

**PHILADELPHIA HOUSING AUTHORITY**

**MARCH 31, 2012**

**PHILADELPHIA HOUSING AUTHORITY**

**REPORT ON AUDIT OF FINANCIAL STATEMENTS,  
SUPPLEMENTARY INFORMATION AND SINGLE AUDIT**

**FOR THE YEAR ENDED MARCH 31, 2012**

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

December 19, 2012

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 Comprehensive Annual Financial Report of the Philadelphia Housing Authority (“PHA” or the “Authority”) for the fiscal year ended March 31, 2012.

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, management of PHA has established a comprehensive internal control framework that is designed both to protect the government’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 Isdaner & Company, LLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of PHA for the fiscal year ended March 31, 2012 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 unqualified opinion that PHA’s financial statements for the fiscal year ended March 31, 2012, 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 audited authority's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements 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**

The Authority, created in 1937 pursuant to the Pennsylvania Housing Authorities Law, and 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 43,000 families 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 70 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.

- 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
  - Supporting HUD management reform efficiencies through deregulation and 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 Section 8 Voucher Program and moderate rehabilitation projects. 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 Section 8 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 tenant-based Section 8 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. HUD's then-Chief Operating Officer, Estelle Richman, was name to serve as the PHA Board and Michael Kelly was appointed Administrative Receiver. Subsequently, Karen Newton Cole replaced Ms. Richman as the HUD-designated PHA Board of Commissioner. Mr. Kelly was appointed as PHA Executive Director in August 2011, while also continuing to serve as HUD Administrative Receiver. In June 2012, Mr. Kelly resigned and Kelvin Jeremiah was appointed the PHA Interim Executive Director, while also serving as HUD Administrative Receiver. Ms. Richman subsequently replaced Ms. Newton Cole as the HUD designated PHA Board of Commissioner

In March 2012, the Cooperative Endeavor Agreement was extended for a term until HUD and the Mayor determine that PHA has built sufficient capacity to be self-supportive.

The Cooperative Endeavor Agreement requires the Administrative Receiver to develop and implement a Recovery Plan to address PHA's operations and governance. The Recovery Plan includes those tasks which must be completed in order to return PHA to local governance. It focuses on resolving those areas which led to HUD's takeover of PHA, including addressing and resolving OIG and other external audit findings. The majority of Recovery Plan activities were completed as of March 31, 2012. Key accomplishments during the Plan year relating to the Recovery Plan include:

- PHA substantially completed the restructuring and staffing of the Office of General Counsel, Office of Audit and Compliance and Human Resources Department.
- Agency-wide mandatory training was conducted on PHA's revised ethics, sexual harassment and related policies.
- A new employee handbook was developed for publication in FY 2013. Significant progress was made in revising PHA's overall HR policies and procedures handbook.
- New procedures were established to improve controls and documentation of construction field changes to scope and/or budget.
- A revised Procurement Policy was developed for Board review and adoption in FY 2013.
- Substantial progress was made in resolving and closing out findings from prior Office of Inspector General audits of PHA operations.
- Work proceeded on development of a new agency-wide Management Action Plan including establishment of internal working groups and development of initial draft



plans. The Management Action Plan will address both MTW and non-MTW issues and tasks and, as appropriate, refocuses activities on PHA's core mission.

### **Moving To Work**

**Moving To Work (MTW)** is the operating plan for the Authority. MTW is a special, contractual agreement between PHA and HUD under which the Authority has substantial budget flexibility and regulatory relief. This allows PHA to make program changes that increase efficiency and help residents become self-sufficient.

In October 2008, PHA signed a ten-year extension of its MTW agreement. The agency entered the program effective April 1, 2001, one of 27 public housing authorities to do so. PHA began its twelfth year of MTW on April 1, 2012, and has published a plan detailing goals and objectives for the current fiscal year. It has also held public hearings on its proposed plan for the next fiscal year.

PHA's current MTW Plan is based on a comprehensive critical appraisal of its operating, capital and support services. The Plan development process is one that carefully considers the immediate and long-term needs and programs for residents in public housing and the Housing Choice Voucher program. The MTW Annual Plan articulates five overarching strategic objectives:

<b>MTW Objective 1:</b>	Reform the existing Housing Choice Voucher program and public housing programs.
<b>MTW Objective 2:</b>	Revitalize neighborhoods where MTW and MTW-eligible residents reside.
<b>MTW Objective 3:</b>	Develop an MTW family program to furnish comprehensive economic self-sufficiency services to eligible MTW families.
<b>MTW Objective 4:</b>	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 and landlord participants and PHA, to one another and the broader community.
<b>MTW Objective 5:</b>	Establish efficient operating procedures and implement cost-saving strategies.

Each of the five objectives is supported by plans and strategies that aggressively and affirmatively promote improvements in the Philadelphia Housing Authority's operation and service delivery. Descriptions of each of the main programs reflected in the accompanying financial statements are as follows:

#### **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. Public housing operating and capital funding comes under the umbrella of Moving To Work, which provides both funding and programmatic flexibility to PHA in the administration of these programs.

#### **Housing Choice Voucher Program**

Housing Choice Programs now come under the umbrella of Moving To Work, providing the framework for assisting residents toward self-sufficiency. Housing Choice Voucher Programs include New Construction, Moderate Rehabilitation, Tenant-based Rental Vouchers, Project-based 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.

#### **New Construction and Substantial Rehabilitation Programs**

The Housing Choice New Construction and 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. Once the units are occupied, HUD subsidizes rents in such amounts sufficient to cover the developer's debt service payments on the financing.

#### **Project Based 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. After the lease is signed, 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 for administering the annual contributions from HUD. This fund accounts for the revenues and expenses associated with providing administrative services.

### **Senior Program**

PHA offers expanded services that address the needs of the entire elderly and disabled population in our communities.

PHA has 19 properties specifically for the elderly and the disabled with programs and amenities designed to provide home and community based supportive services.

PHA in collaboration with local, state, federal and private agencies has presently developed additional comprehensive programs for its service menu that enhance our customer options for living independently and aging in place. These programs consist of Living Independently for Elders (LIFE), Nursing Home Transition (NHT), Ridge Ave Adult Day Center (RAADC), Healthy Café Program (HCP) and the Social Service Coordinators Referral Program.

The engagement with these partners affords PHA with a strategically enhanced service menu that offers a wealth of item options to over 8,500 elderly and disabled customers housed in PHA homes to live independently.

### **Summer Food Program**

The Summer Food Program provides nutritious breakfasts and lunches, sponsored by the Department of Education, at 19 public housing sites throughout the City of Philadelphia. Approximately 35 staff members, primarily PHA residents, are hired for this seasonal employment. Over 46,000 meals were provided (the combined total for service of breakfast and lunch).

### **Adult Literacy Program**

PHA offers adult literacy through its Community Partners, including the pre-Apprenticeship Program in the Building Trades and the Center For Literacy. The literacy program is designed to offer PHA residents enhancement of basic educational skills in the areas of language development, writing, mathematics, reading, problem-solving, etc. This program is designed to assist participants in passing the General Educational Development (GED) examination, entering a training program and securing employment, working with children on homework, and increasing personal confidence and self-esteem.

### **New and Ongoing Initiatives – MTW Year 11**

PHA's Moving to Work (MTW) Demonstration Program is focused on helping families achieve self-sufficiency and improving and increasing the stock of quality affordable housing throughout the city. It furnishes 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 promotes the revitalization of neighborhoods where MTW and MTW-eligible families live.

The flexibility of the MTW program affords PHA an opportunity to more effectively carry out these strategic goals.

PHA intends to continue its focus on strengthening families and revitalizing Philadelphia neighborhoods where MTW and MTW-eligible families reside. This will be achieved by providing comprehensive economic empowerment assistance and supportive services to families, continuing to improve the quality and availability of affordable housing, and by expanding public safety activities.

Year Eleven of PHA's Moving To Work program included a continuation of a number of enhancements focusing on the following major areas.

**Public Housing Units Added to Inventory and Under Construction**

During MTW Year Eleven, PHA planned to add approximately 323 units to the public housing inventory. PHA also planned to rehab or convert 78 units and to modernize 50 units. In the Year Eleven Plan, PHA noted that actual figures may change as a result of construction and re-occupancy schedules. As of March 31, 2012, PHA had completed construction of 319 units including 122 units with accessible features. An additional 17 units were substantially modernized as part of the Markoe Street development. The change in the number of units completed was a result of normal deviations in the construction schedule. The remaining units will be completed in the coming year. Following are brief descriptions of completed and in-process developments:

- **Mantua Redevelopment:** PHA completed construction and occupied all 101 planned rental units at Mantua. Unit amenities include solar photovoltaic panels, Energy Star construction and appliances, off street parking, washers/dryers, and modern kitchens with electric range and garbage disposal. Six units are handicap-accessible.
- **CBMO 902 – CBMO 910:** PHA completed construction of 80 new rental units and occupied 72 at locations throughout the City. An additional 36 units were completed during MTW Year Ten as part of this initiative. (Of these 36 units completed, 8 units in CBMO 903 are now planned to be converted to 4 units. A revised development plan was submitted to HUD on 02/29/12 reflecting this unit conversion). These new affordable rental units are constructed with Structural Insulated Panels. 101 of the 116 units are handicap-accessible.
- **Markoe Street Development:** PHA completed new construction of 6 rental units and substantially rehabilitated an additional 17 row-house affordable rental units as part of the Markoe Street development project. Unit amenities include modern kitchens with range and refrigerators, central air conditioning, ceiling fans, washer/dryer hook-ups. Two units are handicap-accessible.
- **Paschall Redevelopment:** Construction and occupancy was completed on 100 walk up and townhome affordable rental units and a community center.

Unit amenities include off-street parking, geothermal central heating and air conditioning, solar photovoltaic panels, solar hot water, storm water harvesting system, and Energy Star certified units, washers and dryers, and modern kitchens with electric range and garbage disposal. Twelve units are handicap-accessible.

- **Plymouth Hall:** Construction was completed on the rehabilitation/conversion of 72 existing efficiency and one-bedroom units vacant due to fire damage into 53 new efficiency, and one-bedroom rental units, community room, common laundry, and vegetative green roof with accessible deck. Fifteen units are handicap accessible.

#### **Public Housing Units Removed from Inventory**

PHA's inventory changed at the end of MTW Year 11 as a result of demolitions and/or disposition and auctions. As of March 31, 2012 1,901 units have been identified with disposal or demolition planned in progress or completed, or approved for demolition. Of the 1,901 units 484 properties were sold at auctions. Closing for these transactions are in process.

#### **Significant Capital Expenditures**

During Year Eleven, PHA expended over \$237 million in capital funds (including ARRA funds) on a wide array of projects. PHA's capital planning and development strategies are designed to support, rehabilitate and modernize existing PHA sites and to revitalize neighborhoods throughout the City. PHA works to leverage its limited PHA resources with other resources such as Low Income Housing Tax Credits, private equity, and state and local funding sources. Utilization of MTW flexibility has been a critical element in PHA's modernization and development efforts. As documented in prior MTW Annual Reports and Reports, PHA has been enormously successful in these efforts.

PHA's capital activities for Year Eleven include Mixed Finance, ARRA and prior year CFP projects that are implemented over multiple fiscal years. The Capital Fund, Replacement Housing Fund, ARRA and/or other sources such as program income, bonds and other mixed-financing programs fund these development activities

#### **Project-Based Units**

A total of 1,773 vouchers were projected to be project-based by the end of MTW Year 11. As of March 31, 2012, PHA has 1,787 HCV vouchers under project-based contracts or commitments including projects under the MTW Unit Based Voucher program. Unit count totals vary from month to month based on leasing activity, contract additions or terminations and related factors.

#### **A. Leasing Information – Actual**

The table below provides a summary of leasing activity for Public Housing and the HCV Program for MTW Year 11. As of March 31, 2012, public housing occupancy of 13,475

households represents a 96.51% adjusted occupancy rate. For the HCV program, 100% of the MTW Tenant Based vouchers were utilized.

**Leased/In Use for MTW Year Eleven**

	<b>Actual/In Use as of March 31, 2012</b>
Public Housing Units	15,527
MTW tenant Based HCV Vouchers	14,850
MTW Activity Vouchers	3,000
Non-MTW HCV Vouchers	1,153
Section 8 Mod Rehab/SRO	700
<b>Total</b>	<b>35,230</b>

**B. Waiting List Information**

PHA continued to implement its waiting lists in accordance with the HCV Administrative Plan and Admissions and Continued Occupancy Policy as applicable. PHA conventional public housing allows applicants the option of selecting specific sites or being placed on a “first available” central waiting list. PAPMC and AME sites maintain site-based waiting lists. The HCV Waiting List has been closed since March 2010. Public housing waiting lists remain open for some sites.

**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 current status of such examinations are monitored by HUD, PHA’s cognizant agency. 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. Please see Note (17) of the Notes to Financial Statements for additional details.

**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 credit risk categories are defined 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.
- 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.

**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 approximately 91% of its fiscal 2012 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.

HUD contributes an operating subsidy for the Public Housing Program, reflected in the operating budget under the Annual Contributions Contract W-55. Operating subsidy contributions, including capital contributions, for the year ended March 31, 2012 were \$406,223,638 and are included in operating subsidies in the combined statement of revenues, expenses and changes in equity.

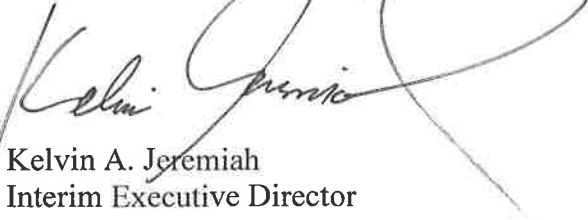
HUD contributions for Section 8 Programs under Annual Contributions Contract p-4601 are included in intergovernmental revenues in the combined statement of revenues, expenses and changes in equity as follows:

Housing Choice Vouchers	\$192,043,658
Mainstream	290,040
Moderate Rehabilitation	1,909,968
Single Room Occupancy	<u>1,862,851</u>
Total	<u>\$196,106,517</u>

Contributed capital represents the cumulative amount of annual contributions made available by HUD with respect to all federally aided projects under annual contributions contracts. 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, we would like to express our appreciation to the PHA Board of Commissioners for their unfailing support for maintaining the highest standards of professionalism in the management of the Authority's finances.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Kelvin A. Jeremiah". The signature is fluid and cursive, with a large loop at the end.

Kelvin A. Jeremiah  
Interim Executive Director



**PHILADELPHIA HOUSING AUTHORITY**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

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, 2012. 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 i through xiii of this report, as well as the financial statements that follow this section.

**Financial Highlights**

- The assets of the Philadelphia Housing Authority exceeded its liabilities at the close of the most recent fiscal year by \$1,119.1 million (*net assets*). Of this amount, \$486.2 million are *unrestricted net assets*, which includes \$331.0 million of notes and mortgages receivable from PHA's discretely presented component units. The remaining unrestricted net assets of \$155.2 million may be used to meet PHA's ongoing obligations to clients and creditors.
- PHA's total FYE 2012 net assets increased by \$65.8 million over FYE 2011, equivalent to a 6.2% increase.
- PHA's total revenue for FYE 2012 was \$403.7 million, \$20.8 million less than FYE 2011.
- PHA's total liabilities of \$136.3 million as of March 31, 2012 decreased \$30.2 million compared to total liabilities as of March 31, 2011.

**Overview of the Financial Statements**

This discussion and analyses is 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 themselves.

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 assets* presents information on all of PHA's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets 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 assets* presents information showing how PHA's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event 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 7 through 36 of this report.

The remaining statements that support the agency-wide financial statements are the *combining statement of net assets*. The combining statement of net assets 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 supplementary information*. The combining statement of net assets and required supplementary information can be found beginning on page 58 of this report.

## Agency-wide Financial Analysis

**Net Assets.** As noted earlier, net assets 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 \$1,119.1 million at the close of the most recent fiscal year. The combined net assets of PHA increased by \$65.8 million, or 6.2%, from fiscal year 2011 to fiscal year 2012. The following table shows a summary of changes from the prior year amounts:

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

	<u>2012</u>	<u>2011</u>	<u>Increase/(Decrease)</u>	
			<u>Amount</u>	<u>Percent</u>
<b><u>Assets</u></b>				
Cash & Investments	170.2	220.3	(50.1)	-22.8%
Accounts Receivable	43.1	43.5	(0.4)	-0.9%
Other Current Assets	1.7	3.1	(1.4)	-45.5%
<b>Total Current Assets</b>	<b>215.0</b>	<b>266.9</b>	<b>(51.9)</b>	<b>-19.5%</b>
Net Program Loans Receivable	331.0	278.9	52.1	18.7%
Restricted Cash & Investments	15.4	7.1	8.3	117.0%
Capital Assets	684.5	657.6	26.9	4.1%
Other Assets	9.5	9.3	0.2	2.2%
<b>Total Assets</b>	<b>1,255.4</b>	<b>1,219.8</b>	<b>35.6</b>	<b>2.9%</b>
<b><u>Liabilities</u></b>				
Accounts Payable	16.4	20.9	(4.5)	-21.6%
Other Current Liabilities	42.7	63.2	(20.5)	-32.4%
<b>Total Current Liabilities</b>	<b>59.1</b>	<b>84.1</b>	<b>(25.0)</b>	<b>-29.7%</b>
Noncurrent Liabilities	77.2	82.4	(5.2)	-6.3%
<b>Total Liabilities</b>	<b>136.3</b>	<b>166.5</b>	<b>(30.2)</b>	<b>-18.1%</b>
<b><u>Net Assets</u></b>				
Invested in Capital Assets	620.0	585.0	35.0	6.0%
Restricted	12.6	13.5	(0.9)	-6.6%
Unrestricted	486.5	454.8	31.7	7.0%
<b>Total Net Assets</b>	<b>1,119.1</b>	<b>1,053.3</b>	<b>65.8</b>	<b>6.2%</b>
<b>Total Liabilities and Net Assets</b>	<b>1,255.4</b>	<b>1,219.8</b>	<b>35.6</b>	<b>2.9%</b>

**Statement of Activities.** The Statement of Activities shows the sources of PHA's changes in net assets as they arise through its various programs and functions. A condensed Statement of Activities comparing fiscal year 2012 with fiscal year 2011 is shown in the table below.

**Philadelphia Housing Authority**  
**Statement of Activities as of March 31**  
(In millions of dollars)

	<u>2012</u>	<u>2011</u>	<u>Increase/(Decrease)</u>	
			<u>Amount</u>	<u>Percent</u>
<b><u>Revenue</u></b>				
Program Revenue:				
Charges for Services	\$ 23.7	\$ 24.3	\$ (0.6)	-2.5%
Federal Revenue	363.7	387.4	(23.7)	-6.1%
Other Revenue	16.3	12.8	3.5	27.3%
<b>Total Operating Revenue</b>	<b>\$ 403.7</b>	<b>\$ 424.5</b>	<b>\$ (20.8)</b>	<b>-4.9%</b>
<b><u>Expenses</u></b>				
Direct	\$ 268.7	\$ 252.3	\$ 16.4	6.5%
Administrative	79.4	93.7	(14.3)	-15.3%
<b>Total Operating Expenses</b>	<b>348.1</b>	<b>346.0</b>	<b>2.1</b>	<b>0.6%</b>
Depreciation	49.2	48.9	0.3	0.6%
<b>Total Expenses</b>	<b>397.3</b>	<b>394.9</b>	<b>2.4</b>	<b>0.6%</b>
Net nonoperating revenue	10.0	(11.4)	21.4	-187.7%
Capital subsidies	43.0	82.9	(39.9)	-48.1%
Capital contributed to component units	-	-	-	0.0%
<b>Increase/(Decrease) in Net Assets</b>	<b>\$ 59.4</b>	<b>\$ 101.1</b>	<b>\$ (36.4)</b>	<b>-36.0%</b>

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. PHA also generated \$5.4 million in unrestricted investment income, which was primarily used to partially offset its administrative expenses.

Direct expenses amounted to \$268.7 million, representing a year-to-year increase of \$16.4 million, or 6.5%. Administrative expenses total \$79.4 which is a decrease of \$14.3 million or 15.3% from the prior fiscal year.

**Capital Assets.** Capital Assets include land, buildings and improvements, equipment and construction in progress. At March 31, 2012 investment in capital assets totaled \$1.52 billion. The Authority's net capital assets increased \$74.5 million or 5.1% compared to the prior year. Acquisitions, net of accumulated depreciation, totaled \$27 million. Dispositions net of accumulated depreciation, totaled \$194,021.

**Philadelphia Housing Authority**  
**CAPITAL ASSETS as of March 31**  
(In millions of dollars)

	<u>2012</u>	<u>2011</u>	<u>Increase/(Decrease)</u>	
			<u>Amount</u>	<u>Percent</u>
Land	\$ 23.6	\$ 23.7	\$ (0.0)	-0.1%
Buildings and Improvemnet	1,335.4	1,243.6	91.8	7.4%
Equipment Dwelling	1.1	1.1	0.0	0.0%
Equipment Administration	19.4	19.7	(0.3)	-1.5%
Construction in Progress	148.5	165.5	(17.0)	-10.3%
<b>Total</b>	<b>\$ 1,528.0</b>	<b>\$ 1,453.6</b>	<b>\$ 74.5</b>	<b>5.1%</b>

**Long-term Debt and Other Long-term Liabilities.** Long-term debt and other long-term liabilities as of March 31, 2012, compared with March 31, 2011, are depicted in the following schedule.

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

	<u>2012</u>	<u>2011</u>	<u>Increase/(Decrease)</u>	
			<u>Amount</u>	<u>Percent</u>
Long-term Debt	\$ 60.2	\$ 64.7	\$ (4.5)	-7.0%
Self-Insurance Liability	7.4	8.1	(0.7)	-8.6%
Other	9.6	9.6	0.0	0.0%
<b>Total</b>	<b>\$ 77.2</b>	<b>\$ 82.4</b>	<b>\$ (5.2)</b>	<b>-6.3%</b>

Total bonds and notes payable decreased \$4.5 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 Deputy Executive Director of Finance, CFO, 1800 South 32<sup>nd</sup> Street, Philadelphia, PA 19145.

Report of Independent Certified Public Accountants

Board of Commissioners  
Philadelphia Housing Authority  
Philadelphia, Pennsylvania

We have audited the accompanying financial statements of Philadelphia Housing Authority ("PHA") as of and for the year ended March 31, 2012, as listed in the table of contents. These financial statements are the responsibility of PHA's management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of certain of the component units, which represent \$560 million or 30% of the assets, \$130 million or 10% of net assets and \$23 million or 5% of revenues of PHA. Those statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our opinion.

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 PHA as of March 31, 2012, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2012 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* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages xv through xxi 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.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Financial Data Schedule is presented for purposes of additional analysis and is not a required part of the basic financial statements. The accompanying 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 financial statements. Such information, as well as the other supplementary information shown on pages 59 to 80 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.

A handwritten signature in black ink that reads "Sedaner & Company LLC". The signature is written in a cursive, flowing style.

December 19, 2012



**PHILADELPHIA HOUSING AUTHORITY**

**STATEMENT OF NET ASSETS**

**MARCH 31, 2012**

**ASSETS**

	<b>Primary Government</b>	<b>Component Units</b>
Current assets:		
Cash and cash equivalents	\$ 65,029,343	\$ 5,537,107
Restricted cash	1,089,780	565,422
Investments	104,068,631	-
Receivables	43,129,512	2,863,406
Other current assets	1,688,035	595,111
Total current assets	215,005,301	9,561,046
Noncurrent assets:		
Mortgages receivable	331,018,608	-
Restricted cash	-	41,159,137
Restricted investments	15,416,939	-
Capital assets, net	684,539,572	508,792,977
Other assets	9,537,576	3,810,887
Total noncurrent assets	1,040,512,695	553,763,001
<b>TOTAL ASSETS</b>	<b>\$1,255,517,996</b>	<b>\$563,324,047</b>

**LIABILITIES AND NET ASSETS**

Current liabilities:		
Accounts payable	\$ 16,386,674	\$ 1,740,150
Accrued liabilities	24,483,128	2,186,917
Current portion of long-term debt	4,215,000	3,255,753
Due to other government agencies	256,498	-
Compensated absences	3,154,081	-
Trust and deposits	848,089	567,192
Unearned revenue and other current liabilities	9,799,091	31,013,255
Total current liabilities	59,142,561	38,763,267
Noncurrent liabilities:		
Compensated absences	2,102,720	-
Long-term debt	60,293,049	362,842,352
Other long-term liabilities	14,827,012	32,349,672
Total noncurrent liabilities	77,222,781	395,192,024
<b>TOTAL LIABILITIES</b>	<b>136,365,342</b>	<b>433,955,291</b>
Net assets:		
Invested in capital assets, net of related debt	620,031,523	142,694,872
Restricted for housing assistance payments	12,609,315	-
Unrestricted	486,511,816	(13,326,116)
Total net assets	1,119,152,654	129,368,756
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$1,255,517,996</b>	<b>\$563,324,047</b>

The accompanying notes are an integral part of this statement.

**PHILADELPHIA HOUSING AUTHORITY**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS**  
**YEAR ENDED MARCH 31, 2012**

	<u>Primary Government</u>	<u>Component Units</u>
Operating revenue:		
Tenant revenue	\$ 23,740,799	\$ 8,917,448
Operating subsidies	363,711,733	13,845,466
Other income	16,335,246	566,779
Total operating revenue	403,787,778	23,329,693
Operating expenses		
Administrative	79,362,211	5,363,567
Tenant services	3,893,275	378,201
Utilities	25,394,068	4,009,502
Maintenance	70,916,160	8,744,551
Protective services	8,549,929	915,268
General	38,359,026	3,611,196
Housing assistance payments	121,639,012	-
Depreciation and amortization	49,234,778	16,340,024
Total operating expenses	397,348,459	39,362,309
Operating income (loss)	6,439,319	(16,032,616)
Nonoperating revenue (expenses):		
Interest and investment earnings	5,402,354	23,957
Other revenue/charges	9,180,896	(147,640)
Interest expense	(4,591,330)	(5,334,340)
Net nonoperating revenue	9,991,920	(5,458,023)
(Loss) income before capital contributions	16,431,239	(21,490,639)
Capital contributions:		
HUD capital subsidies	42,511,905	-
Other nonoperating contributions	510,540	-
Partner contributions	-	16,306,669
Change in net assets	43,022,445	16,306,669
Change in net assets	59,453,684	(5,183,970)
Net assets at beginning of year:		
As previously reported	1,053,329,815	134,552,726
Prior period adjustments	6,369,155	-
As restated	1,059,698,970	134,552,726
Net assets at end of year	\$1,119,152,654	\$129,368,756

The accompanying notes are an integral part of this statement.

**PHILADELPHIA HOUSING AUTHORITY**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED MARCH 31, 2012**

	<u>Primary Government</u>	<u>Component Units</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipt from grants and subsidies	\$372,679,106	\$13,845,466
Cash received from tenants	23,397,158	9,422,811
Other cash receipts	5,431,511	716,204
Cash payments to landlords	(121,639,012)	-
Cash payments for other operating expenses	(135,650,679)	(17,670,392)
Payments to and on behalf of employees	(112,336,591)	(5,897,337)
Receipts for tenant security deposits	12,847	-
Net cash provided by operating activities	<u>31,894,340</u>	<u>416,752</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Purchases of capital assets	(76,184,952)	(34,214,222)
Proceeds from sale of capital assets	4,674,842	-
Proceeds from debt	-	41,603,080
Debt principal payments	(8,178,778)	(14,869,851)
Proceeds from capital contributions	7,299,117	16,267,031
Interest payments on debt	(5,592,643)	(321,396)
Financing costs paid	-	(229,489)
Repayments to affiliates	-	(774,975)
Capital subsidies	43,202,611	-
Net cash provided by (used in) capital and related financing activities	<u>(34,779,803)</u>	<u>7,460,178</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Construction costs paid	-	(4,729,482)
Proceeds from bond redemptions	211,244,172	-
Purchase of bond investments	(209,131,876)	-
Investment in component unit and intangibles	(291,838)	(228,484)
Mortgage receivable advances	(39,272,056)	-
Interest income	700,385	13,168
Net cash used in investing activities	<u>(36,751,213)</u>	<u>(4,944,798)</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	<u>(39,636,676)</u>	<u>2,932,132</u>
Cash and cash equivalents, beginning of year	<u>105,755,799</u>	<u>44,329,534</u>
Cash and cash equivalents, end of year	<u>\$ 66,119,123</u>	<u>\$47,261,666</u>
<b>Consists of:</b>		
Cash and cash equivalents, current	\$ 65,029,343	\$ 5,537,107
Restricted cash - current	1,089,780	565,422
Restricted cash - noncurrent	<u>-</u>	<u>41,159,137</u>
<b>Total unrestricted and restricted, March 31</b>	<u>\$ 66,119,123</u>	<u>\$47,261,666</u>

The accompanying notes are an integral part of this statement.

**PHILADELPHIA HOUSING AUTHORITY**  
**STATEMENT OF CASH FLOWS - CONTINUED**  
**YEAR ENDED MARCH 31, 2012**

	<u>Primary Government</u>	<u>Component Units</u>
Cash flows from operating activities:		
Operating income (loss)	\$ 6,439,319	(\$16,032,616)
Adjustments made to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation and amortization	49,234,778	16,340,024
Bad debts	619,816	-
(Increase) decrease in assets:		
Tenant accounts receivable	(310,654)	441,543
Accounts receivable - subsidy	9,538,530	335,890
Accounts receivable - general	(11,036,561)	-
Increase in other current assets	181,982	133,002
Increase (decrease) in liabilities		
Accounts payable and accrued liabilities	(22,465,722)	(771,059)
Unearned revenue and other current liabilities	(307,148)	(30,032)
Net cash provided by operating activities	<u>\$31,894,340</u>	<u>\$ 416,752</u>

The accompanying notes are an integral part of this statement.

**PHILADELPHIA HOUSING AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2012**

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Organization

Philadelphia Housing Authority ("PHA") 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 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.

HUD's then Chief Operating Officer, Estelle Richman, was named to serve as the PHA Board and Michael Kelly was appointed Administrative Receiver. Subsequently, Karen Newton-Cole replaced Ms. Richman as HUD-designated PHA Board of Commissioner. Mr. Kelly was appointed as PHA Executive Director in August 2011 while continuing to serve as HUD Administrative Receiver. In March 2012, the Cooperative Endeavor Agreement was extended for a term until HUD and the Mayor determined that PHA has built sufficient capacity to be self-supportive. In June 2012 Mr. Kelly resigned and Kelvin Jeremiah was appointed the PHA Interim Executive Director, while also serving as HUD Administrative Receiver. Ms. Richman subsequently replaced Ms. Newton-Cole as the HUD-designated PHA Board of Commissioner.

Under the CEA, PHA prepared and obtained HUD Board approval for a Recovery Plan which identifies tasks and objectives to be accomplished in order for PHA to return to local control and normal Board governance. The Recovery Plan is posted on the PHA website, and periodic updates are provided to the HUD Board and public at large.

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 outstanding audit findings from 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. 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 will be established in January 2013. A national search is underway for a new Executive Director who will ultimately report to the newly established PHA Board.

**PHILADELPHIA HOUSING AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2012**

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

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 *Codification of Governmental Accounting and Financial Reporting Standards* and Statement No. 14 of the Governmental Accounting Standards Board, *The Financial Reporting Entity*. These criteria require the entity to consider factors such as a) manifestation of financial responsibility and financial accountability, b) appointment of a voting majority of the Board, c) imposition of will, d) financial benefit to or burden on a primary organization, e) financial accountability as a result of fiscal dependency, f) potential for dual inclusion and g) organizations included in the reporting entity although the primary organization is not financially accountable. The blended component units and discretely presented units are listed in Note 15.

Description of Financial Statements

The basic financial statements include the accounts of PHA ("primary government") and its component units.

All of PHA's funds are considered to be enterprise funds, which are a type of proprietary fund. Enterprise funds may be 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 activities reported in these funds are reported as business-type activities in the financial statements.

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

Basis of Accounting

Governmental and business-type activities are presented on the accrual basis of accounting. Nonexchange 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.

Certain blended and discrete component units are reported on a three-month time lag.

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 66% of its fiscal 2012 operating subsidies from HUD under the Low-Rent Housing and Section 8 Programs. Descriptions of the primary PHA programs follow.

**PHILADELPHIA HOUSING AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2012**

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - 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, 2012 were \$113,495,919 and are included in operating subsidies in the combined statement of revenues, expenses and changes in net assets.

Section 8 Programs

The Section 8 Programs - Housing Choice Voucher Programs - include Moving to Work, New Construction, 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 combined statement of revenues, expenses and changes in net assets as follows:

Housing Choice Voucher Program	\$193,073,738
Mainstream	290,040
Moderate Rehabilitation	1,909,968
Single Room Occupancy	<u>1,862,851</u>
Total	<u>\$197,136,597</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.

**PHILADELPHIA HOUSING AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2012**

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

*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.

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, 2012, budgets are subject to approval by PHA's Board of Commissioners

*Cash and Cash Equivalents*

PHA considers all securities, including certificates of deposits and short term investments, with maturities of three months or less to be cash equivalents.



**PHILADELPHIA HOUSING AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2012**

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

Investments

Investments are stated at fair value. 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. 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

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 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.

Subsequent Events

Management has evaluated subsequent events through December 19, 2012, which is the date the financial statements were available to be issued.

**PHILADELPHIA HOUSING AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2012**

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

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 and 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.

**(2) CASH AND INVESTMENTS**

PHA's investment policies comply with HUD and Commonwealth of Pennsylvania guidelines. These policies restrict PHA's investments to obligations of the U.S. Treasury, U.S. Government agencies, and their instrumentalities. 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. Accrued interest receivable on investments was \$556,957 at March 31, 2012 and is included in accounts receivable.

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

HUD defines three credit risk categories 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.

At March 31, 2012 cash and investments, all of which were in credit risk category #1, consisted of the following:

Primary Government – cash

	<u>Fair Value</u>	<u>Carrying Amount</u>
Demand deposits	\$ 25,143,824	\$ 25,143,824
Money market funds	40,965,909	40,965,909
Petty cash	9,390	9,390
Total cash	<u>\$ 66,119,123</u>	<u>\$ 66,119,123</u>
Primary Government – U.S. Government securities	<u>\$ 119,485,570</u>	<u>\$ 119,485,570</u>
Total cash and investments	<u>\$ 185,604,693</u>	<u>\$ 185,604,693</u>

**PHILADELPHIA HOUSING AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2012**

**(2) CASH AND INVESTMENTS – Continued**

<u>Reconciliation of detail to statement of net assets</u>	<u>Primary Government</u>	<u>Component Units</u>
Cash - unrestricted	\$ 65,029,343	\$ 5,537,107
Investments - unrestricted	104,068,631	-
Cash - restricted	1,089,780	41,724,559
Investments - restricted	15,416,939	-
	<u>\$185,604,693</u>	<u>\$47,261,666</u>

Restricted cash and investments at March 31, 2012 pertain to the following:

Cash:

Resident security deposits	\$ 840,182	\$ 565,422
Affordability reserves	-	3,640,494
Replacement reserves	-	5,776,103
Operating reserve	192,068	7,021,966
Trustee reserves	-	23,006,387
Other reserves	57,530	1,714,187
	<u>1,089,780</u>	<u>41,724,559</u>

Investments:

Section 8 HAP Equity reserves	12,609,315	-
Affordability reserves	2,807,624	-
	<u>\$16,506,719</u>	<u>\$41,724,559</u>

Total bank balances for primary government and component units as of March 31, 2012 were \$65,983,994 and \$47,740,609, respectively.

**PHILADELPHIA HOUSING AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2012**

**(3) 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, 2012 was comprised of the following:

	Primary Government	Component Units
Tenant receivables	\$ 745,803	\$ 633,503
Due from other governments	29,357,771	21,311
Accrued interest	2,634,975	2,599,924
Development fees	556,957	-
Due from affiliates	9,708,428	-
Miscellaneous	1,697,599	-
	<u>44,701,533</u>	<u>3,254,738</u>
Less allowance for doubtful accounts	<u>(1,572,021)</u>	<u>(391,332)</u>
	<u>\$43,129,512</u>	<u>\$2,863,406</u>

**(4) OTHER ASSETS**

	Primary Government	Component Units
<u>Current</u>		
Prepaid insurance	\$ 17,275	\$ 595,911
Materials and supplies, net	1,670,760	-
	<u>\$1,688,035</u>	<u>\$ 595,911</u>
<u>Noncurrent</u>		
Turnkey homes held for resale	\$ 88,012	\$ -
Investment in component unit	4,942,110	-
Other	4,507,454	3,810,087
	<u>\$9,537,576</u>	<u>\$3,810,087</u>

**PHILADELPHIA HOUSING AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2012**

**(5) CAPITAL ASSETS**

Capital assets are summarized as follows:

	Balance March 31, 2011	Capital Acquisitions	Sales or Other Dispositions	Transfers	Balance March 31, 2012
<b>PRIMARY GOVERNMENT</b>					
Land	\$ 23,668,032	\$ -	(\$ 21,830)	\$ -	\$ 23,646,202
Buildings and improvements	1,243,626,980	224,803	(139,077)	91,706,198	1,335,418,904
Equipment – dwelling	1,131,169	-	-	-	1,131,169
Equipment – administration	19,676,975	1,394,405	(1,676,759)	-	19,394,621
Construction in progress	165,463,253	74,704,818	-	(91,706,198)	148,461,873
	<u>1,453,566,409</u>	<u>76,324,026</u>	<u>(1,837,666)</u>	<u>-</u>	<u>1,528,052,769</u>
Less accumulated depreciation	<u>(795,922,064)</u>	<u>(49,234,778)</u>	<u>1,643,645</u>	<u>-</u>	<u>(843,513,197)</u>
	<u>\$657,644,345</u>	<u>\$27,089,248</u>	<u>(\$ 194,021)</u>	<u>\$ -</u>	<u>\$ 684,539,572</u>
<b>DISCRETE COMPONENT UNITS</b>					
Buildings and improvements	\$529,188,627	\$ -	(\$ 70,021)	\$69,864,264	\$598,982,870
Equipment – dwelling	3,811,783	25,561	(184,295)	-	3,653,049
Equipment – administration	722,406	7,610	(2,720)	-	727,296
Construction in progress	34,763,216	49,738,822	-	(69,864,264)	14,637,774
	<u>568,486,032</u>	<u>49,771,993</u>	<u>(257,036)</u>	<u>-</u>	<u>618,000,989</u>
Less accumulated depreciation	<u>(93,204,160)</u>	<u>(16,260,888)</u>	<u>257,036</u>	<u>-</u>	<u>(109,208,012)</u>
	<u>\$475,281,872</u>	<u>\$33,511,105</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$508,792,977</u>

**(6) MORTGAGES RECEIVABLE**

Mortgages receivable are summarized as follows:

Non-interest-bearing note due from The Philadelphia Redevelopment Authority (“RDA”)	\$ 34,059,453
Amounts due from PHA component units, at interest rates ranging from -0- to 5.46%	<u>296,959,155</u>
	<u>\$331,018,608</u>

**PHILADELPHIA HOUSING AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2012**

**(6) MORTGAGES RECEIVABLE - Continued**

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, 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.

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. All balances net to zero with the exception of \$11,874,169 in advances made to component units between December 31, 2011 and March 31, 2012.

The repayment schedule is as follows:

Year ending March 31,

2013	\$5,123,308
2014 – 2037	-
2038 – 2042	139,304,950
2043 – 2047	13,784,108
2048 – 2052	21,850,878
2053 – 2057	22,790,889
2058 – 2062	85,140,609
2063 – 2067	43,023,866
	<u>\$331,018,608</u>

**(7) UNEARNED REVENUE AND OTHER CURRENT LIABILITIES**

Unearned revenue and other liabilities at March 31, 2012, consisted of the following:

	<u>Primary Government</u>	<u>Component Units</u>
Due to affiliates	\$2,312,736	\$4,057,855
Deferred revenues	1,397,559	81,080
Contract retention	4,298,250	-
Escrow accounts	1,507,830	-
Developer fee payable	-	12,808,160
Other payables	282,716	985,255
Construction costs payable	-	13,080,905
	<u>\$9,799,091</u>	<u>\$31,013,255</u>

**PHILADELPHIA HOUSING AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
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**(8) LONG-TERM DEBT**

Long-term debt is summarized as follows:

	Balance March 31, 2011	Additions	Repayments	Balance March 31, 2012
<u>Primary Government</u>				
Bonds	\$67,862,637	\$ -	\$4,107,637	\$63,755,000
Other notes	3,931,041	-	3,931,041	-
	<u>\$71,793,678</u>	<u>-</u>	<u>\$8,038,678</u>	<u>\$63,755,000</u>
Unamortized bond premium				753,049
				<u>\$64,508,049</u>
<u>Discrete Component Units</u>				
Bonds	\$ 33,280,000	\$ -	\$3,070,000	\$ 30,210,000
Notes due to PHA	204,627,917	51,457,798	-	256,085,715
Other notes	94,573,828	99,199	14,870,637	79,802,390
	<u>\$332,481,745</u>	<u>\$51,556,997</u>	<u>\$17,940,637</u>	<u>\$366,098,105</u>

Borrower/Description

	<u>Due Third Parties</u>	<u>Due PHA</u>
<u>Primary Government</u>		
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	\$53,508,049	
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	11,000,000	
	<u>\$64,508,049</u>	

**PHILADELPHIA HOUSING AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2012**

**(8) LONG-TERM DEBT – Continued**

	<u>Due Third Parties</u>	<u>Due PHA</u>
<u>Discrete Component Units</u>		
0.5% mortgage note collateralized by <i>8 Diamonds</i> property; principal and interest; due in 2040		\$15,968,970
Non-interest-bearing note collateralized by <i>Angela Court</i> property; due in 2033	\$1,000,000	
5.43% mortgage note collateralized by <i>Angela Court</i> property; principal and interest due in 2033	315,000	
5.43% mortgage note collateralized by <i>Angela Court</i> property; principal and interest due in 2033	350,000	
Non-interest-bearing note collateralized by <i>Angela Court</i> property; principal and interest due in 2023	500,755	
5.2% mortgage note collateralized by <i>Angela Court</i> property; principal and interest due in 2044		362,000
Note payable under subsidy agreement for <i>Angela Court II</i>	350,000	
10% mortgage note collateralized by <i>Angela Court II</i> property; principal and interest due in 2038	50,000	
10% mortgage note collateralized by <i>Angela Court II</i> property; principal and interest due in 2048		300,000
4.46% mortgage note collateralized by <i>Angela Court II</i> property; principal and interest due in 2038	450,000	
5.46% mortgage note collateralized by <i>Cambridge Plaza</i> property; principal and interest due in 2042		2,579,029
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
Non-interest-bearing mortgage note collateralized by <i>Courtyard Apartment at Riverview</i> property; due upon final settlement with RDA, as defined	34,059,453	
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



PHILADELPHIA HOUSING AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
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(8) LONG-TERM DEBT -- Continued

	Due Third Parties	Due PHA
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		6,833,384
Non-interest-bearing bridge note collateralized by <i>Mantua II</i> property		2,349,912
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	
6% mortgage note collateralized by <i>Mantua II</i> property; due February 11, 2060	10,000,000	
Non-interest-bearing mortgage note collateralized by <i>Mantua</i> <i>Square</i> property; maximum loan amount is \$3,427,110; due in 2059		3,427,110
% mortgage note collateralized by <i>Mantua Square</i> property; maximum loan amount is \$4,972,070; due in 2059		4,734,169
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 (3.67% at December 31, 2010); 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</i> <i>Gardens</i> property; principal and interest due in 2062		2,848,291
7% mortgage note collateralized by <i>Newmann North</i> property; due in monthly installments of \$2,133	270,420	

**PHILADELPHIA HOUSING AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
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**(8) LONG-TERM DEBT – Continued**

	Due Third Parties	Due PHA
7.25% mortgage note collateralized by <i>Neumann North</i> property; due in monthly installments of \$3,353	390,253	
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
Non-interest-bearing bridge note collateralized by the property of <i>Norris Apartments LP</i>		208,628
2% mortgage note collateralized by the <i>Norris Apartments</i> property; principal and interest due in 2066		7,975,081
Non-interest-bearing mortgage note collateralized by <i>Paschall I</i> property		9,923,482
Non-interest-bearing bridge note collateralized by <i>Paschall II</i> property		1,674,204
2% mortgage note collateralized by <i>Paschall II</i> property		12,675,050
0.75% mortgage note collateralized by <i>Paschall II</i> property, due August 31, 2065	11,750,000	
0.1% mortgage note collateralized by <i>Richard Allen</i> property; Principal and interest due in 2041		22,190,978
0.01% 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 in 2030	3,000,000	
Non-interest-bearing mortgage note collateralized by <i>Southwark Plaza</i> property; due in 2037		1,623,348
6% mortgage note collateralized by <i>Spring Garden Development</i> property		1,900,000
Non-interest-bearing mortgage notes collateralized by <i>Spring Garden Development</i> property	6,987,875	
Mortgage notes collateralized by <i>Spring Garden Housing</i> property; 6.41% weighted average interest rate; principal and interest due in 2015 (\$180,000) and 2045	2,179,534	
Non-interest-bearing mortgage note due in 2045; collateralized by <i>Spring Garden Housing</i> property	1,861,700	
Mortgage notes collateralized by <i>Spring Garden Housing</i> property; 6.41% weighted average interest rate; principal and interest due in 2045		2,939,083
Mortgage notes collateralized by <i>Suffolk Manor</i> property; weighted average interest rate 4.786%; principal and interest due 2041 – 2042		10,453,027

PHILADELPHIA HOUSING AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
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(8) LONG-TERM DEBT – Continued

	Due Third Parties	Due PHA
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	
5.67% mortgage note collateralized by <i>St. Anthony's Senior Residences</i> property; due in annual installments from 2030 to 2039	150,000	
RDA bonds collateralized by <i>Tasker I</i> property; interest at 0.1%; principal due in 2042	19,915,000	
0.1% mortgage note collateralized by <i>Tasker I</i> property; principal due in 2042		12,470,000
Series C RDA bonds collateralized by <i>Tasker II</i> property; interest at .1%; principal due in 2043	10,295,000	
0.1% mortgage note collateralized by <i>Tasker II</i> property; due in 2043		10,695,000
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
6.55% note payable; principal and interest due in 2031	51,000	
Non-interest bearing unsecured note payable	15,000	
Non-interest-bearing bridge note collateralized by <i>Paschall I</i> property		4,964,252
	110,012,390	256,085,715
Total debt for discrete component units	\$366,098,105	

**PHILADELPHIA HOUSING AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2012**

**(8) 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., 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 2012 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 set forth below:

Year Ending March 31,	Primary Government			Component Units		
	Principal	Interest	Debt Service Requirement	Principal	Interest	Debt Service Requirement
2013	\$ 4,214,990	\$ 3,023,762	\$ 7,238,752	\$ 3,255,753	\$1,459,365	\$ 4,715,118
2014	4,390,000	2,837,188	7,227,188	3,320,000	1,326,720	4,646,720
2015	4,575,000	2,597,000	7,172,000	3,655,000	1,175,220	4,830,220
2016	4,815,000	2,344,216	7,159,216	3,640,000	1,009,908	4,649,908
2017	5,070,000	2,078,038	7,148,038	3,815,000	2,559,404	6,374,404
2018 – 2022	38,285,000	5,233,690	45,518,690	12,765,000	124,988	12,889,988
2023 – 2027	2,405,000	114,238	2,519,238	665,000	-	665,000
2028 – 2032	-	-	-	5,066,755	-	5,066,755
2033 – 2037	-	-	-	1,853,400	-	1,853,400
2038 – 2042	-	-	-	104,614,185	-	104,614,185
2043 – 2047	-	-	-	43,368,961	-	43,368,961
2048 – 2052	-	-	-	11,755,182	-	11,755,182
2053 – 2057	-	-	-	27,639,504	-	27,639,504
2058 – 2062	-	-	-	67,906,757	-	67,906,757
2063 – 2067	-	-	-	72,777,608	-	72,777,608
	<u>63,754,990</u>	<u>\$18,228,132</u>	<u>\$81,983,122</u>	<u>366,098,105</u>	<u>\$7,655,605</u>	<u>\$373,753,710</u>
Less current portion	<u>4,214,990</u>			<u>3,255,753</u>		
	59,540,000			\$362,842,352		
Premium on Series A bonds	<u>753,049</u>					
	<u>\$60,293,049</u>					

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**(9) OTHER LONG-TERM LIABILITIES**

Other long-term liabilities at March 31, 2012 consisted of the following:

	Primary Government	Component Units
Estimated liability for self insured claims	\$7,478,449	\$ -
Health trust escrow	6,497,939	-
Escheat payable	527,675	-
Interest payable – due PHA	-	31,976,133
Other	322,949	373,539
	<u>\$14,827,012</u>	<u>\$32,349,672</u>

**(10) 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. 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.

Covered employees	Permanent employees of PHA, other than those included in the PHA defined contribution plan and certain eligible executive employees are permitted to participate in both retirement plans offered by the Authority.
Current annual covered payroll	\$13,611,869
Normal retirement date	65 <sup>th</sup> 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:

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**(10) EMPLOYEES' RETIREMENT PLANS - Continued**

- 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

PHA's funding policy is to contribute 5.5% of total payroll to the Plan. Employees are required to contribute 5.5% of their total salary to the Plan in accordance with the Plan provisions. This funding policy is determined by the Plan design and collective bargaining agreements.

Schedule of funding progress:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Funding Excess (Deficiency) (a-b)	Funding Ratio (a/b)	Covered Payroll (c)	Ratio of Funding Excess to Covered Payroll [(a-b)/c]
11/01/07	\$214,492,237	\$260,423,690	(\$45,931,453)	82%	\$46,298,645	(99%)
11/01/08	201,098,549	266,263,785	(65,165,236)	76%	42,547,570	(153%)
11/01/09	200,900,456	272,847,624	(71,947,168)	74%	37,488,770	(192%)
11/01/10	205,295,672	275,396,108	(70,100,436)	75%	36,032,847	(195%)
11/01/11	203,315,070	273,155,055	(69,839,935)	74%	13,611,869	(513%)

At October 31, 2011, the Plan's assets were comprised of investments in the following percentages: 58% equity, 36% fixed income and 2% cash.

Schedule of Contributions from Employer

For the Year Ended October 31	Annual Required Contribution
2007	\$7,850,016
2008	6,806,395
2009	8,206,991
2010	8,366,211
2011	6,793,698

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**(10) EMPLOYEES' RETIREMENT PLANS – Continued**

*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.

Each year participants are required to contribute 5.5 percent of their annual compensation into an individual account. PHA contributes an additional 5.5 percent of each participant's annual compensation as prescribed by the Plan. The Plan allows the employer to convert earnings from excess unused accrued vacation time of eligible executive staff to Plan contributions. 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 paid out of plan assets, are reported in the statement of Changes in Plan Net Assets Available for Benefits.

**(11) LEASE COMMITMENTS**

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

Year ending March 31

2013	\$1,159,709
2014	979,210
2015	957,371
2016	901,397
2017	893,497
2018	893,497
	<u>\$5,784,681</u>

Total rent expense for the year ended March 31, 2012 was \$2,106,856.

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**(12) ACCRUED 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.

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

Summary of Accrued Compensated Absences				
	April 1, 2011	Net Increases	Net Decreases	March 31, 2012
Current portion	\$3,485,302	\$ -	(\$331,221)	\$3,154,081
Long-term portion	2,323,534	-	(220,814)	2,102,720
	<u>\$5,808,836</u>	<u>\$ -</u>	<u>(\$552,035)</u>	<u>\$5,256,801</u>

**(13) OTHER POST EMPLOYMENT BENEFITS (OPEB)**

*(a) Plan description and funding policy*

PHA administers two Post Employment Benefit Plans. The PHA "Executive Health Protection Plan" serves eligible executive employees. "The Philadelphia Housing Authority Post Employment Health Protection Plan" serves non-represented employees. Both plans provide prescribed total amounts to be made available for payment of medical, dental and vision insurance premiums on behalf of eligible employees following separation from service.

Each plan may be terminated by PHA at any time. Additional entry of newly appointed executives into the Executive Health Protection Plan was curtailed subsequent to a resolution by the Board of Commissioners during the fiscal year ending March 31, 2012. No benefits have been vested under the Philadelphia Housing Authority Post Employment Health Protection Plan as of March 31, 2012.

The plans do not issue separate stand-alone financial statements.

*(b) Annual OPEB Cost and Net OPEB Obligation*

Based on an internally prepared calculation, PHA has determined its total OPEB cost under both plans at March 31, 2012 to be approximately \$6.5 million.

OPEB obligation beginning of year	\$6,593,206
Bank fees and health care costs	(97,151)
Interest earned on account	1,884
	<u>(95,267)</u>
OPEB obligation end of year	<u>\$6,497,939</u>



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**(13) OTHER POST EMPLOYMENT BENEFITS (OPEB) - Continued**

*(c) Funded Status and Funding Progress*

As of March 31, 2012, PHA has funded all of the liability under the two plans and had no unfunded actuarial accrued liability.

**(14) RISK MANAGEMENT**

PHA is subject to risk of loss from fire, property damage, personal injury, etc. PHA covers those risks through the purchase of commercial insurance.

**(15) COMPONENT UNITS**

Blended Component Units

*Philadelphia Housing Authority Homeownership Corporation* -- 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.

*Philadelphia Housing Authority Development Corporation* -- 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* -- a Pennsylvania nonprofit corporation formed by PHA to provide operational and financial services to several housing developments in Philadelphia.

*PHA-Tenant Support Services, Inc.* -- 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 is as follows:

As of and for the year ended as indicated:

	<u>PHADC</u> <u>3/31/12</u>	<u>PAPMC</u> <u>12/31/11</u>	<u>PHAHC</u> <u>3/31/12</u>	<u>TSSI</u> <u>6/30/11</u>	<u>Total</u>
Assets	\$76,360,164	\$1,511,254	\$93,981	\$276,694	\$78,242,093
Liabilities	707,781	209,776	93,981	-	1,011,538
Net assets	<u>75,652,383</u>	<u>1,301,478</u>	<u>-</u>	<u>276,694</u>	<u>77,230,555</u>
Revenue	12,545,416	1,255,526	3,743	288,596	14,093,281
Expenses	725,788	851,665	3,743	871,398	2,452,594
Change in net assets	<u>\$11,819,628</u>	<u>\$ 403,861</u>	<u>\$ -</u>	<u>(\$582,802)</u>	<u>\$11,640,687</u>

**PHILADELPHIA HOUSING AUTHORITY**  
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**(15) COMPONENT UNITS – Continued**

Discrete Component Units:

<u>Entity</u>	<u>Number of Housing Units</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 LP	161
Nellie Reynolds Gardens, L.P.	64
Neuman North, L.P.	42
Norris Apartments, L.P.	51
Paschall Phase I, L.P.	50
Paschall Phase II, L.P.	50
Raymond Rosen Associates, L.P.	152
Richard Allen Phase III, L.P.	178
Ridge Avenue Housing, L.P.	135
Southwark Plaza Limited Partnership	470
Spring Garden Development Associates, LP	-
Spring Garden Historic, LP	58
Spring Garden Housing Limited Partnership	97
St. Anthony's Senior Residences Associates, L.P.	53
St. Ignatius Senior Housing I, L.P.	67
St. Ignatius Senior Housing II, L.P.	54
Suffolk Manor Apartments, L.P.	137
Tasker I, L.P.	245
Tasker II, L.P.	184
Uni-Penn Housing Partnership I	49
Uni-Penn Housing Partnership II	46
Uni-Penn Housing Partnership IV	42
Warnock Phase I, L.P.	50
Warnock Phase II, L.P.	45

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**(15) COMPONENT UNITS – Continued**

In most instances, the entities 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.

*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 \$12 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 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.

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**(15) COMPONENT UNITS - Continued**

*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 \$12.1 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 (\$.2 million paid as of December 31, 2011) 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 (\$.2 million paid as of December 31, 2011) and \$12 million in PHA and other mortgage debt. The project has qualified for federal low-income housing credits.

*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 \$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 \$12.7 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 \$9.6 million in PHA mortgage debt. The project has qualified for federal low-income housing credits.

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**(15) COMPONENT UNITS - Continued**

*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 \$11.3 million of investor capital and \$7.5 million in PHA mortgage debt. As required by the 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 (Note 4). The project has qualified for federal low-income housing credits.

*Neumann North, L.P.* -- a Pennsylvania limited partnership which operates 67 senior housing residential units plus commercial space. The project was financed by \$5.8 million of investor capital and \$4.4 million in PHA and other mortgage 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, 2011), and \$20.2 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 \$11.8 million of investor capital (\$1 million paid as of December 31, 2011), and \$17.5 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 \$7.2 million of investor capital (\$.5 million paid as of December 31, 2011) and \$27 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 \$8.3 million of investor capital, a \$16 million first mortgage from PHA and other financing.

*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 million of investor capital and a \$22 million mortgage loan from PHA. The project has qualified for federal low-income housing tax credits.

**PHILADELPHIA HOUSING AUTHORITY**  
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**(15) COMPONENT UNITS - Continued**

*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 \$5.6 million of investor capital and \$18.2 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 \$18.9 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 Development Associates, LP* -- a Pennsylvania limited partnership which owns and leases as 58-unit apartment complex to Spring Garden Historic, LP (see below). The project was financed by \$9.1 million of investor capital and \$8.9 million in PHA and other mortgage debt. The project has qualified for federal low-income housing tax credits.

*Spring Garden Historic, LP* -- a Pennsylvania limited partnership formed to operate a 58-unit apartment complex (see above). The partnership was financed by \$3 million of investor capital.

*Spring Garden Housing Limited Partnership* -- a Pennsylvania limited partnership which operates 97 residential rental units and has a ninety-nine year ground lease with PHA at a nominal rent. The project is being financed by \$6.7 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.

*St. Anthony's Senior Residences Associates, L.P.* -- a Pennsylvania limited partnership which operates a 53-unit rental housing project. The project was financed by \$1.65 million of mortgages from the RDA, and \$5.1 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 \$5.7 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 \$7.2 million of investor capital (\$6.2 million paid as of December 31, 2010) and \$1.4 million in PHA and other mortgage debt. The project has qualified for federal low-income housing credits.

**PHILADELPHIA HOUSING AUTHORITY**  
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**(15) COMPONENT UNITS - Continued**

***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 \$12.6 million of investor capital and \$21 million in PHA mortgage debt. The project has qualified for federal low-income housing tax 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 \$2.3 million in PHA 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 \$5.3 million of investor capital and \$3.2 million in mortgage debt. The project has qualified for federal low-income housing credits.

***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 \$10.7 million of investor capital (\$8.6 million paid as of December 31, 2011) 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 project. It has a ninety-nine year ground lease with PHA at a nominal rent. The project began operations in March 2010 and is to be financed by \$8.7 million of investor capital (\$6.7 million paid as of December 31, 2011) and \$7.3 million in PHA mortgage debt. The project has qualified for federal low-income housing credits.

**PHILADELPHIA HOUSING AUTHORITY**  
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**(16) PRIOR PERIOD ADJUSTMENTS**

Net assets as of April 1, 2011 have been increased as follows:

Expenses erroneously recorded by PHA in the preceding year which are properly includable in mortgages receivable from discrete component units:

Paschall Phase I, L.P.	\$2,719,579
Paschall Phase II, L.P.	<u>2,924,239</u>
	5,643,818
Error in recording accrued bond interest	1,198,398
Other error corrections	<u>(473,061)</u>
	<u>\$6,369,155</u>

**(17) 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 has not been 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 has called into question the propriety of using federal funds to make those payments. Accordingly, HUD may require that PHA reimburse its federal operating account from PHA's non-restricted, non-federal funds, thereby reducing the availability of such non-restricted funds for other PHA activities. Additionally, there is a dispute between PHA and HUD as to what constitutes non-federal funds which could impact PHA's ability to reimburse the federally funded operating account.

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:



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**(17) CONTINGENCIES - Continued**

**Settlements**

*Elizabeth Helm v. Philadelphia Housing Authority:* In September 2011 the Philadelphia Housing Authority ("PHA") settled this sexual harassment lawsuit brought against PHA and its former executive director, Carl Greene, for \$500,000, of which \$100,000 was contributed by PHA's insurer, Housing Authority Risk Retention Group ("HARRG").

*McDowell v. PHA:* PHA and plaintiffs representing a class of PHA residents have recently reached a settlement 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, 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. This settlement will become final once approved by the Court.

*Labor and Employment Wage Disputes:* During the reporting period up through and including October 31, 2012, PHA has paid arbitral awards and/or settled seven (7) labor and employment wage disputes for a total of \$264,328, which includes a claim brought by Roofers Union Local No. 30 alleging violation of wage and benefit payments under a collective bargaining agreement.

*Personal injury claims:* During the reporting period up through and including October 31, 2012, PHA settled 10 claims for a total of \$130,453, with the two largest settlements being \$60,000 and \$45,000 respectively. The claims resulted from injuries sustained on PHA property.

**Pending or threatened litigation**

**Employment related claims:**

*Greene v. Philadelphia Housing Authority:* In this federal action, PHA former director Carl Greene alleges that PHA and its Board of Commissioners violated his civil rights and breached his employment contract when he was terminated from his employment in 2010. The individual defendants have been dismissed from the action. Discovery has concluded and the matter is scheduled for trial in early 2013 on Greene's breach of contract action against PHA. Greene is seeking in excess of \$700,000 in damages. While PHA is vigorously defending against this action and believes the evidence favors PHA's position that termination was justified, the outcome of this action remains uncertain.

PHA is defending against six (6) employment discrimination and wrongful termination claims where the damages in the aggregate could exceed more than \$100,000. Although PHA is vigorously defending these actions, it is too early to determine with any certainty PHA's respective liability.

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**(17) CONTINGENCIES – Continued**

**Tort Claims:**

PHA, through its insurance carrier, HARRG, is defending against 94 personal injury actions. Of those 94 personal injury action, six (6) are actions where the damages are expected to exceed \$100,000 in each case. One case involves three fatalities as a result of a fire in the PHA owned unit; one case involves injuries sustained in a fire at a PHA-owned unit; two cases involve children falling from windows in PHA-owned units; the remaining cases are injuries sustained as a result of a slip or fall on PHA-owned property. PHA's anticipated loss in each 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 97 of the 484 PHA properties auctioned in 2012. The total value of the claims that have been secured by the liens according to PGW is \$548,429.45. 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 and to prevent PGW from filing such liens in the future.

**Assessment by the City of Philadelphia:**

As of December 7, 2011, the City of Philadelphia has assessed delinquencies totaling \$9,960,644 against 1,950 PHA-owned properties for PHA's failure to reimburse the City for services provided to PHA properties, as well as taxes and unpaid water charges. In settlement of the dispute, PHA has agreed to pay the City \$6,225,303 while the City has agreed to waive and discharge any interest, penalties, liens and other charges that it has or could have assessed against PHA-owned properties.

## **FINANCIAL DATA SCHEDULE**

PHILADELPHIA HOUSING AUTHORITY  
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Line Item #	DESCRIPTION	State & Local	Housing Choice vouchers	Mainstream	MOD REHAB 1	MOD REHAB 2	MOD REHAB 3	MOD REHAB 4	MOD REHAB 5	MOD REHAB 6	MOD REHAB 7	MOD REHAB 8	MOD REHAB 9	MOD REHAB 10	MOD REHAB ADMIN FEES	TOTAL MOD REHAB
111	Cash - unrestricted															
112	Cash - restricted modernization & development	799,714													2,683,505	2,683,505
113	Cash - other restricted															
114	Cash - Tenant security deposits															
115	Cash - restricted for payment of current liability															
100	Total - Cash	799,714														
121	Accounts Receivable - PHA Projects		1,670,023												2,683,505	2,683,505
122-010	Accounts Receivable - HUD other projects - Operating Subsidy															
122-020	Accounts Receivable - HUD other projects - Capital															
122-030	Accounts Receivable - HUD other projects - Other															
122	Accounts Receivable - HUD and other programs				46,847	112,299	144,985			15,713	68,539	128,220				516,603
124	Accounts Receivable - other government															
125-010	Accounts Receivable - miscellaneous - Not for Profits															
125-020	Accounts Receivable - miscellaneous - Partnership															
125-030	Accounts Receivable - miscellaneous - Joint Ventures															
125-040	Accounts Receivable - miscellaneous - Tax credit															
125-050	Accounts Receivable - miscellaneous - Tax credit other - comment															
125	Accounts Receivable - Miscellaneous															
126	Accounts receivable - Tenants dwelling rents															
126.1	Allowance for doubtful accounts - dwelling rents															
126.2	Allowance for doubtful accounts - other															
127	Notes/Loans & mortgages rec - current															
128	Fraud recovery															
128.1	Allowance for doubtful accounts - other															
129	Accrued interest receivable		259,975													
130	Total receivables, net of allowance for doubtful	-	1,929,998	-	46,847	112,299	144,985	-	-	15,713	68,539	128,220	-	-	-	516,603
131	Investments - unrestricted															
132	Investments - restricted		2,128,920													
135	Investments - Restricted for payment of current		12,809,515													
142	Prepaid expenses and other assets															
143	Prepaid expenses and other assets															
143.1	Allowance for obsolete inventories															
144	Inventory - due from	719,395		292,712	98,018	256,953	216,184	31,663	11,991	21,217	75,421	34,496	84,021	-	-	829,964
145	Assets held for sale															
150	Total Current Assets	1,519,109	16,666,233	292,712	144,865	360,252	361,169	31,663	11,991	21,217	91,134	105,035	212,241	-	2,683,505	4,030,072
161	Land															
162	Buildings															
163	Furniture & Equipment - dwellings	1,319														
164	Furniture & Equipment - admin	183,999	494,459													
165	Leasehold Improvements															
166	Accumulated depreciation	(83,607)	(445,269)													
167	Construction in progress															
168	Infrastructure															
160	Total capital assets, net of accumulated depreciation	101,711	40,190	-	-	-	-	-	-	-	-	-	-	-	633,750	633,750

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Line Item #	DESCRIPTION	State & Local	Housing Choice vouchers	Mainstream	MOD REHAB 1	MOD REHAB 2	MOD REHAB 3	MOD REHAB 4	MOD REHAB 5	MOD REHAB 6	MOD REHAB 7	MOD REHAB 8	MOD REHAB 9	MOD REHAB 10	MOD REHAB ADMIN FEES	TOTAL MOD REHAB
171-010	Notes, Loans, & mortgages receivable - Non-current - Not For Profit															
171-020	Notes, Loans, & mortgages receivable - Non-current - Partnership															
171-030	Notes, Loans, & mortgages receivable - Non-current - Joint Venture															
171-040	Notes, Loans, & mortgages receivable - Non-current - Tax Credit															
171-050	Notes, Loans, & mortgages receivable - Non-current - Other															
171	Notes, Loans & mortgages receivable - Non-current															
172-010	Notes, Loans, & mortgages receivable - non-current Not for Profit															
172-020	Notes, Loans, & mortgages receivable - non-current Partnership															
172-030	Notes, Loans, & mortgages receivable - non-current Joint Ventures															
172-040	Notes, Loans, & mortgages receivable - non-current Tax Credit															
172-050	Notes, Loans, & mortgages receivable - non-current Other															
172	Notes, Loans & mortgages receivable - Non-current															
173	Grants Receivable - non-current															
174-010	Other Assets - Not for Profit															
174-020	Other Assets - Partnership															
174-030	Other Assets - Joint Venture															
174-040	Other Assets - Tax Credit															
174-050	Other Assets - Other															
174	Other Assets															
176-010	Investment in Joint Venture - Not for Profit															
176-020	Investment in Joint Venture - Partnership															
176-030	Investment in Joint Venture - Joint Ventures															
176-040	Investment in Joint Venture - Tax Credit															
176-050	Investment in Joint Venture - Other															
176	Investment in Joint Venture															
180	Total Non-Current Assets	101,711	49,190												633,750	633,750
190	Total Assets	1,820,820	16,715,423	292,712	144,865	369,252	361,169	31,663	11,991	21,217	91,134	103,035	212,241		3,317,255	4,663,822
311	Bank Overdraft															
312	Accounts Payable <90 days															
313	Accounts payable > 90 days past due	153,166													24,845	24,845
321	Accrued wages/payroll taxes payable															
322	Accrued compensated absences - current portion		62,103													
324	Accrued contingency liability															
325	Accrued interest payable															
331-010	Accounts payable - HUD PHA programs - Operating subsidy															
331-020	Accounts payable - HUD PHA programs - Capital Fund															
331-030	Accounts payable - HUD PHA programs - Other															
331	Accounts payable - HUD PHA programs															
332	Accounts payable - PHA projects															
333	Accounts payable - other government															
341	Tenant security deposits															
342-010	Deferred Revenues - Operating Subsidy															
342-020	Deferred Revenues - Capital Fund															
342-030	Deferred Revenues - Other															
342	Deferred Revenues	574,067		37,284												
343-010	CFFP															
343-020	Capital Projects mortgage Revenue															

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Line Item #	DESCRIPTION	State & Local	Housing Choice vouchers	Mainstream	MOD REHAB 1	MOD REHAB 2	MOD REHAB 3	MOD REHAB 4	MOD REHAB 5	MOD REHAB 6	MOD REHAB 7	MOD REHAB 8	MOD REHAB 9	MOD REHAB 10	MOD REHAB ADMIN FEES	TOTAL MOD REHAB
343	Current portion of long-term debt - capital projects															
344	Current portion of long-term debt - operating															
345	Other current liabilities	945	63,169												44,032	111,000
346	Accrued liabilities - other		85,146													
347	Inter program - due to		3,582,680												4,283	
348-010	Loan Liability - current - Not for Profit															
348-020	Loan Liability - current - Partnership															
348-030	Loan Liability - current - Joint Ventures															
348-040	Loan Liability - current - tax credit															
348-050	Loan Liability - current - Other															
	Other - Comment															
348	Loan liability - current															
310	Total Current Liabilities	728,178	3,793,098	57,284	66,968	-	-	-	-	-	-	-	-	-	4,283	4,028,056
351-010	Long Term Debt - CFFP															
351-020	Long Term Debt - Capital Projects/Mortgage Revenue															
351	Capital Projects/Mortgage Revenue Bonds															
352	Long Term debt - net of current - operating borrowings															
353	Non-current liabilities - other		12,151													
354	Accrued compensated absences - non-current		41,402													
355-010	Loan Liability - Non-current - Not for Profit															
355-020	Loan Liability - Non-current - Partnership															
355-030	Loan Liability - Non-current - Joint Ventures															
355-040	Loan Liability - Non-current - Tax Credit															
355-050	Loan Liability - Non-current - Other															
	Other - Comment															
355	Loan liability - Non-current															
356	FASB 3 Liabilities															
357	Accrued Pension and OPEB liability															
350	Total Non-current liabilities		53,553	-	-	-	-	-	-	-	-	-	-	-	-	-
300	Total Liabilities	728,178	3,846,651	57,284	66,968	-	-	-	-	-	-	-	-	-	4,283	4,028,056
508.1	Invested in capital assets, net of related debt															
511.1	Restricted Net Assets	101,711	49,190													
512.1	Unrestricted Net Assets	790,931	785,151	235,428	77,897	369,252	361,169	31,663	11,991	21,217	91,134	103,035	212,241		633,750	633,750
513	Total Equity/Net Assets	892,642	12,868,772	235,428	77,897	369,252	361,169	31,663	11,991	21,217	91,134	103,035	212,241		####	(64,932)
															(710,801)	568,798
600	Total Liabilities and Equity/Net Assets	1,620,820	16,715,423	292,712	144,865	369,252	361,169	31,663	11,991	21,217	91,134	103,035	212,241		3,317,255	3,663,822

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Line Item #	DESCRIPTION	MR-SRO	NEW CONST	SR COMMUNITY	CONGREGATE HOUSING	SUMMER FEEDING	ROSS	DISASTER	VETERANS AFFAIRS	ARRA COMPETITIVE	ARRA FORMULA	HEALTHY HOMES	MTW	MTW-HCV	MTW-OPS	MTW-CFP	PROJECT TOTAL	
111	Cash - unrestricted																	27,785,906
112	Cash - restricted modernization & development				1,027								14,269,424					796,195
113	Cash - other restricted																	
114	Cash - tenant security deposits																	
115	Cash - restricted for payment of current liability																	
100	Total - Cash	-	-	-	1,027	-	-	-	-	-	-	-	14,269,424	-	-	-	-	28,582,101
121	Accounts Receivable - PHA Projects																	
122-010	Accounts Receivable - HUD other projects - Operating Subsidy																	
122-020	Accounts Receivable - HUD other projects - Capital																	
122-030	Accounts Receivable - HUD other projects - Other																	
122	Accounts Receivable - HUD and other programs	317,406			15,686		172,907			641,872		45,167	17,370,700					10,277,430
124	Accounts Receivable - other government																	
125-010	Accounts Receivable - miscellaneous - Not for Profit																	
125-020	Accounts Receivable - miscellaneous - Partnership																	
125-030	Accounts Receivable - miscellaneous - Joint Ventures																	
125-040	Accounts Receivable - miscellaneous - Tax credit																	
125-050	Accounts Receivable - miscellaneous - other																	
125	Accounts Receivable - Miscellaneous																	
126	Accounts receivable - Tenants dwellin rents												367,336					2,080,830
126.1	Allowance for doubtful accounts - dwelling rents																	723,760
126.2	Allowance for doubtful accounts - other																	(620,523)
127	Notes, Loans & mortgages rec - current																	
128	Fraud recovery																	
128.1	Allowance for doubtful accounts - other																	
129	Accrued interest receivable																	
120	Total receivables, net of allowance for doubtful	317,406	-	-	15,686	-	172,907	-	-	641,872	-	45,167	17,772,635	-	-	-	-	30,350
131	Investments - unrestricted																	
132	Investments - restricted																	
135	Investments - Restricted for payment of current												49,614,161					
142	Prepaid expense and other assets																	
143	Inventories																	12,964
143.1	Allowance for obsolete inventories																	1,846,266
144	Interprogram - due from	603,127	22,872		136			95,807					2,459,723					(175,506)
145	Assets held for sale																	53,853,145
150	Total Current Assets	920,533	22,872	-	16,849	-	172,907	95,807	-	641,872	-	45,167	84,115,943	-	-	-	-	96,610,817
161	Land																	
162	Buildings												144,462					23,501,740
163	Furniture & Equipment - dwellings												211,768,555					1,070,968,280
164	Furniture & Equipment - admin			8,139			116,475						962,381					167,469
165	Leasehold improvements												18,186,267					314,606
166	Accumulated depreciation			(8,139)			(93,691)						(93,807,994)					(731,385,916)
167	Construction in progress												68,375,282					78,748,147
168	Infrastructure																	
160	Total capital assets, net of accumulated depreciation	-	-	-	-	-	22,784	-	-	-	-	-	203,628,953	-	-	-	-	441,314,326

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Line Item #	DESCRIPTION	MR-SRO	NEW CONST	SR COMMUNITY	CONGREGATE HOUSING	SUMMER FEEDING	ROSS	DISASTER AFFAIRS	ARRA COMPETITIVE FORMULA	ARRA	HEALTHY HOMES	MTW	MTW- HCV	MTW-OPS	MTW-CFP	PROJECT TOTAL
171-010	Notes, Loans, & mortgages receivable - Non-current - Not For Profit															
171-020	Notes, Loans, & mortgages receivable - Non-current - Partnership															
171-030	Notes, Loans, & mortgages receivable - Non-current - Joint Venture															
171-040	Notes, Loans, & mortgages receivable - Non-current - Tax Credit															
171-050	Notes, Loans, & mortgages receivable - Non-current - Other															
171	Notes, Loans & mortgages receivable - Non-current															
172-010	Notes, Loans, & mortgages receivable - non-current Not for Profit															
172-020	Notes, Loans, & mortgages receivable - non-current Partnership															
172-030	Notes, Loans, & mortgages receivable - non-current Joint Ventures															
172-040	Notes, Loans, & mortgages receivable - non-current Tax Credit															
172-050	Notes, Loans, & mortgages receivable - non-current other															
172	Notes, Loans & mortgages receivable - non-current															
173	Grants Receivable - non-current															
174-010	Other Assets - Not for Profit															
174-020	Other Assets - Partnership															
174-030	Other Assets - Joint Venture															
174-040	Other Assets - Tax Credit															
174-050	Other Assets - Other															
174	Other Assets															
176-010	Investment in Joint Venture - Not for Profit															
176-020	Investment in Joint Venture - Partnership															
176-030	Investment in Joint Venture - Joint Ventures															
176-040	Investment in Joint Venture - Tax Credit															
176-050	Investment in Joint Venture - Other															
176	Investment in Joint Venture															
180	Total Non-Current Assets															
190	Total Assets	920,533	22,872		16,849		195,691	95,807	641,872		45,167	287,745,726	830			500
311	Bank Overdraft															
312	Accounts Payable <90 days															
313	Accounts payable > 90 days past due															
321	Accrued wages/payroll taxes payable															
322	Accrued compensated absences - current portion															
324	Accrued contingency liability															
325	Accrued interest payable															
331-010	Accounts payable - HUD PHA programs - Operating subsidy															
331-020	Accounts payable - HUD PHA programs - Capital Fund															
331-030	Accounts payable - HUD PHA programs - Other															
331	Accounts payable - PHA projects															
332	Accounts payable - other government															
333	Tenant security deposits															
341	Deferred Revenues - Operating Subsidy															
342-010	Deferred Revenues - Capital Fund															
342-020	Deferred Revenues - Capital Fund															
342	Deferred Revenues - Other															
343-010	CFPP															
343-020	Capital Projects - mortgage Revenues	73,961										55,188				275,749



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Line Item #	DESCRIPTION	MR-SRO	NEW CONST	SR COMMUNITY	CONGREGATE HOUSING	SUMMER FEEDING	ROSS	DISASTER AFFAIRS	ARRA COMPETITIVE	ARRA FORMULA	HEALTHY HOMES	MTW	MTW- HCV	MTW-OPS	MTW-CFP	PROJECT TOTAL
343	Current portion of long-term debt - capital projects															
344	Current portion of long-term debt - operating															
345	Other current liabilities															
346	Accrued liabilities - other								260,722			4,051,908				3,664,818
347	Inter program - due to											7,784,171				14,857,747
348-010	Loan Liability - current - Not for Profit															
348-020	Loan Liability - current - Partnership															
348-030	Loan Liability - current - Joint Ventures															
348-040	Loan Liability - current - Tax Credit															
348-050	Loan Liability - current - Other															
348	Other - Comment															
348	Loan liability - current															
310	Total Current Liabilities	73,961	*	-	16,849	-	172,907	(574,884)	641,872	-	45,167	31,783,952	-	-	-	70,279,980
351-010	Long Term Debt - CFFP															
351-020	Long Term Debt - Capital Projects/Mortgage Revenue															
351	Capital Projects/Mortgage Revenue Bonds															
352	Long Term debt, net of current - operating borrowings															
353	Non-current liabilities - other															
354	Accrued compensated absences - non-current															
355-010	Loan Liability - Non-current - Not for Profit															
355-020	Loan Liability - Non-current - Partnership															
355-030	Loan Liability - Non-current - Joint Ventures															
355-040	Loan Liability - Non-current - Tax Credit															
355-050	Loan Liability - Non-current - Other															
355	Other - Comment															
355	Loan Liability - Non-current															
356	FASB 5 Liabilities															
357	Accrued Pension and OPEB Liability															
350	Total Non-current liabilities		-	-	-	-	-	-	-	-	-	8,453,110	-	-	-	6,497,939
300	Total Liabilities	73,961	-	-	16,849	-	172,907	(574,884)	641,872	-	45,167	40,237,062	-	-	-	8,497,433
508-1	Invested in capital assets, net of related debt															
511-1	Restricted Net Assets						22,784					203,628,953				442,314,326
512-1	Unrestricted Net Assets	846,572	22,872					95,807								17,937,884
513	Total Equity/Net Assets	846,572	22,872	-	-	-	22,784	95,807				43,879,711				17,937,884
				-	-	-	22,784	95,807				247,508,664				460,252,210
600	Total Liabilities and Equity/Net Assets	920,533	22,872	-	16,849	-	195,691	95,807	641,872	-	45,167	287,745,726	-	-	-	538,925,643

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Line Item #	DESCRIPTION	(Funds 2,4,40 & 41) OTHER BUSINESS ACTIVITIES	(Funds 690,696 & 697) LONG TERM NOTES RECEIVABLE	(fund 901) DEBT SERVICE FUND	(Fund 902) GENERAL PURPOSE BOND PROCEEDS	BLENDED COMPONENT UNITS	TOTAL BUSINESS ACTIVITIES	Elimination	PRIM GOV TOTAL	DISCRETE COMPONENT UNITS	TOTAL
111	Cash - unrestricted	5,745,393		141,043		13,603,331	19,489,767		65,029,343	5,537,107	70,566,450
112	Cash - restricted modernization & development					192,068	192,068		192,068	12,464,940	12,657,008
113	Cash - other restricted	24,276		28,082	5,172	57,530	57,530		28,694,197	28,751,727	28,751,727
114	Cash - Tenant security deposits	-				43,987	43,987		840,182	565,422	1,405,604
115	Cash - restricted for payment of current liability					-	-		-	-	-
100	Total - Cash	5,769,669	-	169,125	5,172	13,839,386	19,783,352	-	66,119,123	47,261,666	113,380,789
121	Accounts Receivable - PHA Projects										
122-010	Accounts Receivable - HUD other projects - Operating Subsidy										
122-020	Accounts Receivable - HUD other projects - Capital										
122-030	Accounts Receivable - HUD other projects - Other										
122	Accounts Receivable - HUD and other programs										
124	Accounts Receivable - other government										
125-010	Accounts Receivable - miscellaneous - Net for Profits										
125-020	Accounts Receivable - miscellaneous - Partnership										
125-030	Accounts Receivable - miscellaneous - Joint Ventures										
125-040	Accounts Receivable - miscellaneous - Tax credit										
125-050	Accounts Receivable - miscellaneous - other										
125	Accounts Receivable - miscellaneous - other - comment										
126	Accounts Receivable - Tenant dwellin rents	687,781				9,959,090	10,641,871		13,090,037	2,702,851	15,792,888
126.1	Allowance for doubtful accounts - dwelling rents	11,926				10,117	22,043		745,803	633,532	1,379,335
126.2	Allowance for doubtful accounts - other	(2,887)				(948,611)	(951,498)		(1,572,021)	(372,702)	(1,944,723)
127	Notes Loans & mortgages rec - current									(18,630)	(18,630)
128	Fraud recovery										
128.1	Allowance for doubtful accounts - other										
129	Accrued interest receivable					232,033	232,033		556,947		556,947
120	Total receivables, net of allowance for doubtful	691,820	-	-	-	9,232,639	9,944,449	-	43,848,570	2,966,362	46,814,932
131	Investments - unrestricted					52,327,550	52,327,550		104,068,631	-	104,068,631
132	Investments - restricted					2,807,624	2,807,624		15,416,939	-	15,416,939
135	Investments - Restricted for payment of current										
142	Prepaid expenses and other assets					4,311	4,311		17,275	598,111	615,386
143	Inventories								1,846,266		1,846,266
143.1	Allowance for obsolete inventories								(175,506)		(175,506)
144	Interprogram - due from										
145	Assets held for sale										
150	Total Current Assets	6,461,489	-	169,125	5,172	78,231,500	84,867,286	(58,876,881)	231,141,298	50,823,139	281,964,437
161	Land										
162	Buildings										
163	Furniture & Equipment - dwellings	4,424,803		47,334,119	923,148		52,682,070		23,646,202	598,982,870	35,646,202
164	Furniture & Equipment - admin								1,335,418,005		1,335,418,005
165	Leasehold improvements	22,677				67,998	90,675		1,131,169	3,653,049	4,784,218
166	Accumulated depreciation	(8,783)		(15,546,520)	(70,788)	(62,493)	(15,688,384)		19,594,620	727,297	20,121,917
167	Construction in progress	687,563	17,194				704,697		(843,513,200)	(109,208,013)	(932,721,213)
168	Infrastructure								148,461,876	14,637,774	163,099,650
160	Total capital assets, net of accumulated depreciation	5,126,200	17,194	31,787,599	852,360	5,505	37,788,838	-	684,539,572	508,792,977	1,193,332,549

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Line Item #	DESCRIPTION	(Funds 2,4,40 & 41) OTHER BUSINESS ACTIVITIES	(Funds 690,696 & 697) LONG TERM NOTES RECEIVABLE	(Fund 901) DEBT SERVICE FUND	(Fund 902) GENERAL PURPOSE BOND PROCEEDS	BLENDING COMPONENT UNITS	TOTAL BUSINESS ACTIVITIES	Elimination	PRIM GOV TOTAL	DISCRETE COMPONENT UNITS	TOTAL
171-010	Notes, Loans, & mortgages receivable - Non-current - Not For Profit										
171-020	Notes, Loans, & mortgages receivable - Non-current - Partnership										
171-030	Notes, Loans, & mortgages receivable - Non-current - Joint Venture										
171-040	Notes, Loans, & mortgages receivable - Non-current - Tax Credit										
171-050	Notes, Loans, & mortgages receivable - Non-current - Other										
171	Other - Comment										
172-010	Notes Loans, & mortgages receivable - Non-current										
172-020	Notes Loans, & mortgages receivable - non-current Not for Profit		331,018,608				331,018,608				331,018,608
172-030	Notes Loans, & mortgages receivable - non-current Partnership										
172-040	Notes Loans, & mortgages receivable - non-current Joint Ventures										
172-050	Notes Loans, & mortgages receivable - non-current Tax Credit										
172	Other - Comment										
173	Notes, Loans & mortgages receivable - Non-current										
174-010	Grants Receivable - non-current										
174-020	Other Assets - Not for Profit										
174-030	Other Assets - Partnership										
174-040	Other Assets - Joint Venture										
174-050	Other Assets - Tax Credit										
174	Other Assets - Other										
174	Other - Comment										
176-010	Investment in Joint Venture - Not for Profit	88,012					88,012				
176-020	Investment in Joint Venture - Partnership										
176-030	Investment in Joint Venture - Joint Ventures										
176-040	Investment in Joint Venture - Tax Credit										
176-050	Investment in Joint Venture - Other										
176	Other - Comment										
176	Investment in Joint Venture		9,443,146				9,443,146				
180	Total Non-Current Assets	\$2,14,212	340,478,948	31,787,599	852,360	10,593	378,343,712		9,444,476	2,531,706	11,976,182
190	Total Assets	11,675,701	340,478,948	31,956,724	857,512	78,242,093	463,210,998	(58,876,881)	1,256,237,054	366,193,209	1,822,370,263
311	Bank Overdraft										
312	Accounts Payable <90 days	216,388	17,194			10,110	243,692		16,386,674	1,740,150	18,126,824
313	Accounts payable > 90 days past due										
321	Accrued wages/payroll taxes Payable					7,317	7,317		655,687		655,687
322	Accrued compensated absences - current portion					44,424	44,424		3,154,081		3,154,081
324	Accrued emergency liability										
325	Accrued interest payable										
331-010	Accounts payable - HUD PHA programs - Operating subsidy										
331-020	Accounts payable - HUD PHA programs - Capital Fund										
331-030	Accounts payable - HUD PHA programs - Other										
331	Accounts payable - HUD PHA programs										
332	Accounts payable - PHA projects										
333	Accounts payable - other government										
341	Tenant Security deposits										
342-010	Deferred Revenues - Operating Subsidy										
342-020	Deferred Revenues - Capital Fund										
342-030	Deferred Revenues - Other										
342	Deferred Revenues										
343-010	CFPP	361,909					361,909		1,398,038	81,080	1,479,138
343-020	Capital Projects - mortgage Revenue										

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Line Item #	DESCRIPTION	(Funds 2,4,40 & 841) OTHER BUSINESS ACTIVITIES	(Funds 690,696 & 697) LONG TERM NOTES RECEIVABLE	(Fund 901) DEBT SERVICE FUND	(Fund 902) GENERAL PURPOSE BOND PROCEEDS	BLENDDED COMPONENT UNITS	TOTAL BUSINESS ACTIVITIES	Elimination	PRIM GOV TOTAL	DISCRETE COMPONENT UNITS	TOTAL
343	Current portion of long-term debt - capital projects	-	-	4,215,000	-	-	4,215,000	-	4,215,000	3,255,753	7,470,753
344	Current portion of long-term debt - operating	-	-	-	-	-	-	-	-	-	-
345	Other current liabilities	127,351	-	-	-	833,677	961,028	-	9,130,090	31,162,899	40,292,989
346	Accrued liabilities - other	-	-	-	-	34,500	34,500	-	22,761,565	2,246,917	25,008,482
347	Inter program - due to	639,099	-	371	-	-	639,470	58,876,881	-	-	-
348-010	Loan Liability - current - Not for Profit	-	-	-	-	-	-	-	-	-	-
348-020	Loan Liability - current - Partnership	-	-	-	-	-	-	-	-	-	-
348-030	Loan Liability - current - Joint Ventures	-	-	-	-	-	-	-	-	-	-
348-040	Loan Liability - current - tax credit	-	-	-	-	-	-	-	-	-	-
348-050	Loan Liability - current - Other	-	-	-	-	-	-	-	-	-	-
348	Other - Commitment	-	-	-	-	-	-	-	-	-	-
348	Loan liability - current	-	-	-	-	-	-	-	-	-	-
310	Total Current Liabilities	1,344,747	17,194	5,107,082	174,167	981,972	7,625,112	58,876,881	59,861,619	39,033,091	98,915,610
351-010	Long Term Debt - CFFP	-	-	-	-	-	-	-	-	-	-
351-020	Long Term Debt - Capital Projects/Mortgage Revenue	-	-	-	-	-	-	-	-	-	-
351	Capital Projects/Mortgage Revenue Bonds	-	-	49,293,049	11,000,000	-	60,293,049	-	60,293,049	362,842,352	423,135,401
352	Long Term debt, net of current - operating borrowings	-	-	-	-	-	-	-	-	-	-
353	Non-current liabilities - other	-	-	-	-	-	-	-	8,329,073	32,242,672	40,571,745
354	Accrued compensated absences - non-current	-	-	-	-	-	-	-	2,102,720	-	2,102,720
355-010	Loan Liability - Non-current - Not for Profit	-	-	-	-	29,616	29,616	-	-	-	-
355-020	Loan Liability - Non-current - Partnership	-	-	-	-	-	-	-	-	-	-
355-030	Loan Liability - Non-current - Joint Ventures	-	-	-	-	-	-	-	-	-	-
355-040	Loan Liability - Non-current - Tax Credit	-	-	-	-	-	-	-	-	-	-
355-050	Loan Liability - Non-current - Other	-	-	-	-	-	-	-	-	-	-
355	Other - Commitment	-	-	-	-	-	-	-	-	-	-
355	Loan Liability - Non-current	-	-	-	-	-	-	-	-	-	-
356	FASB 5 Liabilities	-	-	-	-	-	-	-	6,497,939	-	6,497,939
357	Accrued Pension and OPEB liability	-	-	-	-	-	-	-	77,222,781	395,367,024	472,589,805
350	Total Non-current liabilities	-	-	49,293,049	11,000,000	29,616	60,322,665	-	-	-	-
300	Total Liabilities	1,344,747	17,194	54,400,131	11,174,167	1,011,538	67,947,777	58,876,881	137,084,400	434,421,015	571,505,415
508,1	Invested in capital assets, net of related debt	5,126,209	17,194	(21,720,450)	(10,147,640)	5,505	(26,719,191)	-	620,031,523	142,694,872	762,726,395
511,1	Restricted Net Assets	-	-	-	-	-	-	-	12,609,315	-	12,609,315
512,1	Unrestricted Net Assets	5,204,754	340,444,560	(722,957)	(168,995)	77,225,050	421,982,412	-	486,511,816	(10,982,676)	475,529,140
513	Total Equity/Net Assets	10,330,954	340,461,754	(22,443,407)	(10,316,635)	77,230,555	399,263,221	-	1,119,152,654	131,712,196	1,250,864,850
600	Total Liabilities and Equity/Net Assets	11,675,701	340,478,948	31,956,724	857,532	78,242,093	465,210,998	58,876,881	1,256,237,054	566,133,209	1,822,370,263

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	DESCRIPTION	State & Local	Housing Choice vouchers	Mainstream	MOD REHAB 1	MOD REHAB 2	MOD REHAB 3	MOD REHAB 4	MOD REHAB 5	MOD REHAB 6	MOD REHAB 7	MOD REHAB 8	MOD REHAB 9	MOD REHAB 10	MOD REHAB ADMIN FEES	TOTAL MOD REHAB
	Revenue:															
70300	Net tenant rental revenue															
70400	Tenant revenue - other															
70500	Total tenant revenue															
70600-010	Housing Assistance Paymentst															
70600-020	Ongoing administrative fees earned															
70600-030	Hard to house fee revenue															
70600-031	FSS coordinator															
70600-040	Actual independent public accountant audit costs															
70600-050	Total preliminary fee earned															
70600-060	Interest earned on advances															
70600-070	Admin fee calculation description															
70600	HUD PHA operating grants		7,480,357	290,040	367,986	496,436	476,204				94,185	236,262	238,895			1,909,968
70610	Capital Grants															
708	Other government grants															
71100-010	Housing Assistance Payment	560,760														
71100-020	Administrative Fee															
71100	Investment income - unrestricted															
71200	Mortgage interest income															
71300	Proceeds from disposition of assets held for sale															
71310	Cost of sale of assets															
71400-010	Housing assistance payment															
71400-020	Administrative fee															
71400	Fraud recovery		3,010													
71500	Other revenue		341,864													
71600	Gain or loss on the sale of fixed assets															
72000-010	Housing Assistance Payments															
72000-020	Administrative Fee															
720	Investment income - restricted															
700	TOTAL REVENUE	560,760	7,825,231	290,040	367,986	496,436	476,204	-	-	-	94,185	236,262	238,895	219,721	-	2,129,689
91100	Administrative salaries															
91200	Auditing fees	27,582	693,587	29,434	28,571	45,923	40,258				6,494	14,285	50,383			185,914
91300	Management Fee															
91310	Bookkeeping Fee															
91400	Advertising and Marketing															
91500	Employee benefit contributions - administrative	7,836	394,578	18,113	17,582	28,259	24,774				3,996	8,791	31,004			114,406
91600	Office Expenses	3,000														
91700	Legal Expenses															
91800	Travel															
91810	Allocated Overhead															
91900	Other	212,021	40,612													
91000	Total Operating Administrative	250,439	1,128,777	47,547	46,153	74,182	65,032	-	-	-	10,490	23,076	81,387	219,436	-	519,756
92000	Asset Management Fee															
92100	Tenant services - salaries															
92200	Relocation costs															
92300	Employee benefit contributions- tenant services															
92400	Tenant services- other	5,720														
92500	Total tenant Services	5,720	-	-	-	-	-	-	-	-	-	-	-	-	-	-

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	DESCRIPTION	State & Local	Housing Choice vouchers	Mainstream	MOD REHAB 1	MOD REHAB 2	MOD REHAB 3	MOD REHAB 4	MOD REHAB 5	MOD REHAB 6	MOD REHAB 7	MOD REHAB 8	MOD REHAB 9	MOD REHAB 10	MOD REHAB ADMIN FEES	TOTAL MOD REHAB
93100	Water	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
93200	Electricity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
93300	Gas	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
93400	Fuel	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
93500	Labor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
93600	Sewer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
93700	Employee benefit contributions- utilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
93800	Other utilities expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
93900	Total Utilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
94100	Ordinary maintenance and operations - labor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
94200	Ordinary maintenance and operations - materials & other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
94300-010	Garbage and trash removal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
94300-020	Heating & cooling contracts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
94300-030	Snow removal contracts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
94300-040	Elevator maintenance contracts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
94300-050	Landscape & grounds contracts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
94300-060	Unit turnaround contracts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
94300-070	Electrical contracts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
94300-080	Plumbing contracts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
94300-090	Exterminator contracts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
94300-100	Janitorial contracts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
94300-110	Routine maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
94300-120	Miscellaneous contracts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
943	Ordinary maintenance and operations contracts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
94500	Employee benefit contributions- ordinary maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
94000	Total maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
95100	Protective services - labor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
95200	Protective services- other contract costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
95300	Protective services - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
95500	Employee benefit contributions- protective services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
95000	Total Protective Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
96110	Property Insurance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
96120	Liability Insurance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
96130	Workmen's Compensation	183	14,786	820	796	1,279	1,121	-	-	-	181	398	1,403	-	-	5,178
96140	All Other Insurance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
96100	Insurance premiums	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
96200	Total Insurance	183	14,786	820	796	1,279	1,121	-	-	-	181	398	1,403	-	-	5,178
96210	Other General Expenses	1,635	59,767	537	-	-	21,307	-	-	-	-	-	-	-	-	21,307
96300	Compensated Absences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
96400	Payments in lieu of taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
96500	Bad debt - tenant rents	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
96600	Bad debt- mortgages	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
96700	Bad debt - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
96800	Severance expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
96900	Total Other General Expenses	1,818	76,207	1,360	799	1,283	1,125	4	4	-	181	399	1,408	-	-	26,502
96710	Interest of Mortgage (or Bonds) Payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
96720	Interest on Notes Payable (Short and Long Term)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
96730	Amortization of Bond Issue Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
96700	Interest Expense and Amortization Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
96900	TOTAL OPERATING EXPENSES	257,977	1,204,984	48,907	46,952	75,465	66,157	21,307	-	-	10,671	23,475	82,795	219,436	-	546,258



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	DESCRIPTION	MR -SRO	NEW CONST	CONGREGA TE HOUSING	SUMMER FEEDING	ROSS	DISASTER	VETERANS AFFAIRS	ARRA COMP	ARRA FORMULA	HEALTHY HOMES	MTW
	Revenue:											
70300	Net tenant rental revenue											
70400	Tenant revenue - other											
70500	Total tenant revenue											
70600-010	Housing Assistance Payment											
70600-020	Ongoing administrative fees earned											
70600-030	Hard to house fee revenue											
70600-031	FSS coordinator											
70600-040	Actual independent public accountant audit costs											
70600-050	Total preliminary fee earned											
70600-060	Interest earned on advances											
70600-070	Admin fee calculation description											
70600	HUD PHA operating grants	1,862,851		98,190		588,267		1,030,079	2,970,355	113,875	346,979	
70610	Capital Grants								9,184,741	9,905,202		
708	Other government grants											
71100-010	Housing Assistance Payment											
71100-020	Administrative Fee											
71100	Investment income - unrestricted											
71200	Mortgage interest income											
71300	Proceeds from disposition of assets held for sale											
71310	Cost of sale of assets											
71400-010	Housing assistance payment											
71400-020	Administrative fee											
71400	Fraud recovery											
71500	Other revenue			30,479								
71600	Gain or loss on the sale of fixed assets											
72000-010	Housing Assistance Payments											
72000-020	Administrative Fee											
720	Investment income - restricted											
700	TOTAL REVENUE	1,862,851	-	128,669	363,019	588,267	-	1,030,079	12,155,096	10,019,077	346,979	74,090
91100	Administrative salaries										185,657	9,759,305
91200	Auditing fees	229,333				202,257					50,645	
91300	Management Fee											
91310	Bookkeeping Fee											
91400	Advertising and Marketing											
91500	Employee benefit contributions - administrative	141,122				32,924					1,015	6,234,944
91600	Office Expenses					970						1,295,599
91700	Legal Expenses											
91800	Travel										4,399	61,902
91810	Allocated Overhead											
91900	Other					67,175			600,000		122,726	10,142,793
91000	Total Operating Administrative	370,455	-	-	1,436	303,326	-	-	600,000	-	313,797	27,545,188
92000	Asset Management Fee											
92100	Tenant services - salaries			26,730	98,707	192,556						729,247
92200	Relocation costs											26,619
92300	Employee benefit contributions- tenant services			6,015		46,672						465,895
92400	Tenant services - other			103,324	262,876	44,641					1,860	74,292
92500	Total tenant Services	-	-	136,069	361,583	283,869	-	-	-	-	1,860	1,296,053



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	DESCRIPTION	MR -SRO	NEW CONST	CONGREGA TE HOUSING	SUMMER FEEDING	ROSS	DISASTER	VETERANS AFFAIRS	ARRA COMP	ARRA FORMULA	HEALTHY HOMES	MTW
93100	Water											14,319
93200	Electricity											157,328
93300	Gas											5,327
93400	Fuel											
93500	Labor											
93600	Sewer											
93700	Employee benefit contributions- utilities											
93800	Other utilities expense											
93000	Total Utilities	-	-	-	-	-	-	-	-	-	-	176,974
94100	Ordinary maintenance and operations - labor											
94200	Ordinary maintenance and operations - materials & other										27,837	597,510
94300-010	Garbage and trash removal										3,485	87,166
94300-020	Heating & cooling contracts											9,860
94300-030	Snow removal contracts											26,645
94300-040	Elevator maintenance contracts											25,298
94300-050	Landscape & grounds contracts											50,993
94300-060	Unit turnaround contracts											
94300-070	Electrical contracts											
94300-080	Plumbing contracts											
94300-090	Exterminator contracts											605
94300-100	Janitorial contracts											28,775
94300-110	Routine maintenance											55,370
94300-120	Miscellaneous contracts											
943	Ordinary maintenance and operations contracts											197,546
94500	Employee benefit contributions- ordinary maintenance											381,732
94000	Total maintenance	-	-	-	-	-	-	-	-	31,322	-	1,263,954
95100	Protective services - labor											851,300
95200	Protective services- other contract costs											432,379
95300	Protective services - other											
95500	Employee benefit contributions- protective services											543,872
95000	Total Protective Services	-	-	-	-	-	-	-	-	-	-	1,827,551
96110	Property Insurance											
96120	Liability Insurance											
96130	Workmen's Compensation	6,385		256		1,711						275
96140	All Other Insurance											414,880
96100	Insurance premiums											26,561
	Total Insurance	6,385	-	256	-	1,711	-	-	-	-	-	441,716
96200	Other General Expenses											413,672
96210	Compensated Absences							6,753				
96300	Payments in lieu of taxes											
96400	Bad debt - tenant rents											
96500	Bad debt- mortgages											
96600	Bad debt - other											
96800	Severance expense	22										146,611
96000	Total Other General Expenses	6,407	-	256	-	1,711	-	6,753	-	-	-	1,001,999
96710	Interest of Mortgage (or Bonds) Payable											
96720	Interest on Notes Payable (Short and Long Term)											
96730	Amortization of Bond Issue Costs											
96700	Interest Expense and Amortization Costs											
96900	TOTAL OPERATING EXPENSES	376,862	-	136,325	363,019	588,906	-	6,753	600,000	-	346,979	33,111,719

PHILADELPHIA HOUSING AUTHORITY  
MARCH 31, 2012  
FINANCIAL DATA SCHEDULE

	DESCRIPTION	MR -SRO	NEW CONST	CONGREGA TE HOUSING	SUMMER FEEDING	ROSS	DISASTER	VETERANS AFFAIRS	ARRA COMP	ARRA FORMULA	HEALTHY HOMES	MTW
97000	EXCESS REVENUE OVER OPERATING EXPENSES	1,483,989	-	(7,656)	-	(639)	-	1,023,326	11,555,096	10,019,077	-	(33,037,629)
97100	Extraordinary maintenance											
97200	Casualty losses - non-capitalized								-	113,875		3,599,905
97300-010	Mainstream 1 & 5 year											
97300-020	Home-Ownership											
97300-025	Litigation											
97300-030	Hope IV											
97300-035	Moving to Work											
97300-040	Tenant Protection											
97300-050	All other											
97300	Housing assistance payments	1,569,856						1,697,483				112,706,263
97350	HAP Portability-In											
97400	Depreciation expense					21,539						1,981,075
97500	Fraud losses											
97800	Dwelling units rent expense											
90000	TOTAL EXPENSES	1,946,718	-	136,325	363,019	610,445	-	1,704,236	600,000	113,875	346,979	151,398,962
10010	Operating transfers in											
10020	Operating transfers out											
10030-010	Not for Profit								(8,014,173)			369,111,793
10030-020	Partnership											(14,725,925)
10030-030	Joint Venture											
10030-040	Tax Credit											
10030-050	All Other											
10030	Other Comment											
10030	Operating transfers from/to primary government											
10040	Operating transfers from/to component units											
10070	Extraordinary items (net gain/loss)											
10080	Special items (net gain/loss)											
10091	Inter AMP Excess Cash Transfer IN											
10092	Inter AMP Excess Cash Transfer Out											
10093	Transfers between programs and projects - in											
10094	Transfers between programs and projects - out											
10100	TOTAL OTHER FINANCING SOURCES (USES)								(8,014,173)			(198,548,283)
10000	EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENSE	(83,867)	-	(7,656)	-	(22,178)	-	(674,137)	3,540,923	9,905,202	-	4,512,713
11020												
11030	Beginning equity	930,439	22,872	7,656	-	44,962	95,807	1,249,041	-	-	-	242,995,952
11040-010	HUD Adjustments to prior year settlements											
11040-020	Reconcile PHA equity to entity's audited equity								(5,643,818)			

PHILADELPHIA HOUSING AUTHORITY  
MARCH 31, 2012  
FINANCIAL DATA SCHEDULE

	DESCRIPTION	MTW-HCV	MTW-OPS	MTW-CFP	PROJECT TOTAL	(Funds 2,4,40 & 41) OTHER BUSINESS ACTIVITIES	(Funds 690,696 & 697) LONG TERM NOTES RECEIVABLE	(fund 901) DEBT SERVICE FUND	(Fund 902) GENERAL PURPOSE BOND PROCEEDS	BLENDED COMPONENT UNITS	TOTAL BUSINESS ACTIVITIES	Elimination
	Revenue:											
70300	Net tenant rental revenue				23,170,454	135,229					135,229	-
70400	Tenant revenue - other				435,116							-
70500	Total tenant revenue				23,605,570	135,229					135,229	-
70600-010	Housing Assistance Paymentst											-
70600-020	Ongoing administrative fees earned											-
70600-030	Hard to house fee revenue											-
70600-031	FSS coordinator											-
70600-040	Actual independent public accountant audit costs											-
70600-050	Total preliminary fee earned											-
70600-060	Interest earned on advances											-
70600-070	Admin fee calculation description											-
70600	HUD PHA operating grants	184,563,302	113,495,919	48,273,244								-
70610	Capital Grants			23,421,963								-
708	Other government grants											-
71100-010	Housing Assistance Payment											-
71100-020	Administrative Fee											-
71100	Investment income - unrestricted					(1,151)	5,037,154	16		43,063	41,930	-
71200	Mortgage interest income										5,037,154	-
71300	Proceeds from disposition of assets held for sale											-
71310	Cost of sale of assets											-
71400-010	Housing assistance payment											-
71400-020	Administrative fee											-
71400	Fraud recovery				9,530							-
71500	Other revenue				6,859,695					8,508,054	8,855,196	-
71600	Gain or loss on the sale of fixed assets				2,976,393							-
72000-010	Housing Assistance Payments											-
72000-020	Administrative Fee											-
720	Investment income - restricted											-
700	TOTAL REVENUE	184,563,302	113,495,919	71,693,207	33,451,188	481,220	5,037,154	16	-	29,459	14,098,968	-
91100	Administrative salaries				20,152,825					613,852	613,852	-
91200	Auditing fees				147,534					161,613	161,613	-
91300	Management Fee											-
91310	Bookkeeping Fee				199,233							-
91400	Advertising and Marketing				13,183,052					265,160	265,160	-
91500	Employee benefit contributions - administrative				6,037,622					55,809	55,809	-
91600	Office Expenses				2,293,410	575,883				27,619	603,502	-
91700	Legal Expenses				223,707					2,791	2,791	-
91800	Travel											-
91810	Allocated Overhead											-
91900	Other				4,259,093	(209,706)				291,992	82,286	-
91000	Total Operating Administrative	-	-	-	46,496,476	366,177	-	-	-	1,418,836	1,785,013	-
92000	Asset Management Fee											-
92100	Tenant services - salaries				141,326							-
92200	Relocation costs				599,786					335,527	335,527	-
92300	Employee benefit contributions- tenant services				90,875							-
92400	Tenant services - other				514,614					125,993	125,993	-
92500	Total tenant Services	-	-	-	1,346,601	-	-	-	-	461,520	461,520	-

PHILADELPHIA HOUSING AUTHORITY  
MARCH 31, 2012  
FINANCIAL DATA SCHEDULE

	DESCRIPTION	MTW-HCV	MTW-OPS	MTW-CFP	PROJECT TOTAL	(Funds 2,4,40 &41) OTHER BUSINESS ACTIVITIES	(Funds 690,696 & 697) LONG TERM NOTES RECEIVABLE	(fund 901) DEBT SERVICE FUND	(Fund 902) GENERAL PURPOSE BOND PROCEEDS	BLENDED COMPONENT UNITS	TOTAL BUSINESS ACTIVITIES	Elimination
93100	Water				10,870,541	1,296					1,296	
93200	Electricity				6,210,447							
93300	Gas				7,941,993							
93400	Fuel				99,231							
93500	Labor				46,676							
93600	Sewer											
93700	Employee benefit contributions- utilities				27,771							
93800	Other utilities expense				19,140							
93000	Total Utilities	-	-	-	25,215,799	1,296					1,296	
94100	Ordinary maintenance and operations - labor											
94200	Ordinary maintenance and operations - materials & other				31,766,019							
94300-010	Garbage and trash removal				6,091,699					9,542	9,542	
94300-020	Heating & cooling contracts											
94300-030	Snow removal contracts											
94300-040	Elevator maintenance contracts											
94300-050	Landscape & grounds contracts											
94300-060	Unit turnaround contracts											
94300-070	Electrical contracts											
94300-080	Plumbing contracts											
94300-090	Exterminator contracts											
94300-100	Janitorial contracts											
94300-110	Routine maintenance											
94300-120	Miscellaneous contracts											
943	Ordinary maintenance and operations contracts				5,978,100							
94500	Employee benefit contributions- ordinary maintenance				5,978,100					3,500	3,500	
94000	Total maintenance	-	-	-	20,249,417							
					64,085,235					13,042	13,042	
95100	Protective services - labor				1,403,693							
95200	Protective services- other contract costs				4,406,624							
95300	Protective services - other				10,754							
95500	Employee benefit contributions- protective services				901,307							
95000	Total Protective Services	-	-	-	6,722,378							
96110	Property Insurance				9,211,047							
96120	Liability Insurance				531,711					15,426	15,426	
96130	Workmen's Compensation				4,803,032					1,348	1,348	
96140	All Other Insurance				64,676							
96100	Insurance premiums											
	Total Insurance	-	-	-	14,610,466							
96200	Other General Expenses				20,449,763					16,774	16,774	
96210	Compensated Absences									32,725	32,725	
96300	Payments in lieu of taxes											
96400	Bad debt - tenant rents				619,816							
96500	Bad debt - mortgages											
96600	Bad debt - other									696,306	696,306	
96800	Severance expense				810,163							
96000	Total Other General Expenses	-	-	-	36,490,208							
96710	Interest of Mortgage (or Bonds) Payable									745,805	745,805	
96720	Interest on Notes Payable (Short and Long Term)				3,637,052			751,621	174,167	28,490	954,278	
96730	Amortization of Bond Issue Costs											
96700	Interest Expense and Amortization Costs											
96900	TOTAL OPERATING EXPENSES	-	-	-	183,993,749	367,473		751,621	174,167	2,667,693	3,960,954	

PHILADELPHIA HOUSING AUTHORITY  
MARCH 31, 2012  
FINANCIAL DATA SCHEDULE

	DESCRIPTION	MTW-HCV	MTW-OPS	MTW-CPP	PROJECT TOTAL	(Funds 2,440 & 41) OTHER BUSINESS ACTIVITIES	(Funds 690,696 & 697) LONG TERM NOTES RECEIVABLE	(fund 901) DEBT SERVICE FUND	(Fund 902) GENERAL PURPOSE BOND PROCEEDS	BLENDDED COMPONENT UNITS	TOTAL BUSINESS ACTIVITIES	Elimination
97000	EXCESS REVENUE OVER OPERATING EXPENSES	184,563,302	113,495,919	71,695,207	(150,542,561)	113,747	5,037,154	(751,605)	(174,167)	5,912,885	10,138,014	-
97100	Extraordinary maintenance											
97200	Casualty losses - non-capitalized				1,615,902	117,662				764	118,426	
97300-010	Mainstream 1 & 5 year											
97300-020	Home-Ownership											
97300-025	Litigation											
97300-030	Hope IV											
97300-035	Moving to Work											
97300-040	Tenant Protection											
97300-050	All other											
97300	Housing assistance payments											
97350	HAP Portability-In											
97400	Depreciation expense					5,004		2,297,513	23,078	6,566	2,332,161	
97500	Fraud losses				44,821,499							
97800	Dwelling units rent expense											
90000	TOTAL EXPENSES	-	-	-	230,431,150	490,139	-	3,049,134	197,245	2,675,023	6,411,541	-
10010	Operating transfers in											
10020	Operating transfers out				7,864,194		23,687,707				23,687,707	
10030-010	Not for Profit	(184,563,302)	(113,495,919)	(71,695,207)	(7,221,351)							
10030-020	Partnership											
10030-030	Joint Venture											
10030-040	Tax Credit											
10030-050	All Other											
	Other Comment											
10030	Operating transfers from/to primary government											
10040	Operating transfers from/to component units				21,913	373,856	111,083			3,690	488,629	
10070	Extraordinary Items (net gain/loss)											
10080	Special Items (net gain/loss)											
10091	Inter AMP Excess Cash Transfer IN									6,204,503	6,204,503	
10092	Inter AMP Excess Cash Transfer Out				198,518,283		23,553,293	5,000,777	174,167		28,728,237	
10093	Transfers between programs and projects - in				(28,698,237)							
10094	Transfers between programs and projects - out				170,484,802	373,856	47,352,083	5,000,777	174,167	6,208,193	59,109,076	
10100	TOTAL OTHER FINANCING SOURCES (USES)	(184,563,302)	(113,495,919)	(71,695,207)								
10000	EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENSE	-	-	-	(26,495,160)	364,937	52,389,237	1,951,659	(23,078)	12,113,748	66,796,503	-
11020												
11030	Beginning equity											
11040-010	HUD Adjustments to prior year settlements				467,657,428	9,966,017	288,072,517	(25,424,685)	(10,462,335)	65,589,868	327,741,382	
11040-020	Reconcile PHA equity to entity's audited equity							(1,029,619)	(168,779)	473,061	(725,337)	

PHILADELPHIA HOUSING AUTHORITY  
MARCH 31, 2012  
FINANCIAL DATA SCHEDULE

	DESCRIPTION	PRIM GOV TOTAL	DISCRETE COMPONENT UNITS	TOTAL
	Revenue:			
70300	Net tenant rental revenue	23,305,683	8,908,823	32,214,506
70400	Tenant revenue - other	433,116	103,279	538,395
70500	Total tenant revenue	23,740,799	9,012,102	32,752,901
70600-010	Housing Assistance Paymentst	-	-	-
70600-020	Ongoing administrative fees earned	-	-	-
70600-030	Hard to house fee revenue	-	-	-
70600-031	FSS coordinator	-	-	-
70600-040	Actual independent public accountant audit costs	-	-	-
70600-050	Total preliminary fee earned	-	-	-
70600-060	Interest earned on advances	-	-	-
70600-070	Admin fee calculation description	-	-	-
70600	HUD PHA operating grants	363,023,426	13,845,466	376,868,892
70610	Capital Grants	42,511,906	-	42,511,906
708	Other government grants	-	-	-
71100-010	Housing Assistance Payment	688,307	-	688,307
71100-020	Administrative Fee	-	-	-
71100	Investment income - unrestricted	335,741	7,021	342,762
71200	Mortgage interest income	5,037,154	-	5,037,154
71300	Proceeds from disposition of assets held for sale	-	-	-
71310	Cost of sale of assets	-	-	-
71400-010	Housing assistance payment	-	-	-
71400-020	Administrative fee	-	-	-
71400	Fraud recovery	12,540	-	12,540
71500	Other revenue	16,322,706	566,779	16,889,485
71600	Gain or loss on the sale of fixed assets	2,976,393	-	2,976,393
72000-010	Housing Assistance Payments	-	-	-
72000-020	Administrative Fee	-	-	-
720	Investment income - restricted	29,459	17,024	46,483
700	TOTAL REVENUE	454,678,431	23,448,392	478,114,283
91100	Administrative salaries	32,079,746	1,260,492	33,340,238
91200	Auditing fees	359,792	397,266	757,058
91300	Management Fee	-	-	-
91310	Bookkeeping Fee	-	-	-
91400	Advertising and Marketing	199,233	-	199,233
91500	Employee benefit contributions - administrative	20,392,135	1,536,099	21,928,234
91600	Office Expenses	7,394,015	710,093	8,104,108
91700	Legal Expenses	3,116,348	100,350	3,216,698
91800	Travel	294,235	444	294,679
91810	Allocated Overhead	-	-	-
91900	Other	15,526,706	1,171,597	16,698,303
91000	Total Operating Administrative	79,362,210	5,176,341	84,538,551
92000	Asset Management Fee	-	-	-
92100	Tenant services - salaries	1,524,093	206,708	1,730,801
92200	Relocation costs	626,405	14,805	641,210
92300	Employee benefit contributions- tenant services	609,457	54,746	664,203
92400	Tenant services - other	1,133,320	101,942	1,235,262
92500	Total tenant Services	3,893,275	378,201	4,271,476



PHILADELPHIA HOUSING AUTHORITY  
MARCH 31, 2012  
FINANCIAL DATA SCHEDULE

	DESCRIPTION	PRIM GOV TOTAL	DISCRETE COMPONENT UNITS	TOTAL
93100	Water	10,886,156	2,106,861	12,993,017
93200	Electricity	6,367,775	1,180,915	7,548,690
93300	Gas	7,947,320	653,758	8,601,078
93400	Fuel	99,231	-	99,231
93500	Labor	46,676	-	46,676
93600	Sewer	-	-	-
93700	Employee benefit contributions- utilities	27,771	-	27,771
93800	Other utilities expense	19,140	67,968	87,108
93000	Total Utilities	25,394,069	4,009,502	29,403,571
94100	Ordinary maintenance and operations - labor	32,391,366	2,484,938	34,876,304
94200	Ordinary maintenance and operations - materials & other	6,191,892	1,112,345	7,304,237
94300-010	Garbage and trash removal	9,860	-	9,860
94300-020	Heating & cooling contracts	26,645	-	26,645
94300-030	Snow removal contracts	-	-	-
94300-040	Elevator maintenance contracts	25,298	-	25,298
94300-050	Landscape & grounds contracts	50,993	-	50,993
94300-060	Unit turnaround contracts	-	-	-
94300-070	Electrical contracts	-	-	-
94300-080	Plumbing contracts	-	-	-
94300-090	Exterminator contracts	605	-	605
94300-100	Janitorial contracts	28,775	-	28,775
94300-110	Routine maintenance	55,370	-	55,370
94300-120	Miscellaneous contracts	5,978,100	4,711,341	10,689,441
943	Ordinary maintenance and operations contracts	6,179,146	4,711,341	10,886,987
94500	Employee benefit contributions- ordinary maintenance	20,631,149	177,401	20,808,550
94000	Total maintenance	65,393,553	8,486,025	73,876,078
95100	Protective services - labor	2,254,993	-	2,254,993
95200	Protective services- other contract costs	4,839,003	915,268	5,754,271
95300	Protective services - other	10,754	-	10,754
95500	Employee benefit contributions- protective services	1,445,179	-	1,445,179
95000	Total Protective Services	8,549,929	915,268	9,465,197
96110	Property Insurance	9,226,473	1,544,908	10,771,381
96120	Liability Insurance	531,986	-	531,986
96130	Workmen's Compensation	5,248,579	347,091	5,595,670
96140	All Other Insurance	91,237	83,019	174,256
96100	Insurance premiums	-	-	-
	Total Insurance	15,098,275	1,975,018	17,073,293
96200	Other General Expenses	20,986,159	1,413,125	22,399,284
96210	Compensated Absences	-	-	-
96300	Payments in lieu of taxes	619,816	86,206	86,206
96400	Bad debt - tenant rents	-	66,327	66,327
96500	Bad debt - mortgages	-	7,368	7,368
96600	Bad debt - other	696,306	7,272	703,578
96800	Severance expense	938,470	2,503	960,973
96000	Total Other General Expenses	23,260,751	1,582,801	24,843,552
96710	Interest of Mortgage (or Bonds) Payable	4,591,330	5,008,910	9,600,240
96720	Interest on Notes Payable (Short and Long Term)	-	-	-
96730	Amortization of Bond Issue Costs	-	-	-
96700	Interest Expense and Amortization Costs	-	5,008,910	9,600,240
96900	TOTAL OPERATING EXPENSES	225,543,392	27,532,066	253,071,958

PHILADELPHIA HOUSING AUTHORITY  
MARCH 31, 2012  
FINANCIAL DATA SCHEDULE

	DESCRIPTION	PRIM GOV TOTAL	DISCRETE COMPONENT UNITS	TOTAL
97000	EXCESS REVENUE OVER OPERATING EXPENSES	229,135,039	(4,085,674)	225,042,325
97100	Extraordinary maintenance			
97200	Casualty losses - non-capitalized	5,522,607	187,926	5,710,533
97300-010	Mainstream 1 & 5 year	-	74,219	
97300-020	Home-Ownership			
97300-025	Litigation			
97300-030	Hope IV			
97300-035	Moving to Work			
97300-040	Tenant Protection			
97300-050	All other			
97300	Housing assistance payments	121,639,012		121,639,012
97350	HAP Portability-In			
97400	Depreciation expense			
97500	Fraud losses	49,234,778	15,591,847	64,826,625
97800	Dwelling units rent expense			
90000	TOTAL EXPENSES	401,939,789	43,386,058	445,248,128
10010	Operating transfers in			
10020	Operating transfers out	400,663,694	16,306,669	416,970,363
10030-010	Not for Profit	(400,663,694)	(25,391)	(400,689,085)
10030-020	Partnership			
10030-030	Joint Venture			
10030-040	Tax Credit			
10030-050	All Other			
	Other Comment			
10030	Operating transfers from/to primary government			
10040	Operating transfers from/to component units	510,542		
10070	Extraordinary items (net gain/loss)			
10080	Special items (net gain/loss)	6,204,503		6,204,503
10091	Inter AMP Excess Cash Transfer IN			
10092	Inter AMP Excess Cash Transfer Out			
10093	Transfers between programs and projects - in	227,246,520		227,246,520
10094	Transfers between programs and projects - out	(227,246,520)		(227,246,520)
10100	TOTAL OTHER FINANCING SOURCES (USES)	6,715,045	16,281,278	22,485,781
10000	EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENSE	39,433,687	(3,656,388)	55,351,936
11020				
11030	Beginning equity	1,053,329,815	136,902,755	1,190,232,570
11040-010	HUD Adjustments to prior year settlements			
11040-020	Reconcile PHA equity to entity's audited equity	(6,369,155)		



## **HUD SUPPLEMENTARY INFORMATION**

PHILADELPHIA HOUSING AUTHORITY  
SCHEDULE OF ACTUAL MODERNIZATION COST CERTIFICATES  
CAPITAL FUND GRANTS  
MARCH 31, 2012

<u>PROGRAM/GRANT</u>	<u>PA26P00250106</u>
BUDGET - ORIGINAL FUNDS APPROVED	<u>\$56,578,855</u>
FUNDS DISBURSED	\$ 56,578,855
	<u>-</u>
FUNDS EXPENDED	<u>\$56,578,855</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 Assets**  
**As of March 31, 2012**

	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
<b>ASSETS</b>								
Current Assets:								
Cash and cash equivalents	799,714	-	-	-	-	-	-	-
Restricted cash	-	-	-	-	-	-	-	-
Investments	-	2,126,920	-	-	-	-	-	-
Receivables, net	-	1,929,998	-	48,847	112,299	144,985	-	-
Due from other funds	719,395	-	292,712	98,018	256,953	216,184	31,663	11,991
Other assets	-	-	-	-	-	-	-	-
Total current assets	1,519,109	4,056,918	292,712	144,865	369,252	361,169	31,663	11,991
<b>NONCURRENT ASSETS</b>								
Mortgage receivable	-	-	-	-	-	-	-	-
Restricted investments	-	12,609,315	-	-	-	-	-	-
Capital assets, net of depreciation	101,711	49,190	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-
Total noncurrent assets	101,711	12,658,505	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>1,620,820</b>	<b>16,715,423</b>	<b>292,712</b>	<b>144,865</b>	<b>369,252</b>	<b>361,169</b>	<b>31,663</b>	<b>11,991</b>
<b>LIABILITIES AND NET ASSETS</b>								
Current liabilities:								
Accounts payable	153,166	-	-	-	-	-	-	-
Accrued Liabilities	-	85,146	-	66,968	-	-	-	-
Current portion of long-term debt	-	-	-	-	-	-	-	-
Due to other government agencies	-	-	-	-	-	-	-	-
Due to other funds	-	3,582,680	-	-	-	-	-	-
Compensated absences	-	62,103	-	-	-	-	-	-
Trust and deposits	-	-	-	-	-	-	-	-
Unearned revenues and other current liabilities	575,012	63,169	57,284	-	-	-	-	-
Total current liabilities	728,178	3,793,098	57,284	66,968	-	-	-	-
<b>NONCURRENT LIABILITIES</b>								
Compensated absences	-	41,402	-	-	-	-	-	-
Bonds, notes and loans payable	-	-	-	-	-	-	-	-
Other liabilities	-	12,151	-	-	-	-	-	-
Total noncurrent liabilities	-	53,553	-	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>728,178</b>	<b>3,846,651</b>	<b>57,284</b>	<b>66,968</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET ASSETS:</b>								
Invested in capital assets, net of related debt	101,711	49,190	-	-	-	-	-	-
Restricted for Section 8	-	12,034,431	-	-	-	-	-	-
Restricted for development	-	-	-	-	-	-	-	-
Unrestricted	790,931	785,151	235,428	77,897	369,252	361,169	31,663	11,991
<b>TOTAL NET ASSETS</b>	<b>892,642</b>	<b>12,868,772</b>	<b>235,428</b>	<b>77,897</b>	<b>369,252</b>	<b>361,169</b>	<b>31,663</b>	<b>11,991</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>1,620,820</b>	<b>16,715,423</b>	<b>292,712</b>	<b>144,865</b>	<b>369,252</b>	<b>361,169</b>	<b>31,663</b>	<b>11,991</b>

Philadelphia Housing Authority  
Combining Statement of Net Assets  
As of March 31, 2012

	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 Admin Fees	Total Section 8 Modern Rehab Prg	Section 8 single room Occupancy Program
ASSETS								
Current Assets:								
Cash and cash equivalents	-	-	-	-	2,683,505	-	2,683,505	-
Restricted cash	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-
Receivables, net	-	15,713	68,539	128,220	-	-	516,603	317,406
Due from other funds	21,217	75,421	34,496	84,021	-	-	829,964	603,127
Other assets	-	-	-	-	-	-	-	-
Total current assets	21,217	91,134	103,035	212,241	2,683,505	-	4,030,072	920,533
NONCURRENT ASSETS								
Mortgage receivable	-	-	-	-	-	-	-	-
Restricted investments	-	-	-	-	-	-	-	-
Capital assets, net of depreciation	-	-	-	-	633,750	-	633,750	-
Other assets	-	-	-	-	-	-	-	-
Total noncurrent assets	-	-	-	-	633,750	-	633,750	-
TOTAL ASSETS	21,217	91,134	103,035	212,241	3,317,255	-	4,663,822	920,533
LIABILITIES AND NET ASSETS								
Current liabilities:								
Accounts payable	-	-	-	-	24,845	-	24,845	-
Accrued Liabilities	-	-	-	-	-	-	-	-
Current portion of long-term debt	-	-	-	-	-	-	-	-
Due to other government agencies	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	3,959,179	-	3,959,179	-
Compensated absences	-	-	-	-	-	-	-	-
Trust and deposits	-	-	-	-	-	-	-	-
Unearned revenues and other current liabilities	-	-	-	-	44,032	-	111,000	73,961
Total current liabilities	-	-	-	-	4,028,056	-	4,095,024	73,961
NONCURRENT LIABILITIES								
Compensated absences	-	-	-	-	-	-	-	-
Bonds, notes and loans payable	-	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-	-	-
Total noncurrent liabilities	-	-	-	-	-	-	-	-
TOTAL LIABILITIES	-	-	-	-	4,028,056	-	4,095,024	73,961
NET ASSETS:								
Invested in capital assets, net of related debt	-	-	-	-	633,750	-	633,750	-
Restricted for Section 8	-	-	-	-	-	-	-	-
Restricted for development	-	-	-	-	-	-	-	-
Unrestricted	21,217	91,134	103,035	212,241	(1,344,551)	-	(64,952)	846,572
TOTAL NET ASSETS	21,217	91,134	103,035	212,241	(710,801)	-	568,798	846,572
TOTAL LIABILITIES AND NET ASSETS	21,217	91,134	103,035	212,241	3,317,255	-	4,663,822	920,533

**Philadelphia Housing Authority**  
**Combining Statement of Net Assets**  
**As of March 31, 2012**

	Section 8 New Construction Programs	SR COMMUNITY	Congregate Housing Program	Summer Feeding Program	Resident Opportunity and Self-Sufficiency Program	Disaster funding Program	Veterans Affairs Program	ARRA Competitive Programs
<b>ASSETS</b>								
Current Assets:								
Cash and cash equivalents	-	-	1,027	-	-	-	-	-
Restricted cash	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-
Receivables, net	-	-	15,686	-	172,907	-	-	641,872
Due from other funds	22,872	-	136	-	-	95,807	-	-
Other assets	-	-	-	-	-	-	-	-
Total current assets	22,872	-	16,849	-	172,907	95,807	-	641,872
<b>NONCURRENT ASSETS</b>								
Mortgage receivable	-	-	-	-	-	-	-	-
Restricted investments	-	-	-	-	-	-	-	-
Capital assets, net of depreciation	-	-	-	-	22,784	-	-	-
Other assets	-	-	-	-	-	-	-	-
Total noncurrent assets	-	-	-	-	22,784	-	-	-
<b>TOTAL ASSETS</b>	22,872	-	16,849	-	195,691	95,807	-	641,872
<b>LIABILITIES AND NET ASSETS</b>								
Current liabilities:								
Accounts payable	-	-	16,849	-	14,447	-	-	381,445
Accrued Liabilities	-	-	-	-	-	-	-	-
Current portion of long-term debt	-	-	-	-	-	-	-	-
Due to other government agencies	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	158,460	-	(574,884)	205
Compensated absences	-	-	-	-	-	-	-	-
Trust and deposits	-	-	-	-	-	-	-	-
Unearned revenues and other current liabilities	-	-	-	-	-	-	-	-
Total current liabilities	-	-	16,849	-	172,907	-	(574,884)	260,222
<b>NONCURRENT LIABILITIES</b>								
Compensated absences	-	-	-	-	-	-	-	-
Bonds, notes and loans payable	-	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-	-	-
Total noncurrent liabilities	-	-	-	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	-	-	16,849	-	172,907	-	(574,884)	641,872
<b>NET ASSETS:</b>								
Invested in capital assets, net of related debt	-	-	-	-	22,784	-	574,884	-
Restricted for Section 8	22,872	-	-	-	-	95,807	-	-
Restricted for development	22,872	-	-	-	22,784	95,807	574,884	-
Unrestricted	-	-	-	-	-	-	-	-
<b>TOTAL NET ASSETS</b>	22,872	-	16,849	-	195,691	95,807	-	641,872
<b>TOTAL LIABILITIES AND NET ASSETS</b>	22,872	-	16,849	-	195,691	95,807	-	641,872

**Philadelphia Housing Authority**  
**Combining Statement of Net Assets**  
**As of March 31, 2012**

	ARRA Formula Program	Healthy Homes Program	Moving to Work Program	Project Totals	OTHER BUSINESS ACTIVITIES	LONG TERM NOTES RECEIVABLE	DEBT SERVICE FUND	General Purpose Bonds
<b>ASSETS</b>								
Current Assets:								
Cash and cash equivalents	-	-	14,269,424	27,785,906	5,745,393	-	141,043	-
Restricted cash	-	-	-	796,195	24,276	-	28,082	5,172
Investments	-	-	49,614,161	-	-	-	-	-
Receivables, net	-	45,167	17,772,635	12,491,847	691,820	-	-	-
Due from other funds	-	-	2,459,723	53,853,145	-	-	-	-
Other assets	-	-	-	1,683,724	-	-	-	-
Total current assets	-	45,167	84,115,943	98,610,817	6,461,489	-	169,125	5,172
<b>NONCURRENT ASSETS</b>								
Mortgage receivable	-	-	-	-	-	331,018,608	-	-
Restricted investments	-	-	-	-	-	-	-	-
Capital assets, net of depreciation	-	-	203,628,953	442,314,326	5,126,200	17,194	31,787,599	852,360
Other assets	-	-	830	500	88,012	9,443,146	-	-
Total noncurrent assets	-	-	203,629,783	442,314,826	5,214,212	340,478,948	31,787,599	852,360
<b>TOTAL ASSETS</b>	-	45,167	287,745,726	538,925,643	11,675,701	340,478,948	31,956,724	857,532
<b>LIABILITIES AND NET ASSETS</b>								
Current liabilities:								
Accounts payable	-	5,202	3,402,939	12,144,089	216,388	17,194	-	-
Accrued Liabilities	-	-	8,432,541	14,857,747	-	-	891,710	174,167
Current portion of long-term debt	-	-	-	-	-	-	4,215,000	-
Due to other government agencies	-	-	-	-	-	-	-	-
Due to other funds	-	39,965	15,365,394	35,706,412	639,099	-	371	-
Compensated absences	-	-	473,082	2,574,472	-	-	-	-
Trust and deposits	-	-	-	796,195	-	-	-	-
Unearned revenues and other current liabilities	-	-	4,109,996	3,944,567	489,260	-	1	-
Total current liabilities	-	45,167	31,783,952	70,279,980	1,344,747	17,194	5,107,082	174,167
<b>NONCURRENT LIABILITIES</b>								
Compensated absences	-	-	315,388	1,716,314	-	-	-	-
Bonds, notes and loans payable	-	-	-	-	-	-	49,293,049	11,000,000
Other liabilities	-	-	8,137,722	6,677,139	-	-	-	-
Total noncurrent liabilities	-	-	8,453,110	8,393,453	-	-	49,293,049	11,000,000
<b>TOTAL LIABILITIES</b>	-	45,167	40,237,062	78,673,433	1,344,747	17,194	54,400,131	11,174,167
<b>NET ASSETS:</b>								
Invested in capital assets, net of related debt	-	-	203,628,953	442,314,326	5,126,200	17,194	(21,720,450)	(10,147,640)
Restricted for Section 8	-	-	-	-	-	-	-	-
Restricted for development	-	-	43,879,711	17,937,884	5,204,754	340,444,560	(722,957)	(168,995)
Unrestricted	-	-	247,508,664	460,252,210	10,330,954	340,461,754	(22,443,407)	(10,316,635)
<b>TOTAL NET ASSETS</b>	-	45,167	287,745,726	538,925,643	11,675,701	340,478,948	31,956,724	857,532
<b>TOTAL LIABILITIES AND NET ASSETS</b>	-	45,167	287,745,726	538,925,643	11,675,701	340,478,948	31,956,724	857,532

**Philadelphia Housing Authority**  
**Combining Statement of Net Assets**  
**As of March 31, 2012**

	Blended Component Units	Total PHA Programs	Elimination	Total
<b>ASSETS</b>				
Current Assets:				
Cash and cash equivalents	13,603,331	65,029,343		65,029,343
Restricted cash	236,055	1,089,780		1,089,780
Investments	52,327,550	104,068,631		104,068,631
Receivables, net	9,252,629	43,848,570	(719,058)	43,129,512
Due from other funds		58,876,881	(58,876,881)	-
Other assets	4,311	1,688,035		1,688,035
Total current assets	75,423,876	274,601,240	(59,595,939)	215,005,301
<b>NONCURRENT ASSETS</b>				
Mortgage receivable	-	331,018,608		331,018,608
Restricted investments	2,807,624	15,416,939		15,416,939
Capital assets, net of depreciation	5,505	684,539,572		684,539,572
Other assets	5,088	9,537,576		9,537,576
Total noncurrent assets	2,818,217	1,040,512,695	-	1,040,512,695
<b>TOTAL ASSETS</b>	<b>78,242,093</b>	<b>1,315,113,935</b>	<b>(59,595,939)</b>	<b>1,255,517,996</b>
<b>LIABILITIES AND NET ASSETS</b>				
Current liabilities:				
Accounts payable	10,110	16,386,674	-	16,386,674
Accrued Liabilities	41,817	24,483,128		24,483,128
Current portion of long-term debt	-	4,215,000		4,215,000
Due to other government agencies	-	256,498	-	256,498
Due to other funds	-	58,876,881	58,876,881	-
Compensated absences	44,424	3,154,081		3,154,081
Trust and deposits	51,894	848,089		848,089
Unearned revenues and other current liabilities	833,677	10,518,149	719,058	9,799,091
Total current liabilities	981,922	118,738,500	59,595,939	59,142,561
<b>NONCURRENT LIABILITIES</b>				
Compensated absences	29,616	2,102,720		2,102,720
Bonds, notes and loans payable	-	60,293,049		60,293,049
Other liabilities	-	14,827,012		14,827,012
Total noncurrent liabilities	29,616	77,222,781	-	77,222,781
<b>TOTAL LIABILITIES</b>	<b>1,011,538</b>	<b>195,961,281</b>	<b>59,595,939</b>	<b>136,365,342</b>
<b>NET ASSETS:</b>				
Invested in capital assets, net of related debt	5,505	620,031,523		620,031,523
Restricted for Section 8	-	12,609,315		12,609,315
Restricted for development	-	-		-
Unrestricted	77,225,050	486,511,816		486,511,816
<b>TOTAL NET ASSETS</b>	<b>77,230,555</b>	<b>1,119,152,654</b>	<b>-</b>	<b>1,119,152,654</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>78,242,093</b>	<b>1,315,113,935</b>	<b>59,595,939</b>	<b>1,255,517,996</b>



Philadelphia Housing Authority  
Combining Statement of Revenues, Expenses and Changes in Net Assets  
For the year ended March 31, 2012

	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	560,760	7,480,357	290,040	367,986	496,436	476,204		
Operating subsidies		344,874						
Other income	560,760	7,825,231	290,040	367,986	496,436	476,204		
Total operating revenue								
Operating expenses:								
Administrative	250,439	1,128,777	47,547	46,153	74,182	65,032		
Tenant services	5,720							
Utilities								
Maintenance	66,121							
Protective services								
General	1,818	76,207	1,360	799	1,283	1,125	21,307	
Housing assistance programs		3,768,885	248,250	327,444	431,698	415,585		
Depreciation and amortization	26,810	51,694						
Total operating expenses	350,908	5,025,563	297,157	374,396	507,163	481,742	21,307	
Operating income (loss)	209,852	2,799,668	(7,117)	(6,410)	(10,727)	(5,538)	(21,307)	
Nonoperating revenue and (expenses):								
Interest and investment earnings								
other revenue/charges								
Interest expense								
Net nonoperating revenue								
Income (loss) before capital contributions	209,852	2,799,668	(7,117)	(6,410)	(10,727)	(5,538)	(21,307)	
Capital Contributions								
HUD capital subsidies								
Other nonoperating contributions								
Partner contributions								
Change in net assets	209,852	2,799,668	(7,117)	(6,410)	(10,727)	(5,538)	(21,307)	
Net assets a beginning of year:	682,790	10,069,104	242,545	84,307	379,979	366,707	52,970	11,991
As previously reported								
Prior period adjustments and equity transfers								
Net assets at end of year	892,642	12,868,772	235,428	77,897	369,252	361,169	31,663	11,991

**Philadelphia Housing Authority**  
**Combining Statement of Revenues, Expenses and Changes in Net Assets**  
**For the year ended March 31, 2012**

	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	-	94,185	236,262	238,895	-	-	1,909,968	1,862,851	-
Other income	-	-	-	-	-	-	-	-	-
Total operating revenue	-	94,185	236,262	238,895	-	-	1,909,968	1,862,851	-
Operating expenses:									
Administrative	-	10,490	23,076	81,387	219,436	-	519,756	370,455	-
Tenant services	-	-	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-	-	-
Maintenance	-	-	-	-	8,378	-	8,378	-	-
Protective services	-	-	-	-	-	-	-	-	-
General	-	181	399	1,408	-	-	26,502	6,407	-
Housing assistance programs	-	84,975	216,001	172,572	-	-	1,648,275	1,569,856	-
Depreciation and amortization	-	-	-	-	-	-	-	-	-
Total operating expenses	-	95,646	239,476	255,367	227,814	-	2,202,911	1,946,718	-
Operating income (loss)	-	(1,461)	(3,214)	(16,472)	(227,814)	-	(292,943)	(83,867)	-
Nonoperating revenue and (expenses):									
Interest and investment earnings	-	-	-	-	219,721	-	219,721	-	-
other revenue/charges	-	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-	-
Net nonoperating revenue	-	-	-	-	219,721	-	219,721	-	-
Income (loss) before capital contributions	-	(1,461)	(3,214)	(16,472)	(8,093)	-	(73,222)	(83,867)	-
Capital Contributions									
HUD capital subsidies	-	-	-	-	-	-	-	-	-
Other nonoperating contributions	-	-	-	-	(947,817)	-	(947,817)	-	-
Partner contributions	-	-	-	-	(947,817)	-	(947,817)	-	-
Change in net assets	-	(1,461)	(3,214)	(16,472)	(955,910)	-	(1,021,039)	(83,867)	-
Net assets a beginning of year:	21,217	92,595	106,249	228,713	245,109	-	1,589,837	930,439	22,872
As previously reported	-	-	-	-	-	-	-	-	-
Prior period adjustments and equity transfers	-	-	-	-	-	-	-	-	-
Net assets at end of year	21,217	91,134	103,035	212,241	(710,801)	-	568,798	846,572	22,872

Philadelphia Housing Authority  
Combining Statement of Revenues, Expenses and Changes in Net Assets  
For the year ended March 31, 2012

	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		98,190	127,547	588,267		1,030,079	2,970,355	113,875	346,979
Other income		30,479	235,472						
Total operating revenue		128,669	363,019	588,267		1,030,079	2,970,355	113,875	346,979
Operating expenses:									
Administrative			1,436	303,326			600,000		313,797
Tenant services		136,069	361,583	283,869					1,860
Utilities									
Maintenance								113,875	31,322
Protective services									
General		256		1,711		6,753			
Housing assistance programs						1,697,483			
Depreciation and amortization				21,539					
Total operating expenses		136,325	363,019	610,445		1,704,236	600,000	113,875	346,979
Operating income (loss)		(7,656)		(22,178)		(674,157)	2,370,355		
Nonoperating revenue and (expenses):									
Interest and investment earnings									
Other revenue/charges									
Interest expense									
Net nonoperating revenue									
Income (loss) before capital contributions		(7,656)		(22,178)		(674,157)	2,370,355		
Capital Contributions									
HUD capital subsidies							9,184,741	9,905,202	
Other nonoperating contributions							(8,014,173)		
Partner contributions							1,170,568	9,905,202	
Change in net assets		(7,656)		(22,178)		(674,157)	3,540,923	9,905,202	
Net assets a beginning of year:									
As previously reported		7,656		44,962	95,807	1,249,041			
Prior period adjustments and equity transfers							(3,540,923)	(9,905,202)	
Net assets at end of year				22,784	95,807	574,884			

Philadelphia Housing Authority  
Combining Statement of Revenues, Expenses and Changes in Net Assets  
For the year ended March 31, 2012

	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	Elimination
Operating revenue:									
Total tenant revenue	-	23,605,570	135,229	-	-	-	-	23,740,799	-
Operating subsidies	346,332,465	-	-	-	-	-	-	363,711,733	-
Other income	-	6,869,225	347,142	-	-	-	8,508,054	16,335,246	-
Total operating revenue	346,332,465	30,474,795	482,371	-	-	-	8,508,054	403,787,778	-
Operating expenses:									
Administrative	27,545,188	46,496,476	366,177	1	-	-	1,418,836	79,362,211	-
Tenant services	1,296,053	1,346,601	-	-	-	-	461,520	3,893,275	-
Utilities	176,974	25,215,799	1,295	-	-	-	-	25,394,068	-
Maintenance	4,863,859	65,701,137	117,662	-	-	-	13,806	70,916,160	-
Protective services	1,827,551	6,722,378	-	-	-	-	-	8,549,929	-
General	1,001,999	36,490,208	1,001,999	-	-	-	745,805	38,359,026	-
Housing assistance programs	112,706,263	-	-	-	-	-	-	121,639,012	-
Depreciation and amortization	1,981,075	44,821,499	5,004	-	2,297,513	23,078	6,566	49,234,778	-
Total operating expenses	151,398,962	226,794,098	490,138	1	2,297,513	23,078	2,646,533	397,348,459	-
Operating income (loss)	194,933,503	(196,319,303)	(7,767)	(1)	(2,297,513)	(23,078)	5,861,521	6,439,319	-
Nonoperating revenue and (expenses):									
Interest and investment earnings	74,090	-	(1,151)	5,037,154	16	-	72,524	5,402,354	-
Other revenue/charges	-	2,976,393	-	-	-	-	6,204,503	9,180,896	-
Interest expense	-	3,637,052	-	-	751,621	174,167	28,490	4,591,330	-
Net nonoperating revenue	74,090	(660,659)	(1,151)	5,037,154	(751,605)	(174,167)	6,248,537	9,991,920	-
Income (loss) before capital contributions	195,007,593	(196,979,962)	(8,918)	5,037,153	(3,049,118)	(197,245)	12,110,058	16,431,239	-
Capital Contributions									
HUD capital subsidies	23,421,962	-	-	-	-	-	-	42,511,905	-
Other nonoperating contributions	(213,916,843)	170,484,801	373,855	47,352,084	5,000,777	174,166	3,690	510,540	-
Partner contributions	(190,494,881)	170,484,801	373,855	47,352,084	5,000,777	174,166	3,690	43,022,445	-
Change in net assets	4,512,712	(26,495,161)	364,937	52,389,237	1,951,659	(23,079)	12,113,748	59,453,684	-
Net assets at beginning of year:	242,995,952	467,657,428	9,966,017	288,072,517	(25,424,685)	(10,462,335)	65,589,868	1,053,329,815	-
As previously reported	-	-	-	-	-	-	-	-	-
Prior period adjustments and equity transfers	-	19,089,943	-	-	1,029,619	168,779	(473,061)	6,369,155	-
Net assets at end of year	247,508,664	460,252,210	10,330,954	340,461,754	(22,443,407)	(10,316,635)	77,230,555	1,119,152,654	-

Philadelphia Housing Authority  
Combining Statement of Revenues, Expenses and Changes in Net Assets  
For the year ended March 31, 2012

	Total
Operating revenue:	
Total tenant revenue	23,740,799
Operating subsidies	363,711,733
Other income	16,335,246
Total operating revenue	<u>403,787,778</u>
Operating expenses:	
Administrative	79,362,211
Tenant services	3,893,275
Utilities	25,394,068
Maintenance	70,916,160
Protective services	8,549,929
General	38,359,026
Housing assistance programs	121,839,012
Depreciation and amortization	49,234,778
Total operating expenses	<u>397,348,459</u>
Operating income (loss)	<u>6,439,319</u>
Nonoperating revenue and (expenses):	
Interest and investment earnings	5,402,354
Other revenue/charges	9,180,896
Interest expense	4,591,330
Net nonoperating revenue	<u>9,991,920</u>
Income (loss) before capital contributions	16,431,239
Capital Contributions	
HUD capital subsidies	42,511,905
Other nonoperating contributions	510,540
Partner contributions	<u>43,022,445</u>
Change in net assets	<u>59,453,684</u>
Net assets a beginning of year:	1,053,329,815
As previously reported	
Prior period adjustments and equity transfers	<u>6,369,155</u>
Net assets at end of year	<u><u>1,119,152,654</u></u>

PHILADELPHIA HOUSING AUTHORITY  
COMPONENT UNITS  
COMBINING STATEMENT OF NET ASSETS  
MARCH 31, 2012

	Southwark Plaza	Raymond Rosen Assoc. /a 8 Diamonds Townhouses	Spring Garden Housing I	Uni-Penn Housing Partnership I	Cambridge Plaza II	Ridge Avenue Housing	St. Anthony's Senior Residences	Suffolk Manor
<b>ASSETS</b>								
Current Assets:								
Cash	13,700	53,378	24,402	28,176	4,978	40,640	15,797	325,243
Restricted cash	67,309	78,217	17,095	13,596	4,584	41,654	13,094	16,450
Investments	-	-	-	-	-	-	-	-
Receivables, net	31,588	5,936	4,447	15,377	108,597	1,408	2,001	301,981
Due from other governments	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-
Other current assets	53,387	28,818	21,999	12,217	17,625	41,568	3,880	37,054
Total current assets	165,984	166,349	67,943	69,366	135,784	125,270	34,772	680,728
<b>NONCURRENT ASSETS</b>								
Mortgage receivable	867,434	1,368,963	182,434	121,085	515,436	435,825	176,288	543,916
Restricted cash	-	-	-	-	-	-	-	-
Restricted Investments	38,046,613	15,111,343	10,293,009	5,757,101	6,955,031	18,624,389	3,339,019	18,748,171
Capital assets, net of depreciation	38,778	53,797	16,124	7,252	52,063	292,466	5,657	25,574
Other assets	38,952,825	16,534,103	10,491,567	5,885,438	7,522,530	19,352,680	3,520,964	19,317,661
Total noncurrent assets	39,118,809	16,700,452	10,559,510	5,954,804	7,638,314	19,477,950	3,555,736	19,998,389
<b>TOTAL ASSETS</b>								
<b>LIABILITIES AND NET ASSETS</b>								
Current liabilities:								
Accounts payable	217,350	245,495	39,907	10,088	11,852	23,211	8,687	25,416
Accrued Liabilities	508,129	9,956	56,828	8,688	49,149	20,390	11,530	122,039
Current portion of long-term debt	-	-	-	-	-	-	-	-
Due to other government agencies	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-
Compensated absences	67,609	78,217	16,669	13,542	4,554	39,889	13,399	17,562
Trust and deposits	50,923	677,974	482,705	242,842	154,589	2,054,520	19,157	37,456
Unearned revenues and other current liabilities	844,011	1,011,642	596,109	275,160	220,144	2,138,010	52,773	202,473
Total current liabilities								
<b>NONCURRENT LIABILITIES</b>								
Compensated absences	-	15,968,970	7,046,317	2,440,589	3,593,093	18,369,277	1,650,000	10,453,027
Bonds, notes and loans payable	38,682,801	744,717	3,980,237	1,438,252	1,359,176	143,975	122,394	4,629,277
Other liabilities	38,682,801	16,713,687	11,026,554	3,878,841	4,952,269	18,513,252	1,772,394	15,082,304
Total noncurrent liabilities	39,526,812	17,725,329	11,622,663	4,154,001	5,172,413	20,651,262	1,825,167	15,284,777
<b>TOTAL LIABILITIES</b>								
<b>NET ASSETS:</b>								
Invested in capital assets, net of related debt	(636,188)	(857,627)	3,246,692	3,316,512	3,361,938	255,112	1,689,019	8,295,144
Restricted	-	-	-	-	-	-	-	-
Unrestricted	228,185	(167,250)	(4,309,845)	(1,515,709)	(876,037)	(1,428,424)	41,550	(3,581,532)
<b>TOTAL NET ASSETS</b>	(408,003)	(1,024,877)	(1,063,153)	1,800,803	2,485,901	(1,173,312)	1,730,569	4,713,612
<b>TOTAL LIABILITIES AND NET ASSETS</b>	39,118,809	16,700,452	10,559,510	5,954,804	7,658,314	19,477,950	3,555,736	19,998,389

PHILADELPHIA HOUSING AUTHORITY  
COMPONENT UNITS  
COMBINING STATEMENT OF NET ASSETS  
MARCH 31, 2012

	Richard Allen Phase III	Uni-Penn Housing Partnership II	Cambridge Plaza I	Mt. Olivet	Tasker I	Tasker II	Mill Creek Phase I	St. Ignatious Senior Housing I
<b>ASSETS</b>								
Current Assets:								
Cash	43,882	4,301	2,357	21,794	177,417	457,025	38,044	580,233
Restricted cash	20,401	13,784	5,030	18,332	27,765	20,409	8,958	30,272
Investments	-	-	-	-	-	-	-	-
Receivables, net	156,103	43,865	69,403	215,523	208,775	153,827	136,959	271,857
Due from other governments								
Due from other funds								
Other current assets	23,816	13,745	28,680	-	413,957	631,261	1,152	4,203
Total current assets	244,202	75,695	105,470	255,649			185,113	886,565
<b>NONCURRENT ASSETS</b>								
Mortgage receivable	1,371,694	232,784	269,767	1,885,348	1,419,715	500,083	953,557	383,118
Restricted cash								
Restricted Investments								
Capital assets, net of depreciation	24,889,023	7,578,605	5,418,030	11,992,174	36,216,472	25,778,301	13,975,391	6,151,227
Other assets	66,945	7,336	29,125	191,954	694,232	435,545	47,443	-
Total noncurrent assets	26,327,662	7,818,725	5,716,922	14,069,476	38,330,419	26,713,929	14,976,391	6,534,345
TOTAL ASSETS	26,571,864	7,894,420	5,822,392	14,325,125	38,744,376	27,345,190	15,161,504	7,420,910
<b>LIABILITIES AND NET ASSETS</b>								
Current liabilities:								
Accounts payable	25,553	46,455	16,106	29,465	152,332	80,514	46,237	169,645
Accrued Liabilities	155,627	4,350	30,285	196,751	78,154	22,660	31,632	116,294
Current portion of long-term debt					1,650,000	1,545,000		
Due to other government agencies								
Due to other funds								
Compensated absences								
Trust and deposits	18,415	13,778	4,218	15,840	37,360	18,950	9,009	29,852
Unearned revenues and other current liabilities	179,889	1,557,199	213,084	255,112	41,939	143,986	275,585	141,771
Total current liabilities	379,484	1,621,782	263,693	497,168	1,959,785	1,811,110	362,463	457,562
<b>NONCURRENT LIABILITIES</b>								
Compensated absences								
Bonds, notes and loans payable	22,190,978	3,213,383	2,579,029	9,740,166	30,735,000	19,445,000	6,103,752	2,527,755
Other liabilities	212,617	1,138,368	1,247,199	2,691,915	295,363	167,971	2,049,274	574,472
Total noncurrent liabilities	22,403,595	4,351,751	3,826,228	12,432,081	31,030,363	19,612,971	8,153,026	3,102,227
TOTAL LIABILITIES	22,783,079	5,973,533	4,089,921	12,929,249	32,990,148	21,424,081	8,515,489	3,559,789
<b>NET ASSETS:</b>								
Invested in capital assets, net of related debt	2,698,045	4,365,222	2,839,000	2,252,008	3,831,472	4,788,301	7,871,640	3,623,472
Restricted								
Unrestricted	1,090,740	(2,444,335)	(1,106,529)	(856,132)	1,922,756	1,132,808	(1,225,625)	237,649
TOTAL NET ASSETS	3,788,785	1,920,887	1,732,471	1,395,876	5,754,228	5,921,109	6,646,015	3,861,121
TOTAL LIABILITIES AND NET ASSETS	26,571,864	7,894,420	5,822,392	14,325,125	38,744,376	27,345,190	15,161,504	7,420,910

PHILADELPHIA HOUSING AUTHORITY  
COMPONENT UNITS  
COMBINING STATEMENT OF NET ASSETS  
MARCH 31, 2012

	Cambridge Plaza III	Neumann North	Uni-Penn Housing t/a MLK Plaza IV	Lucien E. Blackwell Homes Phase II	Germantown House	Lucien E. Blackwell Homes Phase III	Marshall Shepard	Ludlow Scattered
<b>ASSETS</b>								
Current Assets:								
Cash	65,349	3,840	69,294	317,561	234,002	62,346	19,882	31,259
Restricted cash	4,461	30,041	4,587	8,787	14,098	5,249	7,989	7,481
Investments	-	-	-	-	-	-	-	-
Receivables, net	115,605	191	155,993	47,448	195,548	98,768	193,853	47,878
Due from other governments								
Due from other funds								
Other current assets	7,472	4,436	17,606	42,517	37,722	40,013	15,605	8,488
Total current assets	192,887	38,508	247,480	416,313	481,370	206,376	237,329	95,106
<b>NONCURRENT ASSETS</b>								
Mortgage receivable	477,652	324,008	348,114	811,321	1,121,702	255,332	714,903	841,804
Restricted cash								
Restricted Investments								
Capital assets, net of depreciation	7,023,326	8,570,120	7,650,527	14,077,380	16,405,598	11,841,726	18,654,816	21,169,330
Other assets	34,763	-	31,973	59,903	71,754	105,906	451,276	61,421
Total noncurrent assets	7,535,741	8,894,128	8,030,614	14,948,604	17,599,054	12,202,964	19,820,995	22,072,555
<b>TOTAL ASSETS</b>	<u>7,728,628</u>	<u>8,932,636</u>	<u>8,278,094</u>	<u>15,364,917</u>	<u>18,080,424</u>	<u>12,409,340</u>	<u>20,058,324</u>	<u>22,167,661</u>
<b>LIABILITIES AND NET ASSETS</b>								
Current liabilities:								
Accounts payable	13,212	61,482	87	80,022	19,728	66,288	49,394	12,612
Accrued Liabilities	27,306	29,748	24,896	36,938	173,305	8,089	34,723	120,984
Current portion of long-term debt		19,053						
Due to other government agencies								
Due to other funds								
Compensated absences								
Trust and deposits	4,123	31,791	3,960	6,930	13,510	4,653	7,821	7,859
Unearned revenues and other current liabilities	61,092	198,865	101,656	22,855	43,777	58,961	14,874	78,687
Total current liabilities	105,733	340,939	130,599	146,745	250,320	137,991	106,812	220,142
<b>NONCURRENT LIABILITIES</b>								
Compensated absences								
Bonds, notes and loans payable	3,041,325	4,306,620	3,351,430	4,201,075	8,187,912	2,944,341	14,395,705	11,545,499
Other liabilities	1,002,377	949,271	974,768	990,136	1,422,072	627,426	1,571,569	1,587,713
Total noncurrent liabilities	4,043,702	5,255,891	4,326,198	5,191,211	9,609,984	3,571,767	15,967,274	13,133,212
<b>TOTAL LIABILITIES</b>	<u>4,149,435</u>	<u>5,596,830</u>	<u>4,456,797</u>	<u>5,337,956</u>	<u>9,860,304</u>	<u>3,709,758</u>	<u>16,074,086</u>	<u>13,353,354</u>
<b>NET ASSETS:</b>								
Invested in capital assets, net of related debt	3,982,001	4,244,447	4,299,097	9,876,305	8,217,686	8,897,385	4,259,111	9,623,831
Restricted	-	-	-	-	-	-	-	-
Unrestricted	(402,808)	(908,641)	(477,800)	150,656	2,434	(197,803)	(274,873)	(809,524)
<b>TOTAL NET ASSETS</b>	<u>3,579,193</u>	<u>3,335,806</u>	<u>3,821,297</u>	<u>10,026,961</u>	<u>8,220,120</u>	<u>8,699,582</u>	<u>3,984,238</u>	<u>8,814,307</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>7,728,628</u>	<u>8,932,636</u>	<u>8,278,094</u>	<u>15,364,917</u>	<u>18,080,424</u>	<u>12,409,340</u>	<u>20,058,324</u>	<u>22,167,661</u>



PHILADELPHIA HOUSING AUTHORITY  
COMPONENT UNITS  
COMBINING STATEMENT OF NET ASSETS  
MARCH 31, 2012

	Nellie Reynolds	St. Ignatious Senior Housing II	Warnock I	Warnock II	Spring Garden Housing II	Spring Garden Historic	Mantua I	Mantua II
<b>ASSETS</b>								
Current Assets:								
Cash	70,891	582,166	46,354	38,326	94,569	2,156	80,893	141,333
Restricted cash	6,338	26,665	4,951	4,456	-	33,370	4,950	5,049
Investments	-	-	-	-	-	-	-	-
Receivables, net	49,045	39,467	47,605	106,101	102,957	10,805	17,159	422
Due from other governments						-		
Due from other funds								
Other current assets	66,068	3,548	23,786	8,380	-	10,057	6,624	14,645
Total current assets	192,342	651,846	122,696	157,263	197,526	56,388	109,626	161,449
<b>NONCURRENT ASSETS</b>								
Mortgage receivable								
Restricted cash	519,180	68,353	368,118	274,051	194,190	605,545	11,277	10,488,662
Restricted Investments								-
Capital assets, net of depreciation	16,632,841	7,248,252	16,407,085	14,439,054	16,548,399	-	16,553,077	15,150,552
Other assets	37,000	16,603	79,967	64,531	279,393	2,531,706	115,696	461,262
Total noncurrent assets	17,189,021	7,333,208	16,855,170	14,777,636	17,021,982	3,137,251	16,680,050	26,100,476
<b>TOTAL ASSETS</b>	<u>17,381,363</u>	<u>7,985,054</u>	<u>16,977,866</u>	<u>14,934,899</u>	<u>17,219,508</u>	<u>3,193,639</u>	<u>16,789,676</u>	<u>26,261,925</u>
<b>LIABILITIES AND NET ASSETS</b>								
Current liabilities:								
Accounts payable	3,373	94,808	41,448	36,681	-	24,405	34,371	9,239
Accrued liabilities	61,207	64,828	10,257	49,287	14,000	117,370	2,346	20,945
Current portion of long-term debt					41,700			
Due to other government agencies								
Due to other funds								
Compensated absences								
Trust and deposits	6,138	25,401	5,049	4,356	-	33,670	4,950	5,049
Unearned revenues and other current liabilities	16,748	518,258	1,272,855	1,380,819	1,115,276	43,624	2,115,337	2,492,901
Total current liabilities	87,466	703,295	1,329,609	1,471,143	1,170,976	219,069	2,157,004	2,528,134
<b>NONCURRENT LIABILITIES</b>								
Compensated absences								
Bonds, notes and loans payable	2,848,291	1,150,000	7,842,724	7,254,139	8,846,175	-	14,994,663	24,072,619
Other liabilities	440,062	201,290	337,623	752,692	153,699	175,000	172,439	43,750
Total noncurrent liabilities	3,288,353	1,351,290	8,180,347	8,006,831	8,999,874	175,000	15,167,102	24,066,369
<b>TOTAL LIABILITIES</b>	<u>3,375,819</u>	<u>2,054,585</u>	<u>9,509,956</u>	<u>9,477,974</u>	<u>10,170,850</u>	<u>394,069</u>	<u>17,324,106</u>	<u>26,594,503</u>
<b>NET ASSETS:</b>								
Invested in capital assets, net of related debt	13,784,550	6,098,252	8,564,361	7,184,915	7,660,524	-	1,558,414	(8,872,067)
Restricted								
Unrestricted	220,994	(167,783)	(1,096,451)	(1,727,990)	(611,866)	2,799,570	(2,092,844)	8,539,489
<b>TOTAL NET ASSETS</b>	<u>14,005,544</u>	<u>5,930,469</u>	<u>7,467,910</u>	<u>5,456,925</u>	<u>7,048,658</u>	<u>2,799,570</u>	<u>(534,430)</u>	<u>(332,578)</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>17,381,363</u>	<u>7,985,054</u>	<u>16,977,866</u>	<u>14,934,899</u>	<u>17,219,508</u>	<u>3,193,639</u>	<u>16,789,676</u>	<u>26,261,925</u>

PHILADELPHIA HOUSING AUTHORITY  
COMPONENT UNITS  
COMBINING STATEMENT OF NET ASSETS  
MARCH 31, 2012

	Paschall I	Paschall II	Norris Apartments LP	TOTAL DISCRETE UNITS	Elimination Entries	TOTAL
<b>ASSETS</b>						
Current Assets:						
Cash	10	387,745	1,457,764	5,537,107		\$ 5,537,107
Restricted cash		-		565,422		565,422
Investments						-
Receivables, net	9,744	127		2,966,363	(102,957)	2,863,406
Due from other governments				-		-
Due from other funds				-		-
Other current assets				595,111		595,111
Total current assets	9,754	387,872	1,457,764	9,664,003	(102,957)	9,561,046
<b>NONCURRENT ASSETS</b>						
Mortgage receivable						-
Restricted cash		12,464,940	42,538	41,159,137		41,159,137
Restricted Investments						-
Capital assets, net of depreciation	18,903,638	18,723,592	13,919,765	508,792,977		508,792,977
Other assets	85,085	64,564		6,517,094	(2,706,207)	3,810,887
Total noncurrent assets	18,988,723	31,253,096	13,962,303	556,469,208	(2,706,207)	553,763,001
<b>TOTAL ASSETS</b>	18,998,477	31,640,968	15,420,067	566,133,211	(2,809,164)	563,324,047
<b>LIABILITIES AND NET ASSETS</b>						
Current liabilities:						
Accounts payable	44,182	505		1,740,150		1,740,150
Accrued Liabilities	10,085	15,561	2,580	2,246,917	60,000	2,186,917
Current portion of long-term debt				3,255,753		3,255,753
Due to other government agencies				-		-
Due to other funds				-		-
Compensated absences				-		-
Trust and deposits	2,970	99		567,192		567,192
Unearned revenues and other current liabilities	3,179,771	4,991,263	7,007,629	31,243,979	230,724	31,013,255
Total current liabilities	3,237,008	5,007,428	7,010,209	39,053,991	290,724	38,763,267
<b>NONCURRENT LIABILITIES</b>						
Compensated absences						-
Bonds, notes and loans payable	14,887,734	26,099,254	8,183,709	362,842,352		362,842,352
Other liabilities	142,385	159,554	25,639	32,524,672	175,000	32,349,672
Total noncurrent liabilities	15,030,119	26,258,808	8,209,348	395,367,024	175,000	395,192,024
<b>TOTAL LIABILITIES</b>	18,267,127	31,266,236	15,219,557	434,421,015	465,724	433,955,291
<b>NET ASSETS:</b>						
Invested in capital assets, net of related debt	4,015,904	(7,375,662)	5,736,056	142,694,872		142,694,872
Restricted						-
Unrestricted	(3,284,554)	7,750,394	(5,535,546)	(10,982,676)	2,343,440	(13,326,116)
<b>TOTAL NET ASSETS</b>	731,350	374,732	200,510	131,712,196	2,343,440	129,368,756
<b>TOTAL LIABILITIES AND NET ASSETS</b>	18,998,477	31,640,968	15,420,067	566,133,211	2,809,164	563,324,047

PHILADELPHIA HOUSING AUTHORITY  
COMPONENT UNITS  
COMBINING STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS  
YEAR ENDED MARCH 31, 2012

	Southwark Plaza	Raymond Rosen Assoc. t/a 8 Diamonds Townhouses	Spring Garden Housing I	Uni-Penn Housing Partnership I	Cambridge Plaza II	Ridge Avenue Housing	St. Anthony's Senior Residences	Suffolk Manor
Operating revenue:								
Total tenant revenue	686,939	382,140	289,514	140,678	96,258	333,486	174,790	442,932
Operating subsidies	1,522,800	492,616	277,290	158,760	310,040	437,400	117,374	956,756
Other income	116,879	13,278	529	6,774	5,726	37,351	-	1,024
Total operating revenue	<u>2,326,618</u>	<u>888,034</u>	<u>567,333</u>	<u>306,212</u>	<u>412,024</u>	<u>808,237</u>	<u>292,164</u>	<u>1,400,712</u>
Operating expenses:								
Administrative	714,714	232,392	165,097	114,046	107,581	236,226	108,163	251,983
Tenant services	97,270	57,713	62,778	547	-	27,944	45	-
Utilities	567,642	160,178	79,967	53,795	45,632	129,784	34,767	262,069
Maintenance	766,215	312,524	183,840	122,818	170,946	376,697	119,466	518,440
Protective services	80,187	405	-	-	-	(1,376)	-	118,144
General	251,867	91,580	98,886	43,789	68,655	121,012	44,169	198,643
Housing assistance programs	-	920,012	340,641	215,930	261,741	691,478	247,156	593,187
Depreciation and amortization	1,457,139	-	-	-	-	-	-	-
Total operating expenses	<u>3,935,034</u>	<u>1,774,804</u>	<u>931,209</u>	<u>550,925</u>	<u>654,555</u>	<u>1,581,765</u>	<u>553,766</u>	<u>1,942,466</u>
Operating income (loss)	<u>(1,608,416)</u>	<u>(886,770)</u>	<u>(363,876)</u>	<u>(244,713)</u>	<u>(242,531)</u>	<u>(773,528)</u>	<u>(261,602)</u>	<u>(541,754)</u>
Nonoperating revenue and (expenses):								
Interest and investment earnings	-	2,509	216	-	89	4	860	346
Special items	4,211	-	-	-	-	-	-	-
Interest expense	-	79,845	518,839	155,570	187,919	18,369	14,616	500,292
Net nonoperating revenue and (expenses)	<u>4,211</u>	<u>(77,336)</u>	<u>(518,623)</u>	<u>(155,570)</u>	<u>(187,830)</u>	<u>(18,365)</u>	<u>(13,756)</u>	<u>(499,946)</u>
Income (loss) before capital contributions	<u>(1,604,205)</u>	<u>(964,106)</u>	<u>(882,499)</u>	<u>(400,283)</u>	<u>(430,361)</u>	<u>(791,893)</u>	<u>(275,358)</u>	<u>(1,041,700)</u>
Capital Contributions								
HUD Capital subsidies	-	-	-	-	-	-	-	-
Other nonoperating contributions	-	-	-	-	-	-	-	-
Partner contributions	-	-	-	-	-	-	-	-
Change in Net Assets	<u>(1,604,205)</u>	<u>(964,106)</u>	<u>(882,499)</u>	<u>(400,283)</u>	<u>(430,361)</u>	<u>(791,893)</u>	<u>(275,358)</u>	<u>(1,041,700)</u>
Total net assets a beginning of year:								
As previously reported	1,196,202	(60,771)	(180,654)	2,201,086	2,916,262	(381,419)	2,005,927	5,755,312
Prior period adjustments	<u>1,196,202</u>	<u>(60,771)</u>	<u>(180,654)</u>	<u>2,201,086</u>	<u>2,916,262</u>	<u>(381,419)</u>	<u>2,005,927</u>	<u>5,755,312</u>
Total net assets at end of year	<u>(408,003)</u>	<u>(1,024,877)</u>	<u>(1,063,153)</u>	<u>1,800,803</u>	<u>2,485,901</u>	<u>(1,173,312)</u>	<u>1,730,569</u>	<u>4,713,612</u>

PHILADELPHIA HOUSING AUTHORITY  
COMPONENT UNITS  
COMBINING STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS  
YEAR ENDED MARCH 31, 2012

	Richard Allen Phase III	Uni-Penn Housing Partnership II	Cambridge Plaza I	Mt. Olivet	Tasker I	Tasker II	Mill Creek Phase I	St. Ignatius Senior Housing I
Operating revenue:								
Total tenant revenue	555,735	110,677	142,695	555,522	754,971	452,224	209,963	276,796
Operating subsidies	725,575	144,720	249,933	1,055,479	1,215,021	935,831	532,585	126,895
Other income	81,443	3,138	132	26,699	14,400	35,262	1,998	12,763
Total operating revenue	1,362,753	258,535	392,760	1,637,700	1,984,392	1,423,317	744,546	416,454
Operating expenses:								
Administrative	281,970	108,804	98,494	346,766	324,634	263,948	137,585	108,686
Tenant services	2,998	530	-	1,499	2,998	4,312	-	30,969
Utilities	178,477	67,219	31,992	375,408	438,614	183,817	71,534	119,035
Maintenance	604,727	122,840	163,868	483,345	707,155	667,289	325,855	124,052
Protective services	-	606	-	180,314	107,399	-	-	1,034
General	228,115	86,210	81,541	191,409	286,423	216,497	171,410	47,726
Housing assistance programs	-	-	-	-	-	-	-	-
Depreciation and amortization	822,379	243,720	209,405	477,785	1,397,992	1,079,771	505,480	225,928
Total operating expenses	2,118,666	629,929	585,300	2,056,526	3,265,215	2,415,634	1,211,864	657,430
Operating income (loss)	(755,913)	(371,394)	(192,540)	(418,826)	(1,280,823)	(992,317)	(467,318)	(240,976)
Nonoperating revenue and (expenses):								
Interest and investment earnings	219	3,072	69	205	142	46	131	5,571
Special items	-	-	-	-	-	-	-	-
Interest expense	22,191	130,509	140,815	315,565	32,385	20,990	108,910	81,379
Net nonoperating revenue and (expenses)	(21,972)	(127,437)	(140,746)	(315,360)	(32,243)	(20,944)	(108,779)	(75,808)
Income (loss) before capital contributions	(777,885)	(498,831)	(333,286)	(734,186)	(1,313,066)	(1,013,261)	(576,097)	(316,784)
Capital Contributions								
HUD Capital subsidies	-	-	-	132,996	-	-	469,524	-
Other nonoperating contributions	-	-	-	132,996	-	-	469,524	-
Partner contributions	-	-	-	-	-	-	-	-
Change in Net Assets	(777,885)	(498,831)	(333,286)	(601,190)	(1,313,066)	(1,013,261)	(106,573)	(316,784)
Total net assets a beginning of year:								
As previously reported	4,566,670	2,419,718	2,065,757	1,997,066	7,067,294	6,934,370	6,752,588	4,177,905
Prior period adjustments	-	-	-	-	-	-	-	-
	4,566,670	2,419,718	2,065,757	1,997,066	7,067,294	6,934,370	6,752,588	4,177,905
Total net assets at end of year	3,788,785	1,920,887	1,732,471	1,395,876	5,754,228	5,921,109	6,646,015	3,861,121

PHILADELPHIA HOUSING AUTHORITY  
COMPONENT UNITS  
COMBINING STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS  
YEAR ENDED MARCH 31, 2012

	Cambridge Plaza III	Neumann North	Uni-Penn Housing t/a MLK Plaza IV	Lucien E. Blackwell Homes Phase II	Germantown House	Lucien E. Blackwell Homes Phase III	Marshall Shepard	Ludlow Scattered
Operating revenue:								
Total tenant revenue	103,907	239,882	123,490	266,637	509,387	124,592	179,168	199,596
Operating subsidies	332,170	217,080	397,408	385,886	692,848	399,771	565,668	324,493
Other income	15,034	157,126	593	-	9,449	23,606	255	-
Total operating revenue	451,111	614,088	521,491	652,523	1,211,684	547,969	745,091	524,089
Operating expenses:								
Administrative	118,818	131,505	92,260	110,300	185,573	111,746	158,958	67,376
Tenant services	-	23,367	1,499	-	-	-	1,499	-
Utilities	45,773	211,746	36,854	53,603	264,133	34,934	57,900	61,101
Maintenance	205,917	162,996	294,469	341,442	414,903	270,698	385,636	347,549
Protective services	-	-	-	-	129,329	-	-	-
General	62,453	45,707	77,251	110,515	158,473	108,308	128,602	88,911
Housing assistance programs	-	-	262,742	533,167	481,209	371,995	666,588	616,228
Depreciation and amortization	244,700	267,505	-	-	-	-	-	-
Total operating expenses	677,661	842,826	765,075	1,149,027	1,633,620	897,681	1,399,183	1,181,165
Operating income (loss)	(226,550)	(228,738)	(243,584)	(496,504)	(421,936)	(349,712)	(654,092)	(657,076)
Nonoperating revenue and (expenses):								
Interest and investment earnings	131	1,776	35	245	279	89	125	109
Special items	-	-	-	-	-	-	-	-
Interest expense	159,061	157,726	151,486	185,613	207,419	127,709	431,871	345,184
Net nonoperating revenue and (expenses)	(158,930)	(155,950)	(151,451)	(185,368)	(207,140)	(127,620)	(431,746)	(345,075)
Income (loss) before capital contributions	(385,480)	(384,688)	(395,035)	(681,872)	(629,076)	(477,332)	(1,085,838)	(1,002,151)
Capital Contributions								
HUD Capital subsidies	-	-	-	-	-	-	-	-
Other nonoperating contributions	-	-	-	-	-	-	-	-
Partner contributions	-	-	-	-	-	-	-	-
Change in Net Assets	(385,480)	(384,688)	(395,035)	(681,872)	(629,076)	(477,332)	(1,085,838)	(1,002,151)
Total net assets a beginning of year:								
As previously reported	3,964,673	3,720,494	4,216,332	10,708,833	8,849,196	9,176,914	5,070,076	9,816,458
Prior period adjustments	-	-	-	-	-	-	-	-
Total net assets at end of year	3,579,193	3,335,806	3,821,297	10,026,961	8,220,120	8,699,582	3,984,238	8,814,307

PHILADELPHIA HOUSING AUTHORITY  
COMPONENT UNITS  
COMBINING STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS  
YEAR ENDED MARCH 31, 2012

	Nellie Reynolds	St. Ignatious Senior Housing II	Warnock I	Warnock II	Spring Garden Housing II	Spring Garden Historic	Mantua I	Mantua II
Operating revenue:								
Total tenant revenue	249,572	223,959	156,333	151,482	117,293	450,340	138,659	71,029
Operating subsidies	456,291	174,960	133,827	460,933	-	45,056	-	-
Other income	-	3,320	-	-	-	-	-	-
Total operating revenue	<u>705,863</u>	<u>402,239</u>	<u>290,160</u>	<u>612,415</u>	<u>117,293</u>	<u>495,396</u>	<u>138,659</u>	<u>71,029</u>
Operating expenses:								
Administrative	88,540	75,690	99,510	81,935	52,515	171,685	115,261	81,986
Tenant services	-	25,382	-	-	-	36,851	-	-
Utilities	160,446	49,825	33,938	135,215	-	63,324	780	-
Maintenance	169,913	79,326	70,765	139,767	-	89,370	1,723	-
Protective services	140,593	-	-	158,633	-	-	-	-
General	125,435	30,995	63,214	89,671	14,473	168,668	44,912	26,378
Housing assistance programs	-	-	-	-	-	-	-	-
Depreciation and amortization	469,296	216,452	511,672	465,577	607,645	-	479,881	268,296
Total operating expenses	<u>1,154,223</u>	<u>477,670</u>	<u>779,099</u>	<u>1,070,798</u>	<u>674,633</u>	<u>529,898</u>	<u>642,557</u>	<u>376,660</u>
Operating income (loss)	<u>(448,360)</u>	<u>(75,431)</u>	<u>(488,939)</u>	<u>(458,383)</u>	<u>(557,340)</u>	<u>(34,502)</u>	<u>(503,898)</u>	<u>(305,631)</u>
Nonoperating revenue and (expenses):								
Interest and investment earnings	59	162	125	42	451	2,639	-	-
Special items	-	-	-	-	-	-	67,015	55,234
Interest expense	146,687	56,341	143,322	383,447	102,000	-	163,617	156,813
Net nonoperating revenue and (expenses)	<u>(146,628)</u>	<u>(56,179)</u>	<u>(143,197)</u>	<u>(383,405)</u>	<u>(101,549)</u>	<u>2,639</u>	<u>(230,632)</u>	<u>(212,047)</u>
Income (loss) before capital contributions	<u>(594,988)</u>	<u>(131,610)</u>	<u>(632,136)</u>	<u>(841,788)</u>	<u>(658,889)</u>	<u>(31,863)</u>	<u>(734,530)</u>	<u>(517,678)</u>
Capital Contributions								
HUD Capital subsidies	-	-	8,574,482	6,721,508	-	207,629	-	-
Other nonoperating contributions	-	-	8,574,482	6,721,508	-	207,629	-	-
Partner contributions	-	-	-	-	-	-	-	-
Change in Net Assets	<u>(594,988)</u>	<u>(131,610)</u>	<u>7,942,346</u>	<u>5,879,720</u>	<u>(658,889)</u>	<u>175,766</u>	<u>(734,530)</u>	<u>(517,678)</u>
Total net assets a beginning of year:								
As previously reported	14,600,532	6,062,079	(474,436)	(422,795)	7,707,547	2,623,804	200,100	185,100
Prior period adjustments	<u>14,600,532</u>	<u>6,062,079</u>	<u>(474,436)</u>	<u>(422,795)</u>	<u>7,707,547</u>	<u>2,623,804</u>	<u>200,100</u>	<u>185,100</u>
Total net assets at end of year	<u>14,005,544</u>	<u>5,930,469</u>	<u>7,467,910</u>	<u>5,456,925</u>	<u>7,048,658</u>	<u>2,799,570</u>	<u>(534,430)</u>	<u>(332,578)</u>

PHILADELPHIA HOUSING AUTHORITY  
 COMPONENT UNITS  
 COMBINING STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS  
 YEAR ENDED MARCH 31, 2012

	Paschall I	Paschall II	Norris Apartments LP	TOTAL DISCRETE UNITS	ELIMINATION ENTRIES	TOTAL
Operating revenue:						
Total tenant revenue	6,774	28		8,917,448		8,917,448
Operating subsidies				13,845,466		13,845,466
Other income	-	-		566,779		566,779
Total operating revenue	<u>6,774</u>	<u>28</u>		<u>23,329,693</u>	<u>-</u>	<u>23,329,693</u>
Operating expenses:						
Administrative	19,933	5,476		5,370,156	(6,589)	5,363,567
Tenant services				378,201		378,201
Utilities				4,009,502		4,009,502
Maintenance				8,744,551		8,744,551
Protective services				915,268		915,268
General	32,046	7,252		3,611,196		3,611,196
Housing assistance programs				-		-
Depreciation and amortization	124,280	63,047		16,340,024		16,340,024
Total operating expenses	<u>176,259</u>	<u>75,775</u>		<u>39,368,898</u>	<u>(6,589)</u>	<u>39,362,309</u>
Operating income (loss)	<u>(169,485)</u>	<u>(75,747)</u>		<u>(16,039,205)</u>	<u>6,589</u>	<u>(16,032,616)</u>
Nonoperating revenue and (expenses):						
Interest and investment earnings				23,957	-	23,957
Special items	10,904	14,487		147,640		147,640
Interest expense	48,271	39,579		5,334,340		5,334,340
Net nonoperating revenue and (expenses)	<u>(59,175)</u>	<u>(54,066)</u>		<u>(5,458,023)</u>	<u>-</u>	<u>(5,458,023)</u>
Income (loss) before capital contributions	<u>(228,660)</u>	<u>(129,813)</u>		<u>(21,497,228)</u>	<u>6,589</u>	<u>(21,490,639)</u>
Capital Contributions						
HUD Capital subsidies				-		-
Other nonoperating contributions			200,510	16,306,669		16,306,669
Partner contributions	10	10	200,510	16,306,669	-	16,306,669
Change in Net Assets	<u>(228,650)</u>	<u>(129,803)</u>	<u>200,510</u>	<u>(5,190,559)</u>	<u>6,589</u>	<u>(5,183,970)</u>
Total net assets a beginning of year:						
As previously reported	960,000	504,535	-	136,902,755	(2,350,029)	134,552,726
Prior period adjustments	<u>960,000</u>	<u>504,535</u>	<u>-</u>	<u>136,902,755</u>	<u>(2,350,029)</u>	<u>134,552,726</u>
Total net assets at end of year	<u>731,350</u>	<u>374,732</u>	<u>200,510</u>	<u>131,712,196</u>	<u>(2,343,440)</u>	<u>129,368,756</u>

**PHILADELPHIA HOUSING AUTHORITY**  
**STATEMENT OF NET ASSETS – CITY OF PHILADELPHIA FORMAT**  
**MARCH 31, 2012**

**ASSETS**

Current assets:

Cash and cash equivalents	\$ 70,566,443
Restricted cash	1,655,203
Investments	104,068,628
Receivables	45,992,918
Other current assets	2,283,145

Total current assets	224,566,337
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Noncurrent assets:

Restricted cash and investments	56,576,079
Land, building and equipment - net of accumulated depreciation	1,193,332,547

Other assets	13,348,460
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Total noncurrent assets	1,263,257,086
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TOTAL ASSETS	\$1,487,823,423
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**LIABILITIES**

Current liabilities:

Accounts payable	\$ 18,126,826
Accrued liabilities	20,444,741
Current portion of long term debt	7,470,750
Due to other governments	256,500
Compensated absences	3,154,080
Trust for deposit liabilities	1,415,277
Deferred credits and other liabilities	40,812,345

Total current liabilities	91,680,519
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Noncurrent liabilities:

Long-term debt	92,116,793
Other long-term liabilities	49,279,407
Total long-term liabilities	141,396,200

TOTAL LIABILITIES	233,076,719
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**NET ASSETS**

Net investment in fixed assets	762,945,555
Restricted	12,609,315
Unrestricted	479,191,834
Total net assets	1,254,746,704

TOTAL LIABILITIES AND NET ASSETS	\$1,487,823,423
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PHILADELPHIA HOUSING AUTHORITY  
STATEMENT OF ACTIVITIES -CITY OF PHILADELPHIA FORMAT  
YEAR ENDED MARCH 31, 2012

FUNCTIONS/PROGRAMS	<u>EXPENSES</u>	<u>TENANT REVENUE</u>	<u>OPERATING GRANTS AND CONTRIBUTIONS</u>	<u>CAPITAL GRANTS</u>	<u>NET REVENUE AND CHANGES IN NET ASSETS</u>
Housing activities	\$405,029,8560	\$32,658,247	\$394,374,408	\$42,511,905	\$ 64,514,704
Changes in net assets:					
Net assets - beginning					<u>1,190,232,000</u>
Net assets - ending					<u><u>\$1,254,746,704</u></u>

## **SINGLE AUDIT SECTION**

**PHILADELPHIA HOUSING AUTHORITY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED MARCH 31, 2012**

<i>Federal Grant/Pass-Through Grantor/Program or Cluster Title</i>	<b>Federal CFDA Number</b>	<b>Federal Expenditures</b>
U.S. Department of Housing and Urban Development: Congregate Housing Services Program	14.170	\$ 98,190
Section 8 Project-Based Cluster		
Section 8 Moderate Rehabilitation Single Room Occupancy	14.249	1,862,851
Lower Income Housing Assistance Program - Section 8 Moderate Rehabilitation	14.856	<u>1,909,968</u>
		3,772,819
Moving to Work Demonstration Program		
Section 8 Housing Choice Vouchers	14.871	184,563,302
Public and Indian Housing	14.850	113,495,919
Public Housing Capital Fund	14.872	<u>71,695,206</u>
		369,754,427
Resident Opportunity and Supportive Services - Service Coordinators	14.870	588,267
Housing Voucher Cluster		
Section 8 Housing Choice Vouchers	14.871	8,510,436
Mainstream Vouchers	14.879	<u>290,040</u>
		8,800,476
Capital Fund Cluster		
ARRA-Public Housing Capital Fund Competitive	14.884	12,155,096
ARRA-Public Housing Capital Fund Stimulus (Formula)	14.885	<u>10,019,077</u>
		22,174,173
ARRA-Healthy Homes Demonstration Grants	14.908	346,979
U.S. Department of Agriculture: Summer Food Service Program for Children	10.559	127,547
U.S. Department of Health and Human Services: Child Care and Development Block Grant	93.575	<u>560,760</u>
		<u>\$406,223,638</u>

**Notes:**

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, 2012. 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 assets or cash flows of PHA.

**PHILADELPHIA HOUSING AUTHORITY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED**  
**YEAR ENDED MARCH 31, 2012**

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

CFDA Number	Program Name	Subrecipient	Amount Provided
14.850	Public and Indian Housing	Cambridge Plaza L.P.	\$ 249,933
		Cambridge Plaza II, L.P.	310,040
		Cambridge III, L.P.	332,170
		Ridge Avenue Housing, L.P.	437,400
		Germantown House, L.P.	692,848
		Lucien E. Blackwell Homes Phase II, L.P.	385,886
		Lucien E. Blackwell Homes Phase III, L.P.	399,771
		Ludlow Scattered Sites Phase III, L.P.	324,493
		Marshall Shepard Village, L.P.	565,668
		Mill Creek Phase I, L.P.	532,585
		Mt. Olivet L.P.	1,055,479
		Nellie Reynolds Gardens, L.P.	456,291
		Neuman North L.P.	217,080
		Raymond Rosen Associates, L.P.	492,616
		Richard Allen Phase III, L.P.	725,575
		Southwark Plaza Limited Partnership	1,522,800
		Spring Garden Housing Limited Partnership	277,290
		Spring Garden Historic, L.P.	45,056
		St. Anthony's Senior Residencies Associates LP	117,374
		St. Ignatius Senior Housing I, L.P.	126,895
		St. Ignatius Senior Housing II, L.P.	174,960
		Suffolk Manor Opportunities, L.P.	956,756
		Tasker I, L.P.	1,215,021
		Tasker II, L.P.	935,831
		Uni-Penn Housing Partnerhsip I	158,760
		Uni-Penn Housing Partnership II	144,720
		Uni-Penn Housing Partnership IV	397,408
		Warnock Phase I, L.P.	133,827
		Warnock Phase II, L.P.	460,933
			<u>\$13,845,466</u>

**PHILADELPHIA HOUSING AUTHORITY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED MARCH 31, 2012**

**Section I – Summary of Auditor’s Results**

**Financial Statements**

Type of auditors’ report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? None reported

Noncompliance material to financial statements noted? No

**Federal Awards**

Internal control over major programs:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? None reported

Type of auditor’s report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? Yes

Identification of major programs:

<u>CFDA Number</u>	<u>Program Title</u>
14.850	Public and Indian Housing
14.871	Section 8 Housing Choice Vouchers
14.872	Public Housing Capital Fund
14.881	Moving to Work Demonstration Program
14.884	ARRA Public Housing Capital Fund Competitive
14.885	ARRA Public Housing Capital Fund Stimulus (Formula)
14.908	ARRA Healthy Homes Demonstration Grants

**PHILADELPHIA HOUSING AUTHORITY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED MARCH 31, 2012**

**Section I – Summary of Auditor’s Results - Continued**

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

Auditee qualified as low-risk auditee? No

**Section II – Financial Statement Findings**

None reported.

**Section III – Federal Award Findings and Questioned Costs**

Reference #2012-01

Federal Program

Public and Indian Housing – CFDA 14.850.

Criteria

The HUD Consolidated Audit Guide requires adequate supporting documentation for cash disbursements.

Condition and Context

Supporting documents for one employee out of 60 selected were not available for audit review of pay rate and other evidence of compliance with legal and organizational requirements.

Effect

PHA is accountable to HUD for ensuring procedures and processes are in place that are reasonable and necessary to achieve compliance with rules, regulations and other contract provisions of the Public and Indian Housing program.

Recommendation

Management should perform periodic electronic or manual backup of source data as protection from document loss.

**Philadelphia Housing Authority Response:**

The Authority is committed to the continued strengthening of its record management systems and will continue to perform periodic electronic backup of source data as a solution for the protection of document loss. PHA management has taken many steps to institute greater control over the administration of internal documents and data quality control throughout the agency. Throughout 2012, the Authority has also enhanced its Human Resource Department by hiring a new Director of Human Resources, increasing staff and strengthening filing requirements within the department.

**PHILADELPHIA HOUSING AUTHORITY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS - Continued**  
**YEAR ENDED MARCH 31, 2012**

**Section III – Federal Award Findings and Questioned Costs - Continued**

Reference #2012-02

Criteria

OMB Circular A-133 Subpart (C) §.320 *Report Submission* states:

“The audit shall be completed and the data collection form....and reporting package.....shall be submitted within the earlier of 30 days after receipt of the auditor’s report(s), or nine months after the end of the audit period....”

Condition

PHA did not submit a reporting package to the Federal Audit Clearinghouse by the required due date.

Context

PHA has not complied with Federal filing requirements.

Effect

Because of the late submission of the audit reports, the reporting package was not available on a timely basis.

Recommendation

Philadelphia Housing Authority should develop procedures to ensure that future reporting packages are submitted to the Federal Audit Clearinghouse within the earlier of 30 days after receipt of the auditor’s report(s), or nine months after the end of the audit period.

**Philadelphia Housing Authority Response:**

In 2011, both the independent auditors and PHA were required to respond to multiple requests for information from outside agencies. The excessive requests inadvertently caused a delay in the receipt and filing of its financial reporting with the Federal Audit Clearinghouse. As a result, PHA has established a Standard Operating Procedure (SOP) to ensure that it submits its audited comprehensive annual financial report including the “Single Audit” reporting packages to the Federal Audit Clearinghouse within 30 days of receiving the Independent Auditor’s report or within nine months from the end of the audit period.

Additionally, and in cooperation with its independent auditors, PHA has established audit milestones, interim completion dates and final audit completion dates to enable filing with the Federal Data Clearinghouse in advance of the filing requirement.

**PHILADELPHIA HOUSING AUTHORITY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS - Continued**  
**YEAR ENDED MARCH 31, 2012**

**SECTION IV – Summary Schedule of Prior Audit Findings**

*Finding No. 2011-01*

Condition

Several instances of missing documents were noted with respect to payroll expenditures and Declarations of Trust.

Recommendation

We recommend that management strengthen internal controls over compliance with program requirements, laws, regulations and other provisions of the Public and Indian Housing Program.

Status

The PHA Board passed a Development Policies and Principles Resolution (Resolution No. 11559) on September 28, 2012 to guide PHA's external development ventures. This Resolution also required that "promptly upon the acquisition of any property that has been purchased with funds from the U.S. Housing Act of 1937 (Act), PHA shall execute and deliver a declaration of trust (DOT), or such other document as may be approved by HUD, confirming and further evidencing, among other things, the covenant of PHA not to convey or encumber the property except as expressly authorized by HUD. PHA shall furnish HUD with appropriate evidence of such recording or filing. The requirement for PHA to maintain current DOTs against public housing property is ongoing for property that is developed, maintained, or assisted with funds from the U.S. Housing Act of 1937 and PHA shall closely monitor its public housing property for DOT compliance."

*Finding No. 2011-02*

Condition

PHA did not submit a reporting package to the Federal Audit Clearinghouse by the required due date.

Recommendation

We recommend that Philadelphia Housing Authority develop procedures to ensure that future reporting packages are submitted to the Federal Audit Clearinghouse within the earlier of 30 days after receipt of the auditor's report(s), or nine months after the end of the audit period.

Status

PHA has established a Standard Operating Procedure (SOP) to ensure that it submits its audited comprehensive annual financial report including the "Single Audit" reporting packages to the Federal Audit Clearinghouse within 30 days of receiving the Independent Auditor's report or within nine months from the fiscal year end.

As of August 31, 2012, DOTs have been placed on all PHA properties that were purchased with federal funds.



Report of Certified Public Accountants 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 the basic financial statements of Philadelphia Housing Authority (PHA) as of and for the year ended March 31, 2012, and have issued our report thereon dated December 19, 2012. 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. Other auditors audited the financial statements of certain component units, as described in our report on PHA's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

***Internal Control over Financial Reporting***

Management of PHA is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered PHA's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of PHA's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the PHA's internal control over financial reporting.

*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.

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

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.

### *Compliance and Other Matters*

As part of obtaining reasonable assurance about whether PHA's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. Our tests did not include the component units whose audits were performed by other auditors. The results of our tests disclosed instances of noncompliance or to other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompany schedule of findings and questioned costs as items 2012-1 and 2012-2.

PHA's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit PHA's response and, accordingly, we express no opinion on it.

This report is intended for the information and use of the Board of Commissioners, management, HUD, federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

  
December 19, 2012

Report of Independent Certified Public Accountants  
on Compliance with Requirements that Could Have a Direct and Material Effect on Each Major  
Program and on Internal Control over Compliance in Accordance  
With OMB Circular A-133

Board of Commissioners  
Philadelphia Housing Authority  
Philadelphia, Pennsylvania

HUD, Pennsylvania State Office  
Office of Public Housing  
Wanamaker Building  
100 Penn Square East  
Philadelphia, Pennsylvania 19107

***Compliance***

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, 2012. PHA's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of PHA's management. Our responsibility is to express an opinion on PHA's compliance based on our audit. Other auditors audited the financial statements of certain component units, as described in our report on PHA's financial statements. This report does not include the results of the other auditors' testing of compliance and internal control over compliance that are reported on separately by those auditors.

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. Our audit does not provide a legal determination on PHA's compliance with those requirements. Our tests did not include the component units whose audits were performed by other auditors.

In our opinion, PHA complied, in all material respects, with the 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, 2012. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2012-1 and 2012-2.

### *Internal Control over Compliance*

Management of PHA is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered PHA's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on 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 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.

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

PHA's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit PHA's responses and accordingly, we express no opinion on the responses.

This report is intended for the information and use of the Board of Commissioners, management, HUD, federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, reading "Sedner & Company LLC". The signature is written in a cursive, flowing style.

December 19, 2012