-50058 (Continued)

Management's Response (Continued)

Low Rent Public Housing (PH) Program (Continued)

Currently there are mechanisms in place to assist managers with annualizing income correctly and performing rent calculation accurately. Additionally there are checklists, reports, dashboards and ticklers in place to assist with tracking 0-income verifications that are due.

- (e) PHA has implemented dashboards and reports to monitor recertification due dates. In instances where the tenant is not compliant with recertification requirements thereby causing the recertification be overdue, there are processes in place to initiate the Lease Enforcement process. Tenants have up until eviction (minimum of 120 days) to come into compliance, which unfortunately can cause for a Recertification to be late, at no fault of PHA.
- (f) The re-exam dates were populated by the system and for the instances cited, populated incorrectly. Staff has been instructed to manually review dates that populate on the Form 50058 to ensure that system population errors are detected and corrected.

Finding No. 2014-003 Eligibility and Tenant File Maintenance

Federal program information

U.S. Department of Housing and Urban Development
CFDA 14.881 Moving to Work Demonstration Program

Section 8 Housing Choice Vouchers
Program Year: April 1, 2013 to March 31, 2014
Program Number: PA002VOW

Public and Indian Housing
Program Year: April 1, 2013 to March 31, 2014
Program Number: PA002-00000114D and PA002-00000113D

Criteria

The Authority has established various policies and procedures to address program requirements for eligibility determination and tenant file maintenance. These policies include, but are not limited to, the following:

- (a) Verify and document eligibility of landlords.
- (b) Provide notification to applicants and tenants describing their protections and rights under the Violence Against Women Act (VAWA).
- (c) For special accommodation units (504 units), appropriate Lease Riders should be reviewed and signed by tenants to document their understanding of policies and self-declaration of disabled / not-disabled status.
- (d) At each change of Contract Rent, perform a comparison of the contract rent to comparable units to ensure Contract Rent is reasonable. Document this reasonable rent determination within the tenant file, including the name of the individual that performed the determination.

Philadelphia Housing Authority

Schedule of Findings and Questioned Costs Year Ended March 31, 2014

III. Findings and Questioned Costs for Federal Awards (Continued)

Finding No. 2014-003 Eligibility and Tenant File Maintenance (Continued)

Statement of Condition

During review of 60 HCV tenant files and 60 LPH tenant files, several instances of non-compliance with the Authority's policies and procedures were noted. These exceptions consisted of the following:

Housing Choice Voucher Program

- (a) 1 HCV file inspected was missing certain landlord eligibility documents. Only the training certificate was available for inspection for this file. Complete landlord eligibility files included photo I.D.'s, property tax payments history review, certifications by the owner, licenses, and/or training certificates.
- (b) 2 HCV files inspected were missing evidence that the VAWA notice was provided timely.
- (c) 4 HCV tenant files were missing documentation of a reasonable rent determination, which must be completed and documented at each change in Contract Rent. It is noted that some of these files contained rent reasonableness determinations for older Contract Rent amounts.

Low Rent Public Housing Program

- (a) 16 LPH files inspected contained contradicting information regarding disability status. Tenants signed both "Lease Rider A - Accessible Unit Assignment to Disabled Tenant" and "Lease Rider B - Accessible Unit Assignment to Non-Disabled Tenant". Some of these units were not 504 units and required no Lease Rider.

Questioned Costs

HCV Contract Rent of \$3,109 per month is questioned for 3 units due to lack of documentation of reasonable rent determination.

No other exceptions resulted in questioned costs.

Cause of Condition:

Housing Choice Voucher Program

- (a) The Authority moved responsibility for maintenance of landlord eligibility documentation to Owner Services; therefore, new landlord eligibility documents were no longer added to the tenant files. Between the tenant files and Owner Services files, select landlord eligibility documents were misplaced and not available for auditors to inspect.
- (b) Staff responsible for the files did not provide VAWA form to tenant for signature as required by the Authority's policies. For 1 of the files, the Authority subsequently obtained a signed VAWA notice for the tenant dated July 22, 2014. This was significantly late as the tenant's date of admission was in 2006.
- (c) Staff responsible for the files did not prepare or did not retain the rent reasonableness determination for the selected Contract Rent.

Low Rent Public Housing Program

- (d) Standard leasing packages are being provided to tenants for signature without thorough consideration on whether all elements of the package are applicable to the tenant. Staff are not going over the documents with tenants to a sufficient extent to ensure tenants understand all the forms that they are signing.

Many of these exceptions are caused by human error and/or oversight. There appears to be a lack of consistent application of the policies and procedures which the Authority has implemented.

Philadelphia Housing Authority

Schedule of Findings and Questioned Costs Year Ended March 31, 2014

III. Findings and Questioned Costs for Federal Awards (Continued)

Finding No. 2014-003 Eligibility and Tenant File Maintenance (Continued)

Recommendation

Management should enhance and reinforce training of personnel responsible for tenant files to:

- (a) Ensure all landlord eligibility documents are consistently maintained, either in the tenant file or in the landlord's file.
- (b) Ensure consistent compliance with provisions regarding VAWA.
- (c) Improve understanding of the proper use of Lease Riders as it relates to disclosures for tenants with disabilities.
- (d) Reinforce what information and support that should be obtained and kept in the tenant files. Implement policy that does not allow for portions of the files to be removed or require a log of such activity to provide a trail.
- (e) Improve consistency over the state and condition of the tenant files. Certain files were significantly less organized than others. Newer files appeared to be in better condition. Continue efforts to standardize tenant files.

Management Response

Housing Choice Voucher (HCV) Program

- (a) As part of the reorganization, PHA's HCV program now maintains all Landlord eligibility in the Owner Services Department and all Inspection Reports are maintained in the Inspections Department. Each landlord has a file, which contains the required documentation as stated in PHA's Administrative Plan (photo I.D.'s, property tax payments history review, certifications by the owner, licenses, and/or training certificates). Staff has been trained and checklists are in place to further support ensuring the required documentation is maintained for each landlord.
- (b) VAWA forms were added to the files in question upon current HCV staff identifying that the document was missing during file review. VAWA forms are a standard document that staff has been trained to ensure is in each tenant file.
- (c) HCV policy is to maintain rent reasonableness determinations within the file. Supervisory and Compliance staff will continue to monitor compliance with this policy.

Low Rent Public Housing Program

Staff has been advised to ensure that tenants are only signing the Disability Lease Rider that is applicable to the unit in which the tenant is assigned. Supervisory and Compliance staff will continue to monitor compliance with this directive.

Philadelphia Housing Authority

Schedule of Findings and Questioned Costs Year Ended March 31, 2014

III. Findings and Questioned Costs for Federal Awards (Continued)

Finding No. 2014-004 Allowable Costs/Cost Principles

Federal program information

U.S. Department of Housing and Urban Development
CFDA 14.881 Moving to Work Demonstration Program

Section 8 Housing Choice Vouchers
Program Year: April 1, 2013 to March 31, 2014
Program Number: PA002VOW

Public and Indian Housing
Program Year: April 1, 2013 to March 31, 2014
Program Number: PA002-00000114D and PA002-00000113D

Capital Fund Program
Program Year: April 1, 2013 to March 31, 2014 Program Number:
PA26R002501-08, PA26R002502-08, PA26R002504-09,
PA26P002501-12, PA26P002501-13

Criteria

The amount of salary of public housing authority chief executive officers, other officers, and employees paid with Federal Fiscal Year 2014 Section 8 Housing Choice Vouchers administrative fees and Section 9 Capital and Operating funds may not exceed the annual rate of basic pay payable for a Federal position at Level IV of the Executive Schedule (currently \$155,500) (Section 234 of Pub. L. No. 112-55, 125 Stat. 702, November 18, 2011, PIH Notice 2012-14).

Statement of Condition:

Four employees were identified as having received salary in excess of \$155,500 during fiscal year 2014. Their salaries were charged to Section 8 and Section 9 funds. Management asserted that the excess salaries were paid using Section 8 and Section 9 funds carried forward from fiscal year 2011 and earlier, prior to implementation of the salary limits as allowed by PIH Notice 2012-14. However, insufficient evidence was maintained to document the source of funding for the excess salaries and the entire amount of salaries was charged to fund 001 Public Housing Program. The Authority's policy is to post a journal entry to move excess salaries expense to a non-Federal fund; however, this was not done during fiscal year 2014.

Questioned Costs

\$79,555 of salaries in excess of \$155,500

Cause of Condition

Although Human Resources was tracking and reporting salaries for the top three paid officials, there was no apparent monitoring to ensure that the funds used to pay excess salaries above the \$155,500 limit were sourced from funds other than Section 8 and Section 9 grants.

Recommendation

The Authority should implement policies, procedures, and controls to monitor and clearly document evidence of the source of funds used to pay salaries in excess of program limits.

Philadelphia Housing Authority

Schedule of Findings and Questioned Costs Year Ended March 31, 2014

III. Findings and Questioned Costs for Federal Awards (Continued)

Finding No. 2014-004 Allowable Costs/Cost Principles (Continued)

Management Response

PHA compensation was in excess of the limit provided by HUD as a reasonable allowable expense based on the duties required for the Low Income Housing Program's. HUD allowed higher compensations, from Nonfederal Funds, and pre 2011 reserves.

PHA's initially approved policy and procedures required payment from Nonfederal Funds - a journal entry to move the salaries from the federal programs to non-federal programs (Fund 004). However, subsequent to the approval of this procedure, PHA was required by HUD to utilize a significant amount of these Fund 004 funds to repay disallowed legal fees back to the Federal Program. The repayment was accrued in the FYE 2013 Financial Statements, with the cash payment made during FYE 2014. Due to the reduction in non-federal funds and since the PIH Notice does not require the use of non-federal funds to pay the excess salaries; consistent with the goals and procedures, the current policy will be to use reserves from prior to FYE 2011. Also for the transparency of the presentation of the use of prior year reserves to fund the excess salaries, PHA will create a new expense account in Fund 001 to track the expense of these salaries.

Based on the roll forward of PHA's Net Position, Assets prior to FYE 2013, from fiscal year ending 2011, PHA has \$7,162,347 of reserves from prior to 2012 that could be used to pay for salaries greater than \$155,000 based on PIH notice 2012-14 and the A-133 compliance supplement. PHA's excess salaries were charged as a salary expenses to fund 001, Public Housing Program, during the fiscal year ending March 31, 2014 and were not separated out for presentation.

Because of the amount of funds available for coverage of these excess salary allocation to the HUD programs, management did not book the allocation entry.

Finding No. 2014-005 Reporting: Debt Owed in Enterprise Income Verification

Federal program information

U.S. Department of Housing and Urban Development
CFDA 14.881 Moving to Work Demonstration Program

Section 8 Housing Choice Vouchers
Program Year: April 1, 2013 to March 31, 2014
Program Number: PA002VOW

Public and Indian Housing
Program Year: April 1, 2013 to March 31, 2014
Program Number: PA002-00000114D and PA002-00000113D

Criteria

Per HUD Notice PIH 2010-19 (HA), which was extended via Notice PIH 2013-23 (HA) through September 1, 2014, and Notice TIPS 2013-13, public housing authorities must enter debt and termination information for tenants into the Enterprise Income Verification (EIV) system no later than 60 days from the End of Participation date.

Statement of Condition

25 tenants with balances owed and End of Participation dates during fiscal year 2014 were selected for testing compliance with EIV reporting requirements. Of these, 5 balances (20%) have not been reported to EIV. These tenants had End of Participation dates ranging from April 2013 to September 2013.

Philadelphia Housing Authority

Schedule of Findings and Questioned Costs Year Ended March 31, 2014

III. Findings and Questioned Costs for Federal Awards (Continued)

Finding No. 2014-005 Reporting: Debt Owed in Enterprise Income Verification (Continued)

Questioned Costs

None

Cause of Condition

Responsibility for reporting balances to EIV was given to the Admissions Manager. However, only Project Managers at each of the locations had access to information regarding End of Participation and balances owed. Each Project Manager was to report this information to the Admissions Manager on an ongoing-basis. Information was not provided timely to the Admissions Manager and the Admissions Manager had limited capability to ensure the completeness of the information provided. The Authority's Office of Audit & Compliance identified this weakness in the design of processes and controls over EIV reporting during the fiscal year. In response, effective October 2013, the Authority implemented new processes and controls over EIV reporting. The Admissions Manager may now access organization-wide Move-Out reports on a monthly basis from the CRM system. This data is used to update tenant balances in EIV and the Director of Operations Management performs a quarterly review to ensure that all balances have been updated in EIV. None of the exceptions noted were for End of Participation dates prior to October 2013, therefore, it appears the new processes and controls are appropriately designed and are operating effectively. Certain tenant balances from the period April 2013 to September 2013 remain unreported due to insufficient review and correction after identification of the weakness.

Recommendation

We recommend that the Authority compare information reported to EIV against information within CRM for tenants with balances and End of Participation dates from April 2013 to September 2013. Any balances that were not appropriately reported under the old processes and controls should be corrected.

Management Response

Management agrees with this finding.

In addition to the facts stated under the "Cause of Condition" regarding updates to the process, the Admissions Manager has reviewed all End of Participation transactions currently listed from April 2013 to September 2013 – there are no additional exceptions to the 5 reported above. For the 5 exceptions, the Admissions manager is working with PHA's HUD EIV Coordinator to enter the balances into EIV.

Finding No. 2014-006 Debarment and Suspension

Federal program information

U.S. Department of Housing and Urban Development
CFDA 14.881 Moving to Work Demonstration Program

Section 8 Housing Choice Vouchers
Program Year: April 1, 2013 to March 31, 2014
Program Number: PA002VOW

Capital Fund Program
Program Year: April 1, 2013 to March 31, 2014
Program Number: PA26R002501-08, PA26R002502-08, PA26R002504-09, PA26P002501-12,
PA26P002501-13

Philadelphia Housing Authority

Schedule of Findings and Questioned Costs Year Ended March 31, 2014

III. Findings and Questioned Costs for Federal Awards (Continued)

Finding No. 2014-006 Debarment and Suspension (Continued)

Criteria

Local governments that are direct recipients of Federal awards and their subrecipients will use procurement procedures that conform to applicable Federal law and regulations and standards identified in the A-102 Common Rule or OMB Circular A-110 (2 CFR part 215), as applicable. Non-Federal entities are prohibited from contracting with or making subawards under covered transactions to parties that are suspended or debarred or whose principals are suspended or debarred. "Covered transactions" include those procurement contracts for goods and services awarded under a nonprocurement transaction (e.g., grant or cooperative agreement) that are expected to equal or exceed \$25,000 or meet certain other criteria as specified in 2 CFR section 180.220.

Statement of Condition

For 60 invoices selected, 13 invoices (21.67%), consisting of 6 organizations, did not have evidence that debarment checks were performed. 4 of these organizations were under contract and 2 of these were vendors providing goods and services through purchase orders (PO). Of these 2 vendors, 1 received payments above the \$25,000 threshold for required debarment checks.

Cause of Condition

The Authority's policy is to perform debarment checks for all contracts. The Contracts and Procurement Department believes that the debarment checks for the 4 contractors were completed and maintained in separate files; however, these could not be found and provided. The Authority was not performing debarment checks for PO vendors as individual PO transactions are limited to \$18,500 or less. The Contracts and Procurement Department was not aware of the need to consider total payments to a vendor during the year that exceed \$25,000.

Recommendation

Management should ensure that debarment checks are being performed on all contractors and vendors who are expected to receive, in the aggregate, more than \$25,000 from PHA, irrespective of the individual PO amounts. Evidence of this check should be maintained, either in the procurement files or other accessible location.

Management Response

Management agrees that there is lack of evidence that debarment checks were performed for the 4 contracts selected from 2009. PHA updated its Controlled Policy and Procedures #10 in April of 2012. The policy states that PHA will ensure that no contracts will be awarded to any contractor or individual who has been debarred. Additionally in 2012 PHA updated and implemented internal procedures to effectuate this policy. Debarment checks are run by PHA's Supply Chain Department on all vendors in the early stages of the Request for Proposal process. The results of the checks are documented in the vendor files.

Although the requirement to conduct debarment checks for individual Purchase Orders is not specifically stated, PHA has agreed that conducting debarment checks on all vendors whom invoice PHA is a good practice to implement. Effective December 1, 2014, PHA's Supply Chain department began conducting weekly debarment checks on all vendors. Any vendors determined to be debarred will become inactive and will not receive future payments from PHA.

Philadelphia Housing Authority

Summary Schedule of Prior Audit Findings
Year Ended March 31, 2014

A. Findings and Questioned Costs – Major Federal Award Programs

No matters were reported.

Philadelphia Housing Authority

Corrective Action Plan
Year Ended March 31, 2014

See attached Corrective Action Plan.

**Philadelphia Housing Authority
Annual Audit Corrective Action Plan
Year End March 31, 2014**

Finding No. 2014-001

Finding

There were several adjustments made to the trial balance that were identified as a result of the audit.

Corrective Action Plan – Worker’s Compensation

Management will modify the existing process to review the worker’s compensation liability and cash collateral balances at mid-year and at year-end. A meeting will be convened with Risk Management, Human Resources, Finance, Conner Strong, and Liberty Mutual to evaluate current and anticipated future losses, claims, payments made to Liberty Mutual. Based on the results of the year-end evaluation of Worker’s Compensation, as necessary, an adjusting journal entry will be booked to reflect Management’s estimate of Worker’s Compensation.

Implementation of this corrective action will begin January 5, 2015. The PHA CFO and VP of Finance will be responsible for completing this corrective action.

Corrective Action Plan – Legal

Management will modify the existing process to review potential legal claims and liability at mid-year and at year-end. Finance and Legal will meet to discuss the existing and potential legal claims. Based on the results of the year-end evaluation, as necessary, an adjusting journal entry will be booked to reflect Management’s estimate of the outstanding legal liability.

Implementation of this corrective action will begin January 22, 2015. The PHA CFO and VP of Finance will be responsible for completing this corrective action.

Finding No. 2014-002

Finding

Tenant file inspections included 60 files from the Housing Choice Voucher (HCV) program and 60 files from the Low Rent Public Housing (LPH) program. Out of 60 HCV tenant files inspected, 21 files (35%) had one or more exceptions noted. Out of 60 LPH tenant files selected, 29 files (48%) had one or more exceptions noted. These exceptions involved incorrect Form HUD-50058 reporting (below) and deficiencies in Eligibility and Tenant File Maintenance (Finding 2014-3).

Exceptions involving incorrect information being reported to HUD via Form HUD-50058 consisted of the following:

Housing Choice Voucher Program

- (a) 6 HCV HUD-50058 forms showed an incorrect date of admission to the program.

Inspection of the files showed earlier lease agreements dated several years before the reported admission date.

- (b) 3 HCV files were missing income verification support for some of the listed income sources, specifically the CIS/EIV printouts supporting SSI and SSP income. Income must be verified with applicable supporting documents such as paystubs, EIV reports, benefit letters, DPA CIS database printout, etc. As such, it cannot be determined if the total annual income reported to HUD via Form HUD-50058 is accurate.
- (c) 3 of the HCV files selected related to \$-0- income tenants. Out of these 3 tenant files, 1 was not compliant with the Authority's policy to verify \$-0- income every 180 days. \$-0- income is verified by running and reviewing EIV report for income. The verification was subsequently completed 7 months beyond the 180 day due date.
- (d) 1 HCV rent calculations utilized an incorrect utility allowance which resulted in excess HAP paid on behalf of the tenant. The HCV tenant was a CRP participant but was provided the higher utility allowance applicable to non-CRP tenants.
- (e) 4 HCV income calculations did not agree to supporting documents such as paystubs, 3rd party confirmations of income, etc. As such, reported total annual income is incorrect. Tenant rent is correspondingly understated and HAP was paid in excess on behalf of these tenants.
- (f) 3 HCV units were inspected timely but not reported as inspected and passed on Form HUD-50058 on the correct date.
- (g) 2 HCV tenants had Family Self Sufficiency (FSS) escrow balances accrued but were not reported as current FSS participants. Further investigation showed that the reported information was correct but the FSS accounts had not been properly closed out.

Low Rent Public Housing Program

- (a) 4 LPH files were missing income verification support for some or all income sources. Income must be verified with supporting documents such as paystubs, EIV reports, benefit letters, DPA CIS database printout, etc. As such, it cannot be determined if the total annual income reported to HUD via Form HUD-50058 is accurate.
- (b) 3 of the LPH files selected related to \$-0- tenants. Out of these 3 files, 1 file was missing evidence that an EIV report was run for the 180 day re-certification. As such, it could not be confirmed that there was no income on the EIV report for the tenant.
- (c) 4 LPH income calculations did not agree to supporting documents, such as paystubs, etc. As such, reported total annual income is incorrect. Tenant rent is correspondingly incorrect and may be non-compliant with the established reasonable rent policy. Rent is restricted the lesser of a percentage of annual income or a ceiling rent.
- (d) 2 LPH calculations improperly included or excluded the \$500 working family deduction. Either the deduction was not supported by evidence of a minimum of 20 hours worked or evidence of the minimum hours was obtained but the deduction was not granted. Therefore, incorrect total annual income was reported to HUD. Improperly excluding the \$500 working family deduction is also results in non-compliance with the established reasonable rent policy. Rent is restricted the lesser of a percentage of annual income or a ceiling rent.
- (e) 8 LPH income re-certifications were not completed within the required time frame.
- (f) 2 LPH HUD-50058 forms reported prior re-exam dates which were not evidenced by supporting documents or disagreed with CRM records.

Corrective Action Plan

Management will continue to require staff to attend training and obtain the PH/HCV Specialist Certification as a mandatory job requirement. Management will continue efforts to standardize tenant files, perform supervisory and compliance file reviews and hold staff accountable for failure to adhere to the governing rules and regulations for file compliance. Property Managers in the HCV and LRPH Programs will continue to use file review checklists when performing Recertification procedures, which require the review of Lease Addendums to ensure that the proper documentation is in the file. Supervisory staff will continue to monitor 0-income recertification and late recertification reports to ensure timely resolution, as well as to ensure that instances where the delay is tenant caused is clearly documented. These are ongoing tasks. The EVP of Leased Housing and the EVP of Operations are responsible for these tasks.

HCV and PH will review and correct any outstanding rent calculations errors cited, where applicable, by January 31, 2015. The EVP of Leased Housing and the EVP of Operations are responsible for this task.

HCVP will evaluate the ability to create an automated control within Elite to prevent the use of non-CRP utility allowances for CRP participants by January 31, 2014. The EVP of Leased Housing is responsible for this task.

In December of 2014 reconciliation was performed on all FSS accounts/participants and when warranted, accounts have been closed accordingly. PHA is currently drafting and implementing updated procedures and associated reporting to ensure regular reconciliation of FSS accounts and timely close out of participant files. Policies and procedures will be updated and the associated training will be conducted by March 31, 2015. The EVP of Community Operations and Resident Development is responsible for this task.

Finding No. 2014-003

Finding:

During review of 60 HCV tenant files and 60 LPH tenant files, several instances of non-compliance with the Authority's policies and procedures were noted. These exceptions consisted of the following:

Housing Choice Voucher Program

- (a) 2 HCV files inspected were missing certain landlord eligibility documents. Only one document was available for each of these. Complete landlord eligibility files included photo I.D.'s, property tax payments history review, certifications by the owner, licenses, and/or training certificates.
- (b) 2 HCV files inspected were missing evidence that the VAWA notice was provided timely.
- (c) 4 HCV tenant files were missing documentation of a reasonable rent determination, which must be completed and documented at each change in Contract Rent. It is noted that some of these files contained rent reasonableness determinations for older Contract Rent amounts.



Low Rent Public Housing Program

- (a) 16 LPH files inspected contained contradicting information regarding disability status. Tenants signed both "Lease Rider A - Accessible Unit Assignment to Disabled Tenant" and "Lease Rider B - Accessible Unit Assignment to Non-Disabled Tenant". Some of these units were not 504 units and required no Lease Rider.

Corrective Action Plan

Management will continue to require staff to attend training and obtain the PH/HCV Specialist Certification as a mandatory job requirement. Management will continue efforts to standardize tenant files, perform supervisory and compliance file reviews and hold staff accountable for failure to adhere to the governing rules and regulations for file compliance. Property Managers in the HCV and LRPH Program will continue to use file review checklists when performing Recertification procedures, which require the review of Lease Addendums to ensure that the proper documentation is in the file. These are ongoing tasks. The EVP of Leased Housing and the EVP of Operations are responsible for these tasks.

Finding No. 2014-004

Finding:

Although Human Resources was tracking and reporting salaries for the top three paid officials, there was no apparent monitoring to ensure that the funds used to pay excess salaries above the \$155,500 limit were sourced from funds other than Section 8 and Section 9 grants.

Corrective Action Plan

PHA's current approved policy and procedures required payment from Nonfederal Funds - a journal entry to move the salaries from the federal programs to non-federal programs (Fund 004). Based on HUD's policy (PIH notice 2012-14), PHA may use reserves from prior to FYE 2011 to pay for salaries that exceed \$155,000. PHA will create a new expense account in Fund 001 to track the expense of these salaries.

Effective December 15, 2014 PHA will review all salaries exceeding \$155,000 on quarterly basis, and at year-end and record a journal entries charge all salaries in excess of \$155,000 to a separate expense account. The PHA CFO and VP of Finance will be responsible for completing this corrective action.

Finding No. 2014-005

Finding

25 tenants with balances owed and End of Participation dates during fiscal year 2014 were selected for testing compliance with EIV reporting requirements. Of these, 5 balances (20%) have not been reported to EIV. These tenants had End of Participation dates ranging from April 2013 to September 2013.

Corrective Action Plan

The Admissions Manager has reviewed all End of Participation transactions currently listed from April 2013 to September 2013 – there are no additional exceptions to the 5 reported above. For the 5 exceptions, the Admissions manager is working with PHA's HUD EIV Coordinator to enter the balances into EIV. This task will be completed by January 31, 2015, pending timely assistance from HUD. The Admissions Manager is responsible for this task.

Finding No. 2014-006

Finding

For 60 invoices selected, 13 invoices (21.67%), consisting of 6 organizations, did not have evidence that debarment checks were performed. 4 of these organizations were under contract and 2 of these were vendors providing goods and services through purchase orders (PO). Of these 2 vendors, 1 received payments above the \$25,000 threshold for required debarment checks.

Corrective Action Plan

PHA updated its Controlled Policy and Procedures #10 in April of 2012. The policy states that PHA will ensure that no contracts will be awarded to any contractor or individual who has been debarred. Additionally in 2012 PHA updated and implemented internal procedures to effectuate this policy. Debarment checks are run by PHA's Supply Chain Department on all vendors in the early stages of the Request for Proposal process. The results of the checks are documented in the vendor files.

Effective December 1, 2014, PHA's Supply Chain department began conducting weekly debarment checks on all active vendors in PHA's database. Any vendors determined as debarred will become inactive and will not receive future payments from PHA. The results of each weekly review are forwarded to PHA's Office of Audit and Compliance for review and consideration. The EVP of Supply Chain Management is responsible for this task.