

Philadelphia Housing Authority

Financial and Compliance Report
March 31, 2015

Contents

Transmittal Letter	1-8
Financial Section	
Independent Auditor's Report	9-11
Management's Discussion and Analysis	12-20
Financial Statements	
Statement of Net Position	21
Statement of Revenues, Expenses and Changes in Net Position	22
Statement of Cash Flows	23-24
Statement of Fiduciary Net Position – Fiduciary Fund Type	25
Statement of Changes in Fiduciary Net Position – Fiduciary Fund Type	26
Notes to Financial Statements	27-62
Required Supplementary Information	
Schedule of Pension Funding Progress	63
Supplementary Information	
Financial Data Schedule	64-113
HUD Supplementary Information	
Schedule of Actual Modernization Cost Certificate	114
Other Supplementary Information	
Combining Statement of Net Position (PHA and Blended Component Units)	115-119
Combining Statement of Revenues, Expenses and Changes in Net Position	120-123
Combining Statement of Net Position (Discrete Component Units)	124-128
Combining Statement of Revenues, Expenses and Changes in Net Position (Discrete Component Units)	129-133
Single Audit Section	
Schedule of Expenditures of Federal Awards	134
Notes to Schedule of Expenditures of Federal Awards	135-136
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	137-138
Independent Auditor's Report for Each Major Program and on Internal Control Over Compliance Required by OMB Circular A-133	139-140
Schedule of Findings and Questioned Costs	141-146
Summary Schedule of Prior Audit Findings	147-158
Corrective Action Plan	159

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

November 19, 2015

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

Pennsylvania State law requires that all general-purpose local governments and component units publish a complete set of financial statements presented in conformity with Generally Accepted Accounting Principles in the United States of America ("GAAP") and audited in accordance with Generally Accepted Auditing Standards ("GAAS") by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the Annual Financial Report of the Philadelphia Housing Authority ("PHA" or the "Authority") for the fiscal year ended March 31, 2015.

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

PHA's financial statements have been audited by McGladrey LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that PHA's financial statements for the fiscal year ended March 31, 2015 are free of material misstatement.

The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that PHA's financial statements for the fiscal year ended March 31, 2015, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the Authority's internal controls and compliance, with special emphasis on internal controls, legal requirements and compliance involving the

administration of federal awards. These reports are available in the Single Audit Section of PHA's Financial Report.

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

Profile and Background of the Philadelphia Housing Authority

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

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

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

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

- The National Housing Act, passed in 1934, was the first landmark housing law of the New Deal era. It created the Federal Housing Administration (FHA), whose mission was to stimulate housing activity by insuring mortgages made by private lenders.
- The United States Housing Act of 1937 created the public housing program. Like the National Housing Act, the U.S. Housing Act has been amended many times, including a comprehensive revision in 1974.
- In the Housing Act of 1949, Congress established a national housing policy with three objectives: (1) eliminating housing shortages through housing production and related community development, (2) clearing slums and blighted areas, and (3) achieving the goal of "a decent home and a suitable living environment for every American family."
- In 1965, Congress passed a law to create the U.S. Department of Housing and Urban Development (HUD). In addition, closely related legislation was passed in 1965, which created the rent supplement program to subsidize the rents of low income households in private housing.
- One of the landmark housing laws of the post-World War II era, the Housing and Urban Development Act of 1968 created two major subsidy programs, the Section 235 home purchase program and the Section 236 rent subsidy program.
- The Housing and Community Development Act of 1974 rewrote the U.S. Housing Act of 1937, revising the public housing program and creating the Section 8 rent subsidy program. Under

Section 8, low-income tenants pay a fixed portion of their income for rent in privately owned housing and HUD covers the difference between the tenant payment and the fair market rent for the unit.

- The Housing and Community Development Act of 1987 made a number of changes to the public housing program. These included converting development funding from loans supported by annual contract payments to up-front grants, requiring public housing authorities to submit comprehensive plans to receive modernization funds, and adding provisions for resident management and ownership. For Section 8, the 1987 act made vouchers a permanent program, rather than a demonstration; provided portability for certificates and vouchers, allowing families to take their subsidies with them if they moved within the same or a contiguous metropolitan area; and authorized PHAs to tie up to fifteen (15%) percent of their certificate funding to specific projects.
- The National Affordable Housing Act of 1990 created the Homeownership and Opportunity for People Everywhere (HOPE) program, which was designed to encourage the use of government-owned or government-financed housing for low-income home ownership.
- For public housing, the Housing and Community Development Act of 1992 included provisions to reduce vacancies and improve severely depressed projects. The Section 8 provisions included authorization to use vouchers or certificates for home ownership, and a Moving to Opportunity demonstration program to help families living in subsidized projects to move out of areas with high concentrations of poverty, and into areas offering greater opportunities for employment, education, and lower poverty.
- Public housing reform is represented through the Quality Housing and Work Responsibility Act of 1998 (QHWRA). QHWRA was signed by President Clinton on October 21, 1998 and is found in Title V of HUD's FY1999 appropriations act (P.L. 105-276). QHWRA's goals include:
 - Reducing the concentration of poverty in public housing;
 - Protecting access to housing assistance for the poorest families;
 - Supporting families making the transition from welfare to work;
 - Raising performance standards for public housing agencies, and rewarding high performance;
 - Transforming the public housing stock through new policies and procedures for demolition and replacement and mixed-finance projects, and through authorizing the HOPE VI revitalization program;
 - Merging and reforming the Section 8 certificate and voucher programs, and allowing public housing agencies to implement a Section 8 homeownership program; and
 - Supporting HUD management reform efficiencies through deregulation and streamlining and program consolidation.

Under QHWRA and, where applicable, the Moving to Work (MTW) Agreement between PHA and HUD as further described below, PHA has established a system of site-based waiting lists, consistent with all applicable civil rights and fair housing laws. PHA has set a minimum

monthly rent of \$50 for residents in public housing, the Housing Choice Voucher Program and Moderate Rehabilitation developments. Exceptions to payment of minimum rent may be made by the PHA for families in hardship circumstances.

QWHRA also allows PHA to terminate the leases of residents of public housing and tenant-based Housing Choice Voucher assistance and be subject to expedited eviction (after an expedited grievance process) for violent or drug-related criminal activity and felony convictions.

- 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, on March 14, 2013, Mr. Kelvin A. Jeremiah was appointed as PHA's President & CEO by the PHA Board of Commissioners. Prior to his appointment, Mr. Jeremiah had served as PHA's Interim Executive Director and the HUD-appointed Administrative Receiver since June 13, 2012.

Pursuant to Pennsylvania state law, the PHA Board of Commissioners consists of nine members nominated by the Mayor of Philadelphia, subject to approval by the City Council. Two of the Commissioners are PHA residents. Prior to their seating, all Board members are required to complete extensive training from PHA and HUD, including sessions on public housing management, Ethical Conduct, Conflict of Interest, EEO and the Fair Housing Act. During the past year, the untimely passing of Commissioner Joan Markman resulted in a vacancy on the Board. Commissioner Amy Kurland was subsequently appointed to the Board. The current members of PHA's Board of Commissioners are:

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

- 9) *Ethel Wise* – President of the Wilson Park Family Resident Council.

Moving To Work

PHA has been a participant in the Moving to Work (MTW) program since 2001. The current MTW Agreement between HUD and PHA extends through FY 2018. MTW is a national demonstration program by Congress that allows a limited number of Public Housing Authorities to combine Public Housing Operating Fund, Capital Fund and Housing Choice Voucher Program funds into a Block Grant and to waive certain regulations and statutes subject to HUD approval. The MTW Agreement also defines the formulas relevant to PHA's eligibility for Public Housing Operating Fund, Capital Fund and housing Choice Voucher Program funds.

Activities that utilize MTW flexibility must promote one or more of the MTW statutory objectives, which can be summarized as expanding housing choice, reducing cost and promoting efficiency in the administration of federal programs and/or encouraging economic self sufficiency of families with children. PHA continues to work with HUD to determine mutually acceptable terms to extend the MTW Agreement beyond its current term.

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

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

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

These objectives continue to be relevant to PHA's implementation of the MTW program. Under the direction of President & CEO, Kelvin A. Jeremiah, PHA has continued and expanded its use of MTW flexibility in promoting PHA's long-term strategic objectives. PHA has sharpened its focus on improving performance in core business operational areas including property management, maintenance services,

and resident services. PHA's current MTW Plan emphasizes the need to strengthen people, property, and partnerships. Twelve interrelated strategic priorities have been established to guide both future MTW activities and PHA's overall management objectives as described in PHA's Strategic Directions Plan. These priority areas are:

- 1) Preserve and expand the supply of affordable housing available to Philadelphia's residents with low-incomes;
- 2) Achieve excellence in the provision of management and maintenance services to PHA residents;
- 3) Create safe communities in collaboration with neighborhood residents and law enforcement agencies;
- 4) Enhance resident well-being and independence through partnerships for employment, job training, education, health and other evidence-based supportive services;
- 5) Improve access to quality housing choices and opportunity neighborhoods through the Housing Choice Voucher program;
- 6) Incorporate energy conservation measures and sustainable practices throughout PHA operations;
- 7) Improve customer service, streamline operations and create a business model that is data-driven and high performing;
- 8) Conduct PHA business in an open and transparent manner that promotes accountability and access, ensures diversity and adheres to the highest ethical standards;
- 9) Strengthen existing relationships and forge new public, private and philanthropic partnerships to support PHA's strategic goals;
- 10) Make PHA an employer of choice with an accountable, diverse, trained and productive workforce;
- 11) Ensure that PHA is a good neighbor and reliable community partner; and
- 12) Encourage innovation and promote PHA's financial health through ongoing participation in the Moving to Work Program.

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

- **Low-Rent Housing Program (Public Housing)**

This program provides low-rent housing to qualified residents of the City of Philadelphia. All units are owned and operated by PHA and were purchased with financing arranged or provided through HUD. The operations of the program are subsidized by HUD through Annual Contributions Contract(s). Under PHA's MTW Agreement, public housing operating and capital funding are eligible for funding and programmatic flexibility. Under the Rental Assistance Demonstration Program authorized by Congress and implemented by HUD, PHA intends to convert a portion of its public housing portfolio to Section 8 project-based assistance over the next several years.

- **Housing Choice Voucher Program**

The Housing Choice Voucher (HCV) program (also referred to as Section 8) provides rental subsidies to low-income families residing in housing owned by private, not-for-profit or public landlords. Under PHA's MTW Agreement, the majority of PHA's HCV vouchers are eligible for funding and programmatic flexibility. Programs under the Housing Choice Voucher Program umbrella include Tenant-Based, Project/Unit Based, SRO Moderate Rehabilitation and Special Purpose Vouchers such as the Veterans Administration Supportive Housing (VASH), Mainstream and Family Unification Program.

Factors Affecting Financial Condition

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

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

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

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

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

During its Fiscal Year 2015, all of PHA's cash and investments were held in risk category #1 above.

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

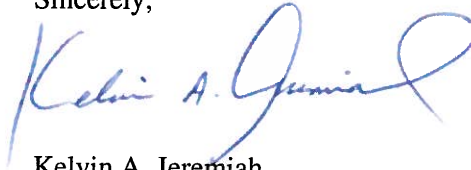
estimated amounts. Beginning April 1, 1999, PHA purchased commercial policies for personal injury coverage.

Contributions by Federal Agencies: PHA received the majority of its Fiscal Year 2015 revenues from HUD. If in the future, the amount of revenues received from HUD falls below critical levels, PHA's operating reserves could be adversely affected.

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

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

Sincerely,

A handwritten signature in blue ink, reading "Kelvin A. Jeremiah". The signature is fluid and cursive, with a large loop at the end.

Kelvin A. Jeremiah
President & CEO

Independent Auditor's Report

To the Board of Commissioners
Philadelphia Housing Authority
Philadelphia, Pennsylvania

Report on the Financial Statements

We have audited the accompanying financial statements of the proprietary fund type activities, the aggregate discretely presented component units and the aggregate remaining fund information of Philadelphia Housing Authority (PHA) as of and for the year ended March 31, 2015, and the related notes to the financial statements, which collectively comprise the Philadelphia Housing Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Philadelphia Housing Authority Retirement Income Plan, which is shown as a Fiduciary Fund Type – Pension Trust Fund as of and for the year ended October 31, 2014. We did not audit the financial statements of the aggregate discretely presented component units as of and for the year ending December 31, 2014. Those statements were audited by other auditors whose reports thereon have been furnished to us, and our opinions, insofar as it relates to the amounts included for such component units, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the discretely presented component units were not audited in accordance with *Government Auditing Standards*.

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

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

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of the proprietary fund type activities, the aggregate discretely presented component units and the aggregate remaining fund information of PHA as of March 31, 2015, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 11 through 16 and the schedule of pension funding progress on page 56 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of Philadelphia Housing Authority. The accompanying financial data schedule, as well as other supplementary information shown on pages 108 to 127, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

Such information, the financial data schedule, schedule of expenditures of federal awards and the other supplementary information shown on pages 108 to 127 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 19, 2015 on our consideration of PHA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering PHA's internal control over financial reporting and compliance.

RSM US LLP

Blue Bell, Pennsylvania
November 19, 2015

PHILADELPHIA HOUSING AUTHORITY MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED MARCH 31, 2015

Overview

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, 2015. 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 7 through 14 of this report, as well as the financial statements that follow this section. All amounts, unless otherwise indicated, are expressed in millions of dollars.

Financial Highlights

- The assets of the Philadelphia Housing Authority exceeded its liabilities (net position) at the close of the most recent fiscal year by \$1,075.4 million (vs \$1,097.1 million in FY2014). Of this amount, \$534.4 million are *unrestricted net position*, which includes \$376.6 million of mortgages receivable from PHA's discretely presented component units. The remaining unrestricted net position of \$147.8 million may be used to meet PHA's ongoing obligations to clients and creditors.
- PHA's total FY2015 net position decreased by \$21.7 million over FY 2014.
- PHA's total operating revenue for FY2015 was \$368.2 million (vs \$355.7 million in FY2014), \$19.9 million (vs \$21.6 million in FY2014) more than total operating expenses (excluding depreciation).
- PHA's total liabilities of \$94.1 million as of March 31, 2015 decreased by \$7.6 million compared to total liabilities as of March 31, 2014.

Overview of the Financial Statements

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

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

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

Notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements. The agency-wide financial statements and accompanying notes can be found on pages 15 through 65 of this report.

**PHILADELPHIA HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2015**

Overview of the Financial Statements (Continued)

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

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

In addition to the basic financial statements and accompanying notes, this report also presents certain required and other supplementary information. The combining statement of net position and other supplementary information can be found beginning on page 70 of this report.

**PHILADELPHIA HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2015**

Agency-wide Financial Analysis

Net position. As noted earlier, net position may serve over time as a useful indicator of an agency's financial position. In the case of PHA, assets exceeded liabilities by \$1,075.4 million at the close of the most recent fiscal year. The combined net position of PHA decreased by \$21.7 million in FY2015 vs FY2014. The following table shows a summary of changes in from the prior year amounts:

			<u>Increase/(Decrease)</u>	
	<u>FY15</u>	<u>FY14</u>	<u>Dollar Variance</u>	<u>Percent Variance</u>
<u>Assets</u>				
Cash & Investments	\$ 140.6	\$ 152.0	\$ (11.4)	(7.5%)
Accounts Receivable	53.4	65.8	(12.4)	(18.9%)
Other Current Assets	1.5	2.3	(0.8)	(36.7%)
Total Current Assets	\$ 195.5	\$ 220.1	\$ (24.6)	(11.2%)
Net Program Loans Receivable	376.6	353.3	23.3	6.6%
Restricted Cash & Investments	3.0	2.9	0.1	3.7%
Capital Assets	579.2	617.4	(38.2)	(6.2%)
Other Assets	15.2	5.1	10.1	197.3%
Total Assets	\$ 1,169.5	\$ 1,198.8	\$ (29.3)	(2.4%)
<u>Liabilities</u>				
Accounts Payable	\$ 6.2	\$ 5.9	\$ 0.3	5.4%
Other Current Liabilities	31.5	33.3	(1.8)	(5.5%)
Total Current Liabilities	\$ 37.7	\$ 39.2	\$ (1.5)	(3.9%)
Noncurrent Liabilities	56.4	62.5	(6.1)	(9.8%)
Total Liabilities	\$ 94.1	\$ 101.7	\$ (7.6)	(7.4%)
<u>Net Position</u>				
Net investment in capital assets	\$ 528.2	\$ 562.3	\$ (34.1)	(6.1%)
Restricted	12.8	12.8	(0.0)	(0.3%)
Unrestricted	534.4	522.0	12.4	2.4%
Total Net Position	\$ 1,075.4	\$ 1,097.1	\$ (21.7)	(2.0%)
Total Liabilities and Net Position	\$ 1,169.5	\$ 1,198.8	\$ (29.3)	(2.4%)

**PHILADELPHIA HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2015**

Statement of Revenues, Expenses and Changes in Net Position. The statement shows the sources of PHA's changes in net position as they arise through its various programs and functions. A condensed Statement of Revenues, Expenses and Changes in Net Position comparing FY2015 vs FY2014 is shown in the table below.

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

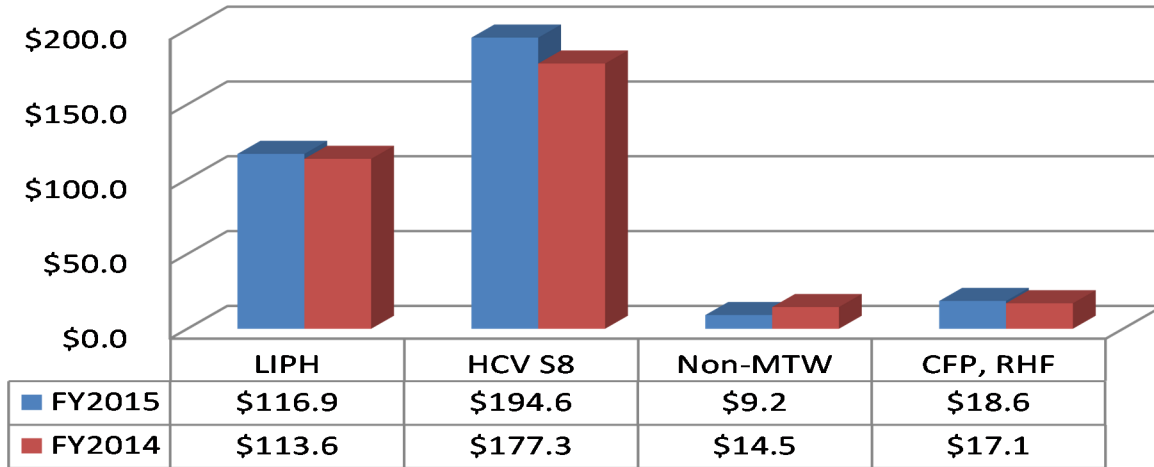
			<u>Increase/(Decrease)</u>	
	<u>FY15</u>	<u>FY14</u>	<u>Dollar Variance</u>	<u>Percent Variance</u>
<u>Revenue</u>				
Program Revenue:				
Charges for Services	\$ 24.4	\$ 24.2	\$ 0.2	0.9%
Federal Revenue	339.3	322.5	16.8	5.2%
Other Revenue	4.5	9.0	(4.5)	(49.8%)
Total Operating Revenue	368.2	355.7	12.5	3.5%
<u>Expenses</u>				
Direct	278.6	262.3	16.3	6.2%
Administrative	69.7	71.8	(2.1)	(2.9%)
Total Operating Expenses	348.3	334.1	14.2	4.3%
Depreciation	57.8	57.0	0.8	1.5%
Total Expenses	406.1	391.1	15.0	3.8%
Net nonoperating revenue	2.8	0.6	2.2	371.2%
Capital subsidies	13.3	13.1	0.2	1.9%
Prior period adjustments	0.1	(0.3)	0.4	(128.1%)
Total Expenses, net of other items	389.9	377.7	12.2	3.2%
Increase/(Decrease) in Net Position	\$ (21.7)	\$ (22.0)	\$ 0.3	(1.1%)

Federal Revenue includes the annual operating subsidies and capital grants made available by the U.S. Department of Housing and Urban Development ("HUD"), along with grants received from other Federal sources and the Commonwealth of Pennsylvania. Federal Revenue and capital subsidies increased by \$16.8 million and \$0.2 million, respectively.

Direct expenses amounted to **\$278.6 million**, representing a year-to-year increase of **\$16.3 million**, or 6.2%. Administrative expenses total **\$69.7 million** which is a decrease of **\$2.1 million** or 2.9% from the prior fiscal year.

**PHILADELPHIA HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2015**

Federal Revenues - FY15 vs FY14



NOTES ON FEDERAL REVENUES

- **Low Income Public Housing (LIPH)** – PHA recognized LIPH revenues based on the actual cash subsidy provided by HUD. The increase or decrease in the year to year LIPH revenue is mainly driven by HUD approved cash subsidies to PHA.
- **Housing Choice Voucher / Section 8 (HCV S8)** – PHA recognized HCV S8 revenues based on HUD's obligated funds as supported by the Annual Contribution Contract (ACC). In FY2015, HUD approved a higher amount of HCV S8 subsidy of about **\$17.3 million or 9.8%** increase vs FY2014.
 PHA, as a HUD designated MTW Agency, recognized 100% of the HCV S8 revenue as supported by ACC. Under the MTW Agreement, PHA has the flexibility to combine Federal funds from the Public Housing Operating and Modernization programs and HCV program into a "block grant" to help PHA better meet the purposes of the demonstration and the needs of their communities. In addition, PHA is permitted to combine its Public Housing Operating, Capital funds and HCV funds and use these funds interchangeably.
- **Non – MTW** – Non – MTW revenue mainly consists of VASH, Mainstream, Moderate Rehab and Single Occupancy Programs. In FY2015, the decrease in the total Non – MTW revenue was **\$5.3 million or 36.6%** due primarily to the proper reclassification of Non-MTW HAP payments to HCV S8 HAP.

**PHILADELPHIA HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2015**

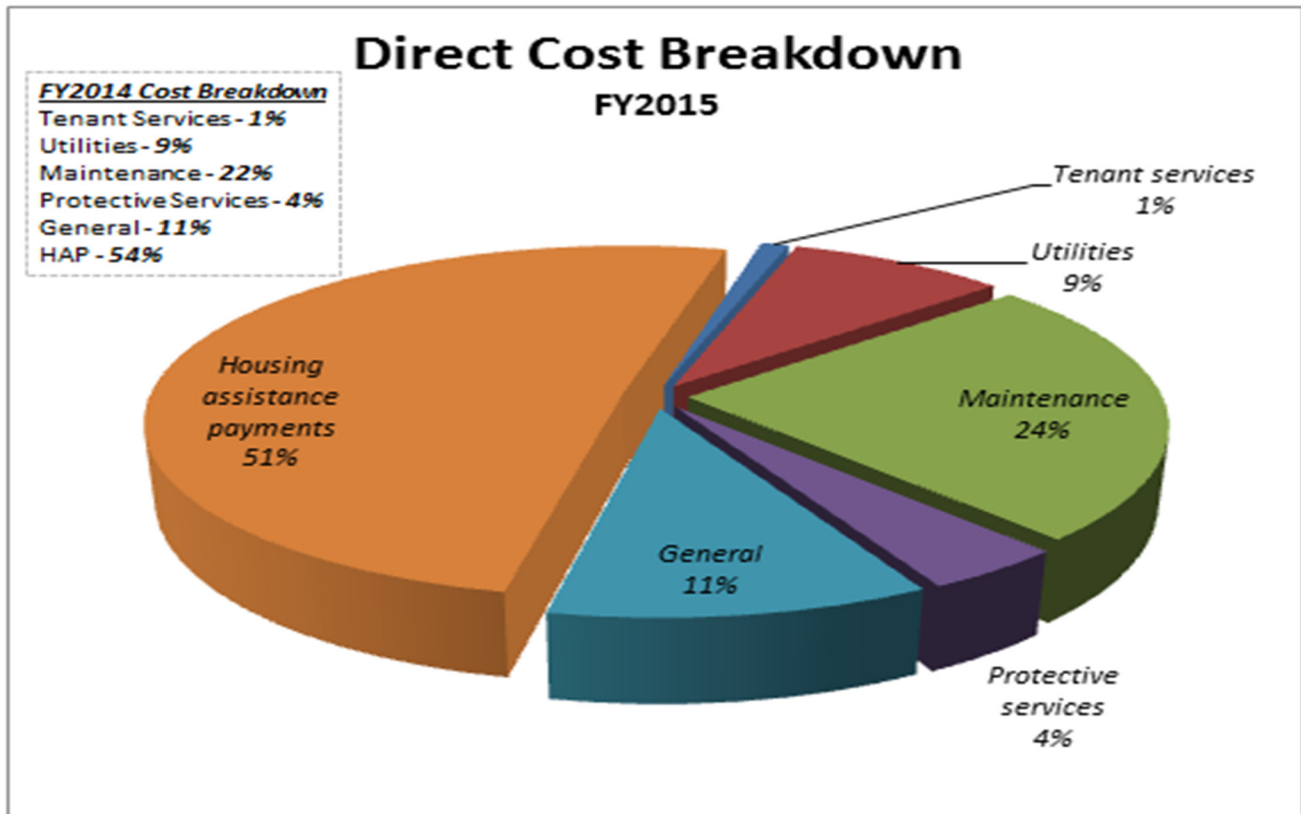
Direct Costs

	FY2015	% of Subsidy	FY2014	% of Subsidy	Increase (Decrease)	
					\$ Δ	% Δ
Tenant services	\$3.0	0.9%	\$2.6	0.8%	\$0.4	15.4%
Utilities	24.1	7.1%	22.9	7.1%	1.2	5.2%
Maintenance	68.1	20.1%	58.5	18.1%	9.6	16.4%
Protective services	11.6	3.4%	9.5	2.9%	2.1	22.1%
General	30.7	9.0%	27.9	8.7%	2.8	10.0%
Housing assistance payments	141.1	41.6%	140.9	43.7%	0.2	0.1%
Total Direct Expenses	\$278.6	82.1%	\$262.3	81.3%	\$16.3	6.2%

NOTES ON DIRECT COSTS

- **Tenants Services** – tenant services for FY2015 are in line with Budget. The increase in tenant services is mainly due to higher number of programs implemented in FY 2015.
- **Utilities** – slight increase of \$1.2 million or 5.2% was due to the net effect of the following: a) higher water (17.1% over budget) and gas and fuel usage (13.2% over budget) in the Public Housing section. PHA is analyzing the water usage for vacant units to ensure that no utility charges are getting paid; and b) estimated \$200k savings in electric costs attributable to the Energy Conservation Measures and Sustainable Practices throughout PHA operations.
- **Maintenance** – increase of about \$9.6 million or 16.4% is mainly due to higher maintenance operations particularly the site improvements and adjustments made related to the fixed assets audit/clean-up which is about \$2 million (or 20.1%) over budget and b) higher staffing costs as headcounts increased by 13 and 3 for Conventional (estimated cost by head count of \$86k) and Scattered Sites (\$69k), respectively.
- **Protective Services** – increase mainly due to increase in staffing costs of about \$2.2 million or 23.4% vs prior year. Office of the Public Safety hired additional officers and provided more security training in FY2015.
- **General** – the 10.0% increase or about \$2.8 million is mainly due to the increase in staffing costs in the following Departments: Conventional Sites (CS) Maintenance, Scattered Sites (SS) Maintenance and Advance Facilities Managements which incurred staffing costs of 36%, 50% and 61%, respectively, higher than Budget. Maintenance increased its' headcount by about 16 heads with an estimated annual staffing cost per head of \$78k.
- **Housing Assistance Payments (HAP)** – overall HAP payments as a % of HUD subsidy remains flat vs Budget and Prior Year.

PHILADELPHIA HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2015



- The increase in **Tenants Services, Utilities, Protective Services and General** are consistent with expectations and are in line vs FY2014 level.
- **Maintenance** as a % of Direct Costs, increased from 22% in FY2014 to 24% in FY2015 due to the higher staffing costs and effect of the capital asset clean up made in FY2015.
- Although **Housing Assistance** related to Landlord Payments increased by \$4.8 million, overall HAP remains flat due to lower HAP for Portability Program, thus, reducing HAP from 54% in FY2014 to 51% FY2015.

**PHILADELPHIA HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2015**

Capital Assets. Capital Assets include land, buildings and improvements, equipment and construction in progress. At March 31, 2015 total capital assets totaled **\$1,582.4 million**. The Authority's total capital assets increased **\$15.6 million or 1.0%** compared to the prior year. Capital acquisitions totaled **\$19.9 million**.

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

			<u>Increase/(Decrease)</u>	
	<u>FY15</u>	<u>FY14</u>	<u>Dollar Variance</u>	<u>Percent Variance</u>
Land	\$ 23.6	\$ 23.6	\$ (0.0)	(0.1%)
Buildings and Improvements	1,493.4	1,496.7	(3.3)	(0.2%)
Equipment - Dwelling	1.2	1.1	0.1	13.2%
Equipment - Administration	24.5	21.4	3.1	14.5%
Construction in process	39.7	24.0	15.7	65.5%
Total Capital Assets	1,582.4	1,566.8	15.6	1.0%
Accumulated Depreciation	(1,003.2)	(949.4)	(53.8)	5.7%
Net Capital Assets	\$ 579.2	\$ 617.4	\$ (38.2)	(6.2%)

Long-term Debt and Other Long-term Liabilities. Long-term debt and other long-term liabilities as of March 31, 2015, compared with March 31, 2014, are depicted in the following schedule.

			<u>Increase/(Decrease)</u>	
	<u>FY15</u>	<u>FY14</u>	<u>Dollar Variance</u>	<u>Percent Variance</u>
Compensated Absences	\$ 3.3	\$ 2.9	\$ 0.4	13.5%
Long-term Debt	46.2	51.2	(5.0)	(9.9%)
Self Insurance and Other Claims	2.5	2.4	0.1	4.2%
Other	4.4	6.0	(1.6)	(26.5%)
Total	\$ 56.4	\$ 62.5	\$ (6.1)	(9.8%)

The decrease in the Long Term Debt of \$5 million pertains to the payment of the current portion of the debt principal of \$4.8 million and amortization of Bond Premium of \$0.2 million.

**PHILADELPHIA HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2015**

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.

Pension Trust Fund

The Philadelphia Housing Authority's financial statement presentation includes a fiduciary component unit of PHA Employees' Retirement Income Plan and Trust. Please refer to Note 2 of the basic financial statements for information on how to obtain the separately issued financial statements of this fiduciary component unit.

Request for Information

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

PHILADELPHIA HOUSING AUTHORITY
STATEMENT OF NET POSITION
March 31, 2015

	Primary Government	Component Units
ASSETS		
Current Assets		
Cash and cash equivalents (Note 3)	\$ 64,863,260	\$ 6,891,398
Restricted cash (Note 3)	21,367,205	24,827,707
Investments (Note 3)	54,323,835	-
Receivables (Note 4)	53,486,072	2,459,750
Other current assets (Note 5)	1,556,342	886,390
Total current assets	195,596,714	35,065,245
Noncurrent assets		
Mortgages receivable (Note 7)	376,645,932	-
Restricted investments (Note 3)	3,007,276	-
Capital assets, net (Note 6)	579,179,333	440,614,963
Equity interest in component units (Note 17)	5,076,592	-
Other assets (Note 5)	10,088,011	2,190,446
Total noncurrent assets	973,997,144	442,805,409
TOTAL ASSETS	\$ 1,169,593,858	\$ 477,870,654
LIABILITIES and NET POSITION		
Current Liabilities		
Accounts payable	\$ 6,215,743	\$ 2,049,667
Accrued liabilities	9,510,458	4,487,987
Current portion of long-term debt (Note 9)	4,815,000	358,440
Due to other government agencies	223,836	-
Compensated absences (Note 14)	4,939,203	-
Resident security deposits (Note 3)	799,191	525,688
Unearned revenue and other current liabilities (Note 8)	11,173,151	2,655,916
Total current liabilities	37,676,582	10,077,698
Noncurrent Liabilities		
Compensated absences (Note 14)	3,292,787	-
Long-term debt (Note 9)	46,154,390	353,835,874
Other long-term liabilities (Note 10)	7,007,176	62,510,480
Total noncurrent liabilities	56,454,353	416,346,354
TOTAL LIABILITIES	94,130,935	426,424,052
Net Position		
Net investment in capital assets	528,209,943	86,420,649
Restricted for housing assistance payments	9,633,400	-
Restricted for development	3,124,210	-
Unrestricted (deficit)	534,495,370	(34,974,047)
TOTAL NET POSITION	1,075,462,923	51,446,602
TOTAL LIABILITIES and NET POSITION	\$ 1,169,593,858	\$ 477,870,654

See Notes to Financial Statements.

PHILADELPHIA HOUSING AUTHORITY
STATEMENT OF REVENUES, EXPENSES and CHANGES IN NET POSITION
For the Year Ended March 31, 2015

	Primary Government	Component Units
Operating Revenue		
Tenant revenue	\$ 24,424,161	\$ 24,159,178
Operating subsidies	339,314,431	-
Other income	4,517,844	3,476,643
Total operating revenue	368,256,436	27,635,821
Operating Expenses		
Administrative	69,732,987	8,186,731
Tenant services	3,017,046	-
Utilities	24,115,542	4,442,293
Maintenance	68,062,254	10,940,783
Protective services	11,568,067	-
General	30,735,928	3,171,069
Housing assistance payments	141,098,567	-
Depreciation and amortization	57,835,027	17,723,881
Total operating expenses	406,165,418	44,464,757
OPERATING LOSS	(37,908,982)	(16,828,936)
Nonoperating Revenue (Expenses)		
Interest and investment earnings	5,862,441	17,099
Interest expense	(3,191,800)	(6,069,270)
Other revenue	156,492	-
Net nonoperating revenue (expense)	2,827,133	(6,052,171)
LOSS BEFORE CAPITAL CONTRIBUTIONS	(35,081,849)	(22,881,107)
Capital Contributions		
HUD capital subsidies	13,348,530	-
Partner distributions	-	(6,287)
Partner contributions	-	15,203,561
	13,348,530	15,197,274
CHANGE IN NET POSITION	\$ (21,733,319)	\$ (7,683,833)
Net Position, beginning		
As previously reported	1,097,111,982	59,130,435
Prior period adjustments (Note 18)	84,260	-
As restated	1,097,196,242	59,130,435
Net Position, ending	\$ 1,075,462,923	\$ 51,446,602

See Notes to Financial Statements.

PHILADELPHIA HOUSING AUTHORITY
STATEMENT OF CASH FLOWS
For the Year Ended March 31, 2015

	Primary Government	Component Units
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipt from grants and subsidies	\$ 351,410,371	\$ -
Cash received from tenants	24,318,351	23,997,981
Other cash receipts	5,138,920	4,168,362
Cash payments to landlords	(141,098,567)	-
Cash payments for other operating expenses	(95,018,757)	(21,373,693)
Payments to and on behalf of employees	(112,937,006)	(5,764,084)
Net cash provided by operating activities	31,813,312	1,028,566
CASH FLOWS FROM CAPITAL and RELATED FINANCING ACTIVITIES		
Construction costs paid	(26,306,725)	(3,478,033)
Purchases of capital assets	(4,146,522)	(139,636)
Proceeds from sale of capital assets	163,308	-
Proceeds from debt	-	2,265,750
Bridge loan payments	-	(10,487,194)
Debt principal payments	(4,575,000)	(55,437)
Proceeds from partner contributions	-	15,203,561
Fraud recovery	221,421	-
Partner withdrawals	-	(6,287)
Interest payments on debt	(3,420,368)	(43,817)
Capital subsidies	12,533,054	-
Net cash provided by (used in) capital and related financing activities	(25,530,832)	3,258,907
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(92,893,954)	-
Sale of investments	60,700,648	-
Mortgage receivable advances	(20,418,671)	-
Proceeds from mortgage receivables	2,730,135	-
Interest income	148,867	17,099
Net cash provided by (used in) investing activities	(49,732,975)	17,099
Net increase (decrease) in cash and cash equivalents	(43,450,495)	4,304,572
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	129,680,960	27,414,533
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 86,230,465	\$ 31,719,105

(Continued)

PHILADELPHIA HOUSING AUTHORITY
STATEMENT OF CASH FLOWS
For the Year Ended March 31, 2015

	Primary Government	Component Units
Consists of:		
Cash and cash equivalents, current	\$ 64,863,260	\$ 6,891,398
Restricted cash - current	21,367,205	24,827,707
Total UNRESTRICTED and RESTRICTED AT END OF YEAR	\$ 86,230,465	\$ 31,719,105
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
OPERATING LOSS	\$ (37,908,982)	\$ (16,828,936)
Adjustments made to reconcile operating loss to net cash provided by operating activities:		
Depreciation and amortization	57,835,027	17,723,881
(Increase) decrease in assets:		
Tenant accounts receivable	(44,999)	33,341
Accounts receivable – subsidy	11,970,729	-
Accounts receivable - general	(23,244,766)	691,878
Other current assets	767,948	(217,445)
Increase (decrease) in liabilities:		
Accounts payable and accrued liabilities	1,080,640	523,207
Unearned revenue and other current liabilities	21,357,715	(897,360)
Net cash provided by operating activities	\$ 31,813,312	\$ 1,028,566
SUPPLEMENTAL DISCLOSURE OF NONCASH ACTIVITIES		
Interest income added to Mortgages receivable	\$ 5,701,549	\$ -
Interest expense added to Accrued interest payable	\$ -	\$ 6,025,453

See Notes to Financial Statements.

**PHILADELPHIA HOUSING AUTHORITY
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND TYPE - PENSION TRUST FUND
October 31, 2014**

ASSETS		
Cash and cash equivalents	\$	2,651,040
Investment, at fair value		
Pooled separate accounts		70,689,166
Bonds domestic and global		1,386,694
Common stocks		55,116,533
Mutual funds		82,527,299
Total Investments		209,719,692
Receivables		
Contributions		128,223
Securities sold		294,086
Interest, dividend and other		42,204
Total Receivables		464,513
TOTAL ASSETS		212,835,245
LIABILITIES		
Securities purchased		85,059
Other Liabilities		1,720
TOTAL LIABILITIES		86,779
NET POSITION HELD IN TRUST FOR PENSION BENEFITS	\$	212,748,466

See Notes to Financial Statements.

PHILADELPHIA HOUSING AUTHORITY
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND TYPE - PENSION TRUST FUND
For the Year Ended October 31, 2014

ADDITIONS TO NET POSITION:

Investment Income

Interest	\$ 1,339,430
Dividends	2,330,166
Net appreciation in fair value of investments	10,995,534
	14,665,130
Investment management and custodial fees	(525,190)

Net investment income	14,139,940
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Contributions

Employer	7,899,144
Employee	284,685

Total contributions	8,183,829
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Other income	(47,745)
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TOTAL ADDITIONS TO NET POSITION	22,276,024
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DEDUCTIONS FROM NET POSITION:

Benefit payments	21,702,198
Administrative costs	591,445

TOTAL DEDUCTIONS FROM NET POSITION	22,293,643
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CHANGE IN NET POSITION	(17,619)
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NET POSITION, Beginning	212,766,085
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NET POSITION, Ending	\$ 212,748,466
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See Notes to Financial Statements.

PHILADELPHIA HOUSING AUTHORITY
Notes to Financial Statements
March 31, 2015

Note 1. Organization and the Agency

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 public housing operations and modernization and for rental assistance programs 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 14,100 family and elderly units in 79 developments and/or Asset Management Projects (AMPs), and administers more than 18,000 housing choice vouchers.

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. From time to time, PHA receives additional special purpose grants from HUD and/or other grantor agencies that are generally awarded on a competitive basis.

PHA is governed by a Board of Commissioners whose structure is defined by legislation approved by the Pennsylvania Legislature and signed into law by the Governor in July 2012. Under current Pennsylvania law, the Mayor of Philadelphia appoints a nine-member PHA Board of Commissioners, subject to the approval of the Philadelphia City Council. The Board of Commissioners appoints the President and Chief Executive Officer (the office formerly known as Executive Director) to oversee and direct all of PHA operations. In March 2013, following a national search effort, the Board of Commissioners appointed Kelvin A. Jeremiah as PHA's President and Chief Executive Officer of PHA. Mr. Jeremiah had previously served as PHA's HUD-appointed Administrative Receiver and Interim Executive Director since June 2012.

Note 2. Summary of Significant Accounting Policies

Reporting Entity

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

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

PHA's financial statements also include 39 discrete component units which consist of Limited Partnerships, Limited Liability Corporations and Alternate Managed Entities and fully described in Note 17.

One blended and all the discrete component units are reported on a three-month time lag as of December 31, 2014.

Note 2. Summary of Significant Accounting Policies (Continued)

Reporting Entity (Continued)

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

Description of Financial Statements

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

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

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

Basis of Accounting

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

Federal Programs

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

PHA received approximately **86.9%** of its fiscal 2015 operating subsidies from HUD under the Low-Rent Housing and Section 8 Programs. Descriptions of the primary PHA programs follow:

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, 2015 were **\$116,902,704** and are included in operating subsidies in the combined statement of revenues, expenses and changes in net position.

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

Housing Choice Voucher Program	\$ 194,625,524
Mainstream	505,128
Moderate Rehabilitation	1,869,236
Single Room Occupancy	1,849,861
	<hr/>
	\$ 198,849,749

Note 2. Summary of Significant Accounting Policies (Continued)

Federal Programs (Continued)

- **Moving-to-Work Program:** The Moving-to-Work (MTW) Demonstration Program is focused on helping families achieve self-sufficiency and on improving and increasing the stock of quality affordable housing throughout the City. It will furnish convenient and comprehensive services to families to assist them in reaching their full potential, with an emphasis on education, job training and placement, self-sufficiency, and preparation for homeownership. In addition, MTW will promote the revitalization of neighborhoods where MTW and MTW-eligible families live.
- **Substantial Rehabilitation Programs:** The Section 8 Substantial Rehabilitation programs allow for construction of low-income housing units to be subsidized for a contracted period of time. Both for-profit and not-for-profit developers may provide low-income housing under this program. Developers must obtain their own financing and HUD subsidizes rents once the units are occupied.
- **Moderate Rehabilitation Program:** This program provides for the rehabilitation of housing units, which then must be rented to low-income individuals for a contracted period of time. Both for-profit and not-for-profit developers may participate in this program. Under this program, developers must obtain their own rehabilitation financing and then HUD subsidizes rents, once the units are occupied, in such amounts sufficient to cover the developer's debt service payments on the financing.
- **Housing Choice Voucher Program:** This program allows for existing privately-owned housing units to be used for low-income housing. This program assists low-income families and persons to find and lease a house or apartment. After inspecting the unit, PHA assists the resident in negotiating a lease under HUD rules and regulations for the program. The resident pays a share of the rent according to HUD guidelines, and the remainder is subsidized by PHA through HUD funding.

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

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" basis. Beginning with the budget prepared for the year ending March 31, 2015, budgets are subject to approval by PHA's Board of Commissioners.

Cash and Cash Equivalents

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

Investments

Investments are stated at fair value, generally based on quoted market prices or market values of similar investment securities. Income from investments is recognized on the accrual basis.

Note 2. Summary of Significant Accounting Policies (Continued)

Capital Assets

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

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

Maintenance and Repairs

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

Impairment of long-lived assets

PHA and its Component Units review their rental properties for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. When recovery is reviewed for the component units, if the undiscounted cash flows estimated to be generated by the property are less than its carrying amount, management compares the carrying amount of the property to its fair value in order to determine whether an impairment loss has occurred. The amount of the impairment loss is equal to the excess of the asset's carrying value over its estimated fair value.

Accounts Receivable

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

Compensated Absences

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

Income Taxes

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

Use of Restricted Assets

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

Operating Revenues and Expenses

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

Note 2. Summary of Significant Accounting Policies (Continued)

Net Position Classifications

Net position is reported in three components:

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

Subsequent Events

Management has evaluated subsequent events through November 19, 2015, which is the date the financial statements were available to be issued.

Use of Estimates

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

New Accounting Standards Adopted

In January 2012, GASB issued Statement No. 67, *Financial Reporting for Pension Plans* – an amendment of GASB Statement No. 25. The objective of this Statement is to improve financial reporting by state and local governmental pension plans. The Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement replaces the requirements of Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and No 50, *Pension Disclosures*, as they relate to pension plans that are administered through trusts that meet certain criteria. The provisions of this Statement became effective for fiscal periods beginning after June 15, 2013. The adoption of this statement, effective November 1, 2013 for the Fiduciary Fund, resulted in additional disclosures in the notes to the basic financial statements.

In January 2013, GASB issued Statement No. 69, *Government Combinations and Disposals of Government Operations* (“GASB 69”). The objective of this Statement is to improve the accounting for mergers and acquisitions among state and local governments by providing guidance specific to the situations and circumstances encountered within the government environment. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2013. The adoption of this standard did not have an impact on the Authority’s financial statements.

In February 2013, GASB issued Statement No. 70, *Accounting and Financial Reporting for Non-Exchange Financial Guarantees* (“GASB 70”). The objective of this Statement is to improve the comparability of financial statements among governments by requiring consistent reporting by those governments that extend and/or receive non-exchange financial guarantees. The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2013. The adoption of this standard did not have an impact on the Authority’s financial statements.

Note 2. Summary of Significant Accounting Policies (Continued)

Accounting Standards Issued But Not Yet Adopted

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

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

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

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

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

The provisions of GASB 68 are effective for financial statements for fiscal years beginning after June 15, 2014. Earlier application is encouraged. The impact of adopting GASB 68 on April 1, 2015 is estimated to result in an increase in net pension liability and net deferred inflows of resources of approximately \$58.1 million and \$0.3 million, respectively that will decrease in net position of approximately \$58.4 million in the statement of net position (see Note 12).

Note 2. Summary of Significant Accounting Policies (Continued)

Accounting Standards Issued But Not Yet Adopted (Continued)

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

GASB Statement No. 72 (“GASB 72”), *Fair Value Measurement and Application*, defines fair value and describes how fair value should be measured, what assets and liabilities should be measured at fair value, and what information about fair value should be presented in the notes to the financial statements. The provisions of this Statement are effective for periods beginning after June 15, 2015.

GASB Statement No. 73 (“GASB 73”), *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68 were issued in June 2015*.

This Statement establishes requirements for defined benefit pensions that are not within the scope of Statement No. 68, *Accounting and Financial Reporting for Pensions*, as well as for the assets accumulated for purposes of providing those pensions. In addition, it establishes requirements for defined contribution pensions that are not within the scope of Statement 68. It also amends certain provisions of Statement No. 67, *Financial Reporting for Pension Plans*, and Statement 68 for pension plans and pensions that are within their respective scopes.

The provisions in GASB 73 are effective for fiscal years beginning after June 15, 2015—except those provisions that address employers and governmental non-employer contributing entities for pensions that are not within the scope of Statement 68, which are effective for fiscal years beginning after June 15, 2016.

GASB Statement No. 75 (“GASB 75”), *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, was issued in June 2015 and establishes new accounting and financial reporting requirements for governments whose employees are provided with OPEB, as well as for certain non-employer governments that have a legal obligation to provide financial support for OPEB provided to the employees of other entities.

This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB plans.

Note 2. Summary of Significant Accounting Policies (Continued)

Accounting Standards Issued But Not Yet Adopted (Continued)

The scope of this Statement addresses accounting and financial reporting for OPEB that is provided to the employees of state and local governmental employers. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit OPEB, this Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about defined benefit OPEB also are addressed.

The provisions in GASB 75 are effective for fiscal years beginning after June 15, 2017.

GASB Statement No. 76 (“GASB 76”), *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments* became effective in June 2015.

The objective of this Statement is to identify—in the context of the current governmental financial reporting environment—the hierarchy of generally accepted accounting principles (GAAP). The “GAAP hierarchy” consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and non-authoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP.

This Statement supersedes Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2015, and should be applied retroactively.

PHA’s management is currently evaluating these new standards to determine what impact they will have on the Authority.

Note 3. Cash and Investments

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

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

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

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

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

Note 3. Cash and Investments (Continued)

At March 31, 2015 cash and investments consisted of the following:

	Fair Value	Carrying Amount
Primary Government - cash		
Money market funds - Government Obligations	\$ 68,337,174	\$ 68,337,174
Money market funds - Banks	1,708,734	1,708,734
Demand deposits	5,388,516	5,388,516
Workman's compensation escrow fund held by third party	10,793,391	10,793,391
Petty cash	2,650	2,650
Total cash	86,230,465	86,230,465
Primary Government		
U.S. Government securities	57,331,111	57,331,111
Total cash and investments	\$ 143,561,576	\$143,561,576

Reconciliation of detail to statement of net position:

	Primary Government	Component Units
Cash and cash equivalents	\$ 64,863,260	\$ 6,891,398
Investments unrestricted	54,323,835	-
Restricted cash	21,367,205	24,827,707
Restricted investments	3,007,276	-
	\$ 143,561,576	\$ 31,719,105

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

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

Note 3. Cash and Investments (Continued)

Restricted cash and investments at March 31, 2015 pertain to the following:

	Primary Government	Component Units
Cash		
Resident security deposits	\$ 799,191	\$ 539,448
Affordability reserves	-	2,699,624
Replacement reserves	-	7,903,633
Investment equity reserves	-	565,808
Operating reserve	-	6,270,256
Trustee reserves	-	558,704
Section 8 HAP equity reserves	9,633,400	-
Workman's compensation escrow fund held by third party	10,793,391	-
Affordability reserves and others	14,959	-
Other reserves	126,264	6,290,234
	<u>21,367,205</u>	<u>24,827,707</u>
Investments		
Affordability reserves and others	3,007,276	-
	<u>3,007,276</u>	<u>-</u>
	<u>\$ 24,374,481</u>	<u>\$ 24,827,707</u>

Total bank balances for primary government and component units as of March 31, 2015 were \$5.8 million and \$5.0 million, respectively.

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

	<u>AMOUNT</u>	<u>MATURITY</u>		<u>RATING</u>	
		<u>0 - 12 Months</u>	<u>1 - 2 Years</u>	<u>S&P</u>	<u>Moody</u>
Cash Equivalents					
First American Government Obligations Fund	\$ 68,337,174	\$ -	\$ -	N/A	N/A
Wells Fargo	1,708,734	-	-	N/A	N/A
	<u>\$ 70,045,908</u>	<u>\$ -</u>	<u>\$ -</u>		
Federal Home Loan Bank	\$ 2,992,785	\$ 1,575,841	\$ 1,416,944	AAA	AA+
Federal Farm Credit Bank	652,715	652,715	-	AAA	AA+
Federal Home Loan Mortgage Corporation	7,708,908	2,498,489	5,210,419	AAA	AA+
Federal National Mortgage Association	6,007,922	3,610,151	2,397,771	AAA	AA+
U.S. Treasury Obligations	39,968,781	34,161,312	5,807,469	AAA	N/A
	<u>\$ 57,331,111</u>	<u>\$ 42,498,508</u>	<u>\$ 14,832,603</u>		

Note 3. Cash and Investments (Continued)

Credit Risk

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

Concentration of Credit Risks

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

Interest Rate Risk

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

Custodial Credit Risk

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

Restricted Funds

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

For the Fiduciary Fund:

Method Used to Value Investments

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

Note 3. Cash and Investments (Continued)

The fair value of the Plan's investments by fund manager, including short-term investments of \$2,064,536 for 2014, included in cash and cash equivalents on the Statement of Fiduciary Net Position are as follows:

	<u>2014</u>
<i>Equity Fund Managers:</i>	
Morgan Stanley	\$ 31,234,531
Prudential	21,844,103
Waddell & Reed	18,371,078
Herndon Capital	16,903,806
Grantham Mayo Van Otterloo & Co., LLC (GMO)	15,098,646
Chartwell Investments	10,975,109
Westfield Capital	10,822,263
Total Equities	<u>125,249,536</u>
<i>Fixed Income Fund Managers:</i>	
Prudential	\$ 46,531,012
City of London	21,389,911
Loomis, Sayles & Co	14,804,211
Hughes Capital	1,745,022
Total fixed income	<u>84,470,156</u>
TOTAL INVESTMENT BY FUND MANAGER	<u><u>\$ 209,719,692</u></u>

Deposits and Investments

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

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

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

	<u>2014</u>
<i>Equity Fund Managers:</i>	
Prudential Core Bond Enhancement Index	\$ 44,425,560
Morgan Stanley International Equity Fund	31,234,531
Prudential Dryden S&P 500 Index	21,844,103
City of London Emerging Free Markets Country Fund	21,389,911
Waddell & Reed	18,371,078
Herndon Capital	16,903,806
GMO Global Asset Allocation Fund III	15,098,646
Loomis Sayles Multi Sector Full Discretion Fund	14,804,211
Chartwell Investments	10,975,109
Westfield Capital	10,822,263

Note 4. Receivables

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

Accounts receivable at March 31, 2015 was comprised of the following:

	Primary Government	Component Units
Tenant receivables	\$ 715,948	\$ 1,157,261
Due from HUD	43,396,600	-
Accrued interest	96,455	-
Development fees	7,270,375	-
Due from affiliates	4,980,573	-
Miscellaneous	2,126,466	2,020,074
	58,586,417	3,177,335
Less allowance for doubtful accounts	(5,100,345)	(717,585)
	<u>\$ 53,486,072</u>	<u>\$ 2,459,750</u>

Due from HUD mainly represents MTW Revenues from HCV Section 8 Programs held by HUD under the Cash Management System. Under the MTW Agreement, PHA has legal claims on the funds which are available to be requested from HUD upon submission of the allowable expenditures under the MTW Agreement.

Note 5. Other Assets

Other assets at March 31, 2015 were comprised of the following:

	Primary Government	Component Units
Current		
Prepaid expenses	\$ 197,316	\$ 886,390
Materials and supplies, net	1,359,026	-
	<u>\$ 1,556,342</u>	<u>\$ 886,390</u>
Noncurrent		
Turnkey homes held for resale	\$ 88,011	\$ -
Advances to acquire property	10,000,000	-
Other	-	2,190,446
	<u>\$ 10,088,011</u>	<u>\$ 2,190,446</u>

PHA entered into an agreement with the Philadelphia Redevelopment Authority (PRA) to use PHA's powers of eminent domain to condemn privately and publicly owned properties in the Blumberg / Sharswood area of Philadelphia for redevelopment. The initial condemnation plan forecast is approximately \$44 million dollars for the acquisition of over 1000 properties. This amount may be adjusted based on the final property appraisals and valuation. The valuation includes the market rate cost to purchase residential lots, commercial lots, residential structures, commercial structures, and related administrative costs.

The redevelopment plan will encompass developing 1,200 new units, including affordable rental units and affordable homeownership units. PHA also plans to build market rate units for rent and for sale, retail space, a renovated school and recreational center, and new athletic fields. The transformations will double the number of PHA affordable housing units in Blumberg / Sharswood area. PHA has transferred \$10,000,000 to PRA to cover costs associated with the initial property acquisition and condemnation undertakings.

Note 6. Capital Assets

Capital assets for the year ended March 31, 2015 were as follows:

Primary Government	Beginning Balance	Increases	Decreases	Transfers	Adjustments	Ending Balance
Capital assets not being depreciated						
Land	\$ 23,609,111	\$ -	\$ (23,728)	\$ -	\$ -	\$ 23,585,382
Construction in progress	24,036,327	15,675,839	-	-	-	39,712,166
Capital assets being depreciated						
Building and improvements	1,496,738,567	51,194	(1,294,435)	(2,129,378)	-	1,493,365,946
Equipment - dwelling	1,131,169	143,473	(29,480)	-	-	1,245,164
Equipment - administration	21,444,173	4,027,737	(3,090,462)	2,129,378	-	24,510,826
Total Capital Assets	1,566,959,347	19,898,243	(4,438,105)	-	-	1,582,419,485
Less: accumulated depreciation	(949,539,111)	(57,835,027)	4,277,866	-	(143,879)	(1,003,240,151)
Net Capital assets	\$ 617,420,236	\$ (37,936,784)	\$ (160,239)	\$ -	\$ (143,879)	\$ 579,179,333

Discrete Component Units	Beginning Balance	Increases	Decreases	Transfers	Adjustments	Ending Balance
Capital assets not being depreciated						
Land	\$ 5,593,652	\$ -	\$ (19,828)	\$ -	\$ -	\$ 5,573,824
Construction in progress	-	3,478,033	-	-	-	3,478,033
Capital assets being depreciated						
Building and improvements	616,104,499	79,405	(38,509,874)	-	-	577,674,029
Equipment - dwelling	546,036	9,809	-	-	-	555,845
Equipment - administration	3,854,252	34,097	(550,639)	-	-	3,337,710
Total Capital Assets	626,098,439	3,601,344	(39,080,341)	-	-	590,619,441
Less: accumulated depreciation	(144,958,017)	(16,737,222)	11,690,761	-	-	(150,004,478)
Less: impairment loss	(27,314,059)	-	27,314,059	-	-	-
Net Capital assets	\$ 453,826,363	\$ (13,135,878)	\$ (75,521)	\$ -	\$ -	\$ 440,614,963

Construction in progress represents costs incurred on open development projects or on major improvement projects. PHA recognizes Construction in Progress on the accompanying statement of net position until such time as the assets are placed in service and transferred to the applicable capital asset class on a development by development basis. These projects were at various stages of completion at March 31, 2015. Upon transfer to the proper capital asset class, these capital assets will be depreciated over their estimated useful lives. As of March 31, 2015, PHA has committed approximately \$40 million of additional funds to construction contracts related to these development projects.

Note 7. Mortgages Receivable

Mortgages receivable are summarized as follows:

Non-interest-bearing note due from Philadelphia Redevelopment Authority ("PRA")	\$ 34,059,453
Amounts due from PHA component units, at interest rates ranging from -0%- to 5.46% (Note 9)	295,360,535
Mortgage receivable from PRA and component units	329,419,988
Accrued interest - Component units	47,225,944
	<u>\$ 376,645,932</u>

Note 7. Mortgages Receivable (Continued)

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

The amounts due from the component units represent advances of various HUD grants under the Moving to Work Program, Hope VI Program and other capital fund programs. The offsetting liability of the discrete component units is included in long-term debt and accrued interest (Note 9). The mortgage and interest receivables and the respective liabilities net to zero with the exception of \$3,543,720 in advances made to component units and timing difference of interest receivables/payables between December 31, 2014 and March 31, 2015.

The repayment schedule is as follows:

Year Ending March 31

2016-2036	-
2037	35,682,801
2038-2042	120,213,349
2043-2047	32,913,656
2048-2052	17,804,880
2053-2057	27,895,532
2058-2062	82,045,684
2063-2067	58,956,435
2068-2072	1,133,595
	<u>376,645,932</u>

Note 8. Unearned Revenue and Other Current Liabilities

Unearned revenue and other liabilities at March 31, 2015 consisted of the following:

	Primary Government	Component Units
Accrual for workers' compensation claim (Note 10)	\$ 5,000,000	\$ -
Due to affiliates	3,882,108	2,475,168
Unearned revenues	2,208,694	180,748
Escrow accounts	58,064	-
Other payables	24,285	-
	<u>\$ 11,173,151</u>	<u>\$ 2,655,916</u>

Note 9. Long-Term Debt

Long-term debt is summarized as follows:

	Beginning Balance	Additions	Repayments	Amortization	Ending Balance	Due within 1 year
Primary Government						
Bonds	\$ 55,150,000	\$ -	\$ 4,575,000	\$ -	\$ 50,575,000	\$ 4,815,000
Unamortized bond premium	622,958	-	-	228,568	394,390	-
	<u>\$ 55,772,958</u>	<u>\$ -</u>	<u>\$ 4,575,000</u>	<u>228,568</u>	<u>\$ 50,969,390</u>	<u>\$ 4,815,000</u>
Discrete Component Units						
Bonds	\$ 23,695,000	\$ -	\$ 23,695,000	\$ -	\$ -	\$ -
Notes due to PHA	280,925,984	16,091,364	-	-	297,017,348	-
Other notes	57,957,364	-	780,398	-	57,176,966	358,440
	<u>\$ 362,578,348</u>	<u>\$ 16,091,364</u>	<u>\$ 24,475,398</u>	<u>\$ -</u>	<u>\$ 354,194,314</u>	<u>\$ 358,440</u>

Borrower/Description

Primary Government	Due Third Parties	Due PHA
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	\$ 39,575,000	\$ -
Tasker II Capital Fund Revenue Bonds, Series D of 2003; 4.75% interest payable each June 1 and December 1 annual principal payments due 2017 through 2022	11,000,000	-
	<u>\$ 50,575,000</u>	<u>\$ -</u>

Discrete Component Units	Due Third Parties	Due PHA
0.5% mortgage note collateralized by <i>8 Diamonds</i> property; principal and interest; due in 2040	\$ -	\$15,968,970
5.46% mortgage note collateralized by <i>Cambridge Plaza</i> property; principal and interest due in 2042	-	2,579,029
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
Applicable federal rate 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
2.80% mortgage note during construction period; then 0% after completion; collateralized by <i>Gordon Street LLC</i> property; principal and interest due in 2044	-	377,811
Applicable federal rate mortgage note collateralized by <i>LEB II</i> property; principal and interest due in 2060	-	4,201,075
4.79% mortgage note collateralized by <i>LEB III</i> property principal and interest due in 2061	-	2,944,341

Note 9. Long-Term Debt (Continued)

Discrete Component Units	Due Third Parties	Due PHA
1% mortgage note collateralized by <i>Ludlow Scattered Sites</i> property; principal and interest due in 2052	-	6,050,000
5.31% mortgage note collateralized by <i>Ludlow Scattered Sites</i> property; principal and interest due in 2062	-	5,495,499
Non-interest-bearing mortgage note collateralized by <i>Mantua I LP</i> property; maximum loan amount is \$3,427,110; due in 2059	-	3,427,110
4.17% mortgage note collateralized by <i>Mantua I LP</i> property; maximum loan amount is \$4,972,070; due in 2059	-	4,972,070
Non-interest bearing mortgage notes due 2059-2060 collateralized by <i>Mantua II</i> property	-	9,672,707
Non-interest-bearing mortgage note collateralized by <i>Mantua II</i> property	2,000,000	-
3% mortgage note collateralized by <i>Marshall Shepard Village</i> property; principal and interest due in 2062	-	14,395,705
Mortgage note collateralized by <i>Mill Creek I</i> property; interest at Applicable Federal Rate of 4.66%, 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
5.15% mortgage note collateralized by <i>Nellie Reynolds Gardens</i> property; principal and interest due in 2062	-	2,848,291
7% mortgage note collateralized by <i>Neumann North</i> property; due in monthly installments of \$2,123 in 2021	248,865	-
7.25% mortgage note collateralized by <i>Neumann North</i> property; due in monthly installments of \$3,353 in 2015	350,128	-
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
2% mortgage note collateralized by the <i>Norris Apartments</i> property; principal and interest due in 2066	-	12,207,241
Non-interest-bearing bridge note collateralized by the property of <i>Norris Apartments LP</i>	-	7,127,236
2.80% mortgage note during construction period; then 0% after completion; collateralized by <i>Oakdale Street LLC</i> property; principal and interest due in 2044	-	587,462
Non-interest-bearing bridge note collateralized by <i>Paschall I</i> due in full on the date the fourth equity installment is made	-	6,144,372
2% mortgage note collateralized by <i>Paschall I</i> property due 2065	-	10,657,385
2% mortgage note collateralized by <i>Paschall II</i> property due 2065	-	14,698,348
Non-interest-bearing bridge note collateralized by <i>Paschall II</i> property due with the 4th equity installment payment	-	3,410,204
Non-interest-bearing note payable collateralized by <i>Queen Lane LP</i> ; due in 2069	-	1,133,855

Note 9. Long-Term Debt (Continued)

Discrete Component Units	Due Third Parties	Due PHA
0.1% mortgage note collateralized by <i>Richard Allen</i> property; Principal and interest due in 2041	-	22,190,978
0.10% mortgage note collateralized by <i>Ridge Avenue Housing</i> property; principal and interest due in 2041	-	18,187,838
Non-interest-bearing note payable collateralized by <i>Ridge Avenue housing</i> ; due in 2041	181,439	-
Non-interest-bearing mortgage note collateralized by <i>Southwark Plaza</i> property; due upon final settlement with PRA, as defined	34,059,453	-
Non-interest-bearing mortgage note collateralized by <i>Southwark Plaza</i> property; due in 2030	3,000,000	-
Non-interest-bearing mortgage note collateralized by <i>Southwark Plaza</i> property; due in 2037	-	1,623,348
Non-interest-bearing mortgage note collateralized by <i>Spring Garden Historic LP</i> due in 2039	1,812,625	-
6% mortgage note collateralized by <i>Spring Garden Historic LP</i> property	-	1,900,000
Non-interest-bearing mortgage note collateralized by <i>Spring Garden Historic LP</i> due in 2041	2,700,000	-
Non-interest-bearing mortgage note collateralized by <i>Spring Garden Historic LP</i> due in 2048	2,000,000	-
Non-interest-bearing mortgage note collateralized by <i>Spring Garden Historic LP</i> due in 2038	429,800	-
3.0% mortgage note collateralized by <i>Spring Garden Housing LP</i> due in 2045	500,000	-
6.55% mortgage note collateralized by <i>Spring Garden Housing LP</i> due in 2045	1,290,000	-
Non-interest-bearing mortgage note collateralized by <i>Spring Garden Housing LP</i> due in 2045	209,534	-
Non-interest-bearing mortgage note due in 2045; collateralized by <i>Spring Garden Housing</i> property	1,861,700	-
6.55% mortgage note collateralized by <i>Spring Garden Housing LP</i> due in 2015	180,000	-
6.55% mortgage note collateralized by <i>Spring Garden Housing LP</i> due in 2045	-	1,900,000
5.12% mortgage note collateralized by <i>Spring Garden Housing LP</i> due in 2045	-	1,039,083
6.55% note payable; <i>Spring Garden Housing LP</i> principal and interest due in 2031	51,000	-
Non-interest bearing unsecured note payable <i>Spring Garden Housing LP</i>	15,000	-
Non-interest-bearing mortgage note collateralized by <i>St. Anthony's Senior Residences</i> property; due in annual installments from 2030 through 2039	1,500,000	-
5.67% mortgage note collateralized by <i>St. Anthony's Senior Residences</i> property; due in annual installments from 2030 to 2039	150,000	-
Non-interest-bearing note collateralized by <i>Angela Court/ St. Ignatius Sr. Housing I</i> property; due in 2033	956,667	-

Note 9. Long-Term Debt (Continued)

Discrete Component Units	Due Third Parties	Due PHA
5.43% mortgage note collateralized by <i>Angela Court/ St. Ignatius</i> Sr. Housing property; principal and interest due in 2033	315,000	-
5.43% mortgage note collateralized by <i>Angela Court/St. Ignatius</i> Sr. Housing property; principal and interest due in 2033	350,000	-
Non-interest-bearing note collateralized by <i>Angela Court/St. Ignatius</i> Senior property; principal and interest due in 2023	500,755	-
5.2% mortgage note collateralized by <i>Angela Court/St. Ignatius</i> Senior Housing property; principal and interest due in 2044	-	362,000
4.46% mortgage note collateralized by <i>Angela Court II/St. Ignatius</i> 2 LP property; principal and interest due in 2038	450,000	-
10% mortgage note collateralized by <i>Angela Court II/ St. Ignatius</i> 2 LP property; principal and interest due in 2048	-	300,000
Note payable under subsidy agreement for <i>Angela Court II/St. Ignatius</i> 2 LP no repayment if meet AHP regulations for 15 years	350,000	-
10% mortgage note collateralized by <i>Angela Court II/St. Ignatius</i> 2 LP property; principal and interest due in 2038	50,000	-
5.05% mortgage note collateralized by <i>Suffolk Manor</i> property; due in 2041	-	3,203,795
5.23% mortgage note collateralized by <i>Suffold Manor</i> property; due in 2042	-	6,390,155
0.50% bridge note collateralized by <i>Suffolk Manor</i> property; due in 2042	-	859,077
Series B 0.1% mortgage note collateralized by <i>Tasker I</i> property; principal due in 2042 Series B	-	32,385,000
Series C 0.1% mortgage note collateralized by <i>Tasker II</i> property; due in 2043 Series C	-	20,990,000
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	-	2,271,039
5.23% mortgage note collateralized by <i>Uni-Penn II</i> property; principal and interest due in 2042	-	2,495,383
Non-interest-bearing note payable collateralized by <i>Uni-Penn II</i> property; due in 2042	-	718,000
4.52% mortgage note collateralized by <i>Uni-Penn Housing IV</i> property; principal and interest due in 2045	-	3,351,430
Non-interest-bearing mortgage note collateralized by <i>Warnock Phase I</i> property; due in 2053	-	4,842,724
4.58% mortgage note collateralized by <i>Warnock Phase I</i> property; principal and interest due in 2053	-	3,000,000
4.32% mortgage note collateralized by <i>Warnock Phase II</i> property; principal and interest due in 2053	-	7,254,139
Total debt for discrete component units	57,176,966	297,017,348
	<u>\$ 354,194,314</u>	

Note 9. Long-Term Debt (Continued)

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

Bonds maturing after 2014 are subject to optional redemption at prices stated in the indentures. In addition, \$15.6 million of bonds maturing in 2020 and 2021 are subject to mandatory redemption at face value plus accrued interest.

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

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

Year Ending March 31,	Primary Government			Component Units		
	Principal	Interest	Debt Service Requirements	Principal	Interest	Debt Service Requirements
2016	\$ 4,815,000	\$ 2,597,000	\$ 7,412,000	\$ 358,440	\$ 5,594,721	\$ 5,953,161
2017	5,070,000	2,344,216	7,414,216	8,872	6,445,616	6,454,488
2018	5,345,000	2,078,038	7,423,038	9,572	5,863,980	5,873,552
2019	7,615,000	1,797,475	9,412,475	10,273	5,874,117	5,884,390
2020	8,020,000	1,393,652	9,413,652	11,027	5,884,570	5,895,597
2021-2025	19,710,000	1,633,998	21,343,998	200,809	29,591,413	29,792,222
2026-2030	-	-	-	37,374,453	29,906,187	67,280,640
2031-2035	-	-	-	1,665,000	30,273,187	31,938,187
2036-2040	-	-	-	26,584,562	30,701,077	57,285,639
2041-2045	-	-	-	128,822,756	27,386,581	156,209,337
2046-2050	-	-	-	6,103,752	23,515,985	29,619,737
2051-2055	-	-	-	36,382,528	21,646,451	58,028,979
2056-2060	-	-	-	30,907,380	17,470,156	48,377,536
2061-2065	-	-	-	65,286,558	6,605,212	71,891,770
2066-2070	-	-	-	20,468,332	1,420,209	21,888,541
	50,575,000	\$11,844,379	\$ 62,419,379	354,194,314	\$ 248,179,462	\$ 602,373,776
Less current portion	4,815,000			358,440		
	45,760,000			\$ 353,835,874		
Premium on Series A Bonds	394,390					
	\$ 46,154,390					

Note 10. Changes in Long-Term Liabilities

Changes in long-term liabilities for the year ended March 31, 2015 are as follows:

Primary Government	Beginning Balance	Increases	Decreases	Ending Balance	Due within 1 year
Other liabilities					
Estimated liability for self insurance and other claims	\$ 2,422,544	\$ 178,216	\$ (111,410)	\$ 2,489,350	\$ -
Workers' compensation payable	9,038,567	7,919,336	(9,148,811)	7,809,092	5,000,000
Health trust escrow	1,835,618	-	(126,884)	1,708,734	-
Total long-term liabilities	\$ 13,296,729	\$ 8,097,552	\$ (9,387,105)	\$ 12,007,176	\$ 5,000,000

Discrete Component Units	Beginning Balance	Increases	Decreases	Ending Balance	Due within 1 year
Other liabilities					
Development fees payable	\$ 10,007,994	\$ -	\$ (1,732,150)	\$ 8,275,844	\$ -
Interest due PHA	43,560,897	6,020,318	-	49,581,215	-
Other liabilities	15,000	620,806		635,806	473,413
Due to partners	4,078,109	-	(60,494)	4,017,615	-
Total long-term liabilities	\$ 57,662,000	\$ 6,641,124	\$ (1,792,644)	\$ 62,510,480	\$ 473,413

Note 11. Workers' Compensation Insurance

PHA maintains a high-deductible policy for workers' compensation claims, self-insuring for the first \$350,000 of each claim. Losses are accrued based on the insurance carrier's estimate of losses attributable to the claims filed in each policy year that are not covered by insurance. The estimated losses for each policy year are updated periodically by the insurance carrier. PHA is required to fund the estimated losses into an escrow account held by the insurance carrier, and claims are paid out of the escrow fund on a recurring basis. At March 31, 2015, the balance in the escrow fund was \$10.8 million and is included in restricted cash in the statement of net position.

The liability for estimated claims payable as of March 31, 2015 was \$7.8 million.

Note 12. Employees' Retirement Plans

Defined Benefit Pension Plan

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

Plan participants at November 1, 2014 were as follows:

Active participants	30
Inactive participants	473
Terminated, vested participants: in payment status	1,675
Total participants	<u>2,178</u>

Note 12. Employees' Retirement Plans (Continued)

Defined Benefit Pension Plan (Continued)

Plan Description (Continued):

Covered employees	As of March 31, 2015, the Plan covered non represented employees hired before October 1, 2005. <i>In April 2014, non represented employees' benefits were frozen.</i>
Current annual covered payroll	<u>\$2,357,230</u>
Normal retirement date	65th birthday
Normal retirement benefit	2.5% of average earnings, as defined in the Plan, multiplied by the years of service not to exceed 25 years, plus 1.25% of average earnings multiplied by years of service in excess of 25 years.
Death benefit	The Plan contains provisions for the payment of benefits to surviving spouses of employees.

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

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

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

Funded Status and Funding Progress:

As of November 1, 2014, the plan was 75% funded. The actuarial accrued liability was \$276 million and the actuarial value of assets was \$208 million, resulting in an unfunded actuarial accrued liability of \$68 million. The covered payroll (annual payroll of active employees covered by the plan) was \$2.3 million and the ratio of the unfunded actuarial accrued liability to covered payroll was 2,885%.

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

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

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

Note 12. Employees' Retirement Plans (Continued)

Defined Benefit Pension Plan (Continued)

Net Pension Liability. The components of the net pension liability of the Plan at November 1, 2014, were as follows

Total Pension Liability	\$	270,751,042
Plan Fiduciary Net Position		212,748,466
Plan's Net Pension Liability	\$	58,002,576
Plan fiduciary net position as a percentage of the total pension liability		78.6%

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation for the October 31, 2014 measurement period, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation rate	3.0%
Salary increases	3.5%
Investment rate of return	7.5%

Mortality rates were based on the RP-2000 Combined Healthy Mortality Table for males and females with blue collar adjustments on pre-retirement only.

The actuarial assumptions used in the valuation for the October 31, 2014 measurement period were based on past experience under the plan and reasonable future expectations which represent the best estimate of the anticipated experience under the plan.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of October 31, 2014 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	40.0%	5.4%
International equity	28.0%	5.5%
Fixed income	30.0%	1.3%
Real estate	0.0%	4.5%
Cash	2.0%	0.0%

Note 12. Employees' Retirement Plans (Continued)

Defined Benefit Pension Plan (Continued)

Discount Rate. The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Plan contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following presents the net pension liability of the Plan, calculated using the discount rate of 7.5%, as well as what the Plan's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.5%) or 1-percentage point higher (8.5%) than the current rate:

	<u>1%</u> <u>Decrease</u> <u>(6.5%)</u>	<u>Current</u> <u>Discount Rate</u> <u>(7.5%)</u>	<u>1%</u> <u>Increase</u> <u>(8.5%)</u>
Plan's Net Pension Liability	\$83,153,086	\$58,130,799	\$41,257,865

Defined Contribution Plan

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

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

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

Each year participants are required to contribute 5.5 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. Additional amounts may be contributed at the option of PHA's Board of Commissioners.

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

PHA made contributions of about \$3.6 million to the Plan for the year ended March 31, 2015.

Note 13. Lease Commitments

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

Year ending March 31	
2016	1,329,383
2017	1,392,956
2018 <i>(Last year of lease)</i>	1,397,275
	<u>\$ 4,119,615</u>

Total rent expense for the year ended March 31, 2015 was \$1.2 million.

Note 14. Accrued Compensated Absence

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

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

Summary of Accrued Compensation Absences				
	Beginning Balance	Net Increases	Net Decreases	Ending Balance
Current portion	\$ 4,486,076	\$ 2,612,909	\$ 2,159,782	\$ 4,939,203
Long-term portion	2,990,697	1,746,779	1,444,689	3,292,787
	<u>\$ 7,476,773</u>	<u>\$ 4,359,688</u>	<u>\$ 3,604,471</u>	<u>\$ 8,231,990</u>

Note 15. Other Post-Employment Benefits (OPEB)

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

Eligibility and Termination

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

Contributions

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

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

Vesting

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

Plan Status

The Plan was discontinued in 2013 and no employees have since been added to the Plan. As of March 31, 2015, PHA had segregated cash of \$1.7 million for the payment of the remaining plan benefits to the 24 previous and current executive employees included in the plan.

Note 16. Risk Management

PHA is subject to risk of loss from fire, property damage, personal injury, etc. PHA covers these risks through the purchase of commercial insurance. PHA has initiated a loss control program utilizing insurer and broker resources to improve safety at PHA. Four such programs were held in FY 2015. Several safety training programs are underway or planned: Auto defensive driving training is scheduled for August, 2015; supervisory safety training is also being planned. PHA also has its own Safety Committee which met ten times in FY 2015. The Safety Committee includes line and staff personnel. It attempts to improve safety of PHA with regard to workers compensation, automobile, property and liability losses.

The PHA Board of Commissioners passed a Risk Management Framework in Resolution 11721 at the July 17, 2014 Board meeting. Pursuant to that Risk Management Framework, a Risk Management Committee at PHA meets quarterly to identify and evaluate risks facing PHA. There were two meetings of the Committee in FY 2015. The Risk Management Committee provides updates to the PHA Audit Committee of the Board of Commissioners in conjunction with the Office of Audit and Compliance (OAC). The Risk Management Committee also provides input to OAC in the formulation of its risk survey to PHA departments as part of its risk identification function.

Note 17. Component Units

Blended Component Units

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

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

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

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

Note 17. Component Units (Continued)

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

	PHADC 3/31/15	PAPMC 12/31/14	PHAHC 3/31/15	PHILLY SEEDS, INC 6/30/14	Total
Assets	\$ 69,918,645	\$ 1,376,842	\$ 81,688	\$ 170,941	\$ 71,548,116
Liabilities	110,912	439,367	81,688	-	631,967
Net position	\$ 69,807,733	\$ 937,475	\$ -	\$ 170,941	\$ 70,916,149
Revenue	\$ 9,195,237	\$ 1,475,172	\$ 9,507	\$ 158,264	\$ 10,838,180
Expenses	2,313,206	1,567,134	9,507	233,691	4,123,538
Change in net position	\$ 6,882,031	\$ (91,962)	\$ -	\$ (75,427)	\$ 6,714,642
Cash Flow information					
Operating activities	\$ (12,420,651)	\$ 129,420	\$ (5,445)	\$ (75,427)	\$ (12,372,103)
Financing activities	9,042,497	-	-	-	9,042,497
Investing activities	2,610,675	(24,463)	-	-	2,586,212
Change in cash position	\$ (767,479)	\$ 104,957	\$ (5,445)	\$ (75,427)	\$ (743,394)

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

PHA also formed two other Blended Component Units namely, Elderly and Disabled Services, LLC and Philadelphia Urban Revitalization Enterprise, LLC. As of March 31, 2015, both component units have no significant activities.

In connection with each of the developments involving PHA benefitting from investment arising from the low income housing tax credit, PHA or its component unit, PHADC, or both provide various guaranties of payment and performance. No payment has ever been requested of or made by either PHA or PHADC pursuant to such guaranties, and PHA considers the likelihood of any such demand to be remote

Discrete Component Units:	Number of Housing Units
<i>Limited Partnerships</i>	
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

Note 17. Component Units (Continued)

Discrete Component Units:	Number of Housing Units
<u>Limited Partnerships (Continued)</u>	
Marshall Shepard Village, L.P.	80
Mill Creek Phase I, L.P.	80
Mt. Olivet L.P.	161
Nellie Reynolds Gardens, L.P.	64
Norris Apartments, L.P.	51
Paschall Phase I, L.P.	50
Paschall Phase II, L.P.	50
Queen Lane Apartments, L.P.	55
Richard Allen Phase III, L.P.	178
Suffolk Manor Apartments, L.P.	137
Tasker I, L.P.	245
Tasker II, L.P.	184
Uni-Penn Housing Partnership IV	42
Warnock Phase I, L.P.	50
Warnock Phase II, L.P.	45
<u>Limited Liability Company</u>	
Gordon Street, LLC	21
Oakdale Street, LLC	12
<u>Alternate Managed Entities</u>	
1952 Allegheny Associates L.P.	26
Neuman North, L.P.	67
Newcourtland Apartments at Allegheny L.P.	60
Raymond Rosen Associates, L.P.	152
Ridge Avenue Housing, L.P.	135
Southwark Plaza Limited Partnership	470
Spring Garden Historic, LP	32
Spring Garden Housing Limited Partnership	86
St. Anthony's Senior Residences Associates, L.P.	38
St. Ignatius Senior Housing I, L.P.	67
St. Ignatius Senior Housing II, L.P.	54
Uni-Penn Housing Partnership I	49
Uni-Penn Housing Partnership II	45

Discrete Component Units

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

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

Note 17. Component Units (Continued)

LIMITED PARTNERSHIPS (LPs)

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

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

- **Cambridge Plaza L.P.** - a Pennsylvania limited partnership which operates a 44-unit apartment complex known as Cambridge Plaza Apartments. Cambridge has a ninety-nine year ground lease with PHA at a nominal rent. The project was funded by \$4.5 million of investor capital and \$2.6 million in PHA mortgage debt. The project has qualified for federal low-income housing tax credits.
- **Cambridge Plaza II, L.P.** - a Pennsylvania limited partnership which operates 40 residential rental units known as Cambridge Plaza Apartments Phase II and has a ninety-nine year ground lease with PHA at a nominal rent. The project was financed by \$6 million of investor capital and \$3.6 million in PHA mortgage debt. The project has qualified for federal low-income housing credits.
- **Cambridge III, L.P.** - a Pennsylvania limited partnership which operates a 40-unit rental housing project and has a ninety-nine year ground lease with PHA at a nominal rent. The project was financed by \$6.3 million of investor capital and \$3 million in PHA mortgage debt. The project has qualified for federal low-income housing credits.
- **Germantown House, L.P.** - a Pennsylvania limited partnership which operates a 133-unit apartment project and has a ninety-nine year ground lease with PHA at a nominal rent. The project was financed by \$11.9 million of investor capital and \$8.2 million in PHA mortgage debt. The project has qualified for federal low-income housing credits.
- **Lucien E. Blackwell Homes Phase II, L.P.** - a Pennsylvania limited partnership which operates an 80-unit rental housing project and has a ninety-nine year ground lease with PHA at a nominal rent. The project was financed by \$14.1 million of investor capital and \$4.2 million in PHA mortgage debt. The project has qualified for federal low-income housing credits.
- **Lucien E. Blackwell Homes Phase III, L.P.** - a Pennsylvania limited partnership which operates 50 residential rental units and has a ninety-nine year ground lease with PHA at a nominal rent. The project was financed by \$11.4 million of investor capital and \$2.9 million in PHA mortgage debt. The project has qualified for federal low-income housing credits.
- **Ludlow Scattered Sites Phase III, L.P.** - a Pennsylvania limited partnership which operates 75 residential rental units and has a ninety-nine year ground lease with PHA at a nominal rent. The project was financed by \$12.8 million of investor capital and \$11.5 million in PHA mortgage debt. The project has qualified for federal low-income housing credits.
- **Mantua Phase I, L.P.** - a Pennsylvania limited partnership which operates 50 residential rental units. It has a ninety-nine year ground lease with PHA at a nominal rent. The project was financed by \$9.5 million of investor capital 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 which operates 51 residential rental units. It has a ninety-nine year ground lease with PHA at a nominal rent. The project was financed by \$4.7 million of investor capital and \$12.0 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 \$8.9 million of investor capital and \$14.4 million in PHA mortgage debt. The project has qualified for federal low-income housing credits.

Note 17. Component Units (Continued)

Discrete Component Units (Continued)

- **Mill Creek Phase I, L.P.** - a Pennsylvania limited partnership which operates 80 residential rental units included in a development known as Lucien Blackwell Homes and has a ninety-nine year ground lease with PHA at a nominal rent. The project was financed by \$12.6 million of investor capital and \$6.1 million in PHA mortgage debt. The project has qualified for federal low-income housing credits.
- **Mt. Olivet, L.P.** - a Pennsylvania limited partnership which operates 161 residential rental units known as Mt. Olivet Apartments and has a ninety-nine year ground lease with PHA at a nominal rent. The project was financed by \$7 million of investor capital and \$9.7 million in PHA mortgage debt. The project has qualified for federal low-income housing credits.
- **Nellie Reynolds Gardens, L.P.** - a Pennsylvania limited partnership which operates 64 residential rental units and has a ninety-nine year ground lease with PHA at a nominal rent. The project was originally financed by \$11.2 million of investor capital and \$7.5 million in PHA mortgage debt. As required by the amended Partnership Agreement, in January 2009 PHA refinanced \$5.1 million of the mortgage principal and \$4 million of accrued interest by means of capital contributions. The partnership maintains \$2.8 million in PHA debt. The project has qualified for federal low-income housing credits.
- **Norris Apartments, L.P.** - a Pennsylvania limited partnership which operates a 51 residential housing units. The project is being financed by \$9.1 million of investor capital and \$12.4 million in PHA debt. The project has qualified for federal low-income housing credits.
- **Paschall Phase I, L.P.** - a Pennsylvania limited partnership which operates 50 residential rental units. It has a ninety-nine year ground lease with PHA at a nominal rent. The project was financed by \$8.8 million of investor capital (\$8.6 million paid as of December 31, 2014), and \$10.8 million in PHA mortgage debt. The project has qualified for federal low-income housing credits.
- **Paschall Phase II, L.P.** - a Pennsylvania limited partnership which operates 50 residential rental units. It has a ninety-nine year ground lease with PHA at a nominal rent. The project was financed by \$4.8 million of investor capital (\$4.7 million paid as of December 31, 2014) and \$15.3 million in PHA debt. The project has qualified for federal low-income housing credits.
- **Queen Lane Apartments L.P.** - a Pennsylvania limited partnership formed to develop 55 residential rental units. It has a ninety-nine year ground lease with PHA at a nominal rent. The project was financed by \$7.7 million of investor capital and \$12.5 million in PHA mortgage debt. The project has qualified for federal low-income housing credits.
- **Richard Allen Phase III, L.P.** - a Pennsylvania limited partnership which operates a 178-unit apartment complex and has a ninety-nine year ground lease with PHA at a nominal rent. The project was financed by \$11.1 million of investor capital and a \$22.2 million mortgage loan from PHA. The project has qualified for federal low-income housing tax credits.
- **Suffolk Manor Apartments, L.P.** - a Pennsylvania limited partnership which operates 137 residential rental units and has a ninety-nine year ground lease with PHA at a nominal rent. The project was financed by \$13.5 million of investor capital and \$10.5 million in PHA mortgage loans. The project has qualified for federal low-income housing tax credits.
- **Tasker I, L.P.** - a Pennsylvania limited partnership which operates 245 residential rental units known as Tasker Homes Phase I and has a ninety-nine year ground lease with PHA at a nominal rent. The project was financed by \$15.5 million of investor capital and \$33 million in PHA mortgage debt. The project has qualified for federal low-income housing tax credits.
- **Tasker II, L.P.** - a Pennsylvania limited partnership which operates 184 residential rental units known as Tasker Homes Phase II and has a ninety-nine year ground lease with PHA at a nominal rent. The project was financed by \$12.5 million of investor capital and \$21 million in PHA mortgage debt. The project has qualified for federal low-income housing tax credits.

Note 17. Component Units (Continued)

Discrete Component Units (Continued)

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

LIMITED LIABILITY CORPORATIONS (LLCs)

PHA is the sole member of the LLC's, the units have project based vouchers and are directly managed by PAPMC.

- **Oakdale Street LLC** - a Pennsylvania Limited Liability Corporation which will operate 12 residential rental units. It has a 30 year ground lease with PHA at a nominal rent. The project was financed with \$4.6 million in PHA mortgage funds.
- **Gordon Street LLC** - a Pennsylvania Limited Liability Corporation which will operate 21 residential rental units. It has a 30 year ground lease with PHA at a nominal rent. The project was financed with \$8.7 million in PHA mortgage funds.

ALTERNATIVE MANAGED ENTITIES (AMEs)

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

- **1952 Allegheny Associates L.P. also known as Impact Veterans Family Housing Center** - a Pennsylvania limited partnership formed to develop 26 residential units, of which 18 are public housing units. The project was financed by \$7.3 million of investor capital and \$6.5 million in PHA and other mortgage debt. 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 \$6.0 million of investor capital and \$4.3 million in PHA and other mortgage debt. The project has qualified for federal low-income housing credits.
- **NewCourtland Apartments at Allegheny L.P.** - a Pennsylvania limited partnership formed to develop 60 senior rental units, of which 56 are public housing units. The project was financed by \$12.3 million of investor capital and \$3.3 million in other mortgage debt. The project has qualified for federal low-income housing credits.
- **Raymond Rosen Associates, L.P.** ("8 Diamonds") - a Pennsylvania limited partnership formed to acquire, construct and operate a 152-unit apartment complex. 8 Diamonds has a ninety-nine year ground lease with PHA at a nominal rent. The project has qualified for federal low-income housing tax credits. The project was financed by \$9.9 million of investor capital, a \$16 million first mortgage from PHA and other financing.

Note 17. Component Units (Continued)

Discrete Component Units (Continued)

ALTERNATIVE MANAGED ENTITIES (AMEs) (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 \$6.0 million of investor capital and \$18.4 million in PHA mortgage debt. The project has qualified for federal low-income housing credits.
- **Southwark Plaza Limited Partnership** - a Pennsylvania limited partnership which operates a 470-unit low income rental housing project known as Courtyard Apartments at Riverview. The project was financed by \$19.0 million of investor capital, first and second mortgage loans of \$35.7 million from PHA and a \$3 million third mortgage from PRA. The project has qualified for federal low-income housing tax credits.
- **Spring Garden Historic, L.P.** - a Pennsylvania limited partnership formed to operate a 32-unit apartment complex. The partnership was financed by \$7.2 million of investor capital, \$1.9 million of PHA mortgage debt and \$6.9 million of other debt. The project has qualified for federal low-income housing tax credits.
- **Spring Garden Housing Limited Partnership** - a Pennsylvania limited partnership which operates 86 residential rental units and has a ninety-nine year ground lease with PHA at a nominal rent. The project is being financed by \$7.1 million of investor capital, \$2.9 million of PHA first mortgage debt and \$4.1 million of other debt. The project has qualified for federal low-income housing tax credits.
- **St. Anthony's Senior Residences Associates, L.P.** - a Pennsylvania limited partnership which operates a 38-unit rental housing project. The project was financed by \$1.7 million of mortgages from the PRA, and \$5.0 million of investor capital. The project has qualified for federal low-income housing tax credits.
- **St. Ignatius Senior Housing I, L.P.** - a Pennsylvania limited partnership which operates a 67-unit rental housing project. The project was financed by \$7.4 million of investor capital and \$2.5 million in PHA and other mortgage debt. The project has qualified for federal low-income housing credits.
- **St. Ignatius Senior Housing II, L.P.** - a Pennsylvania limited partnership which operates 54 senior housing residential units. The project is being financed by \$6.4 million of investor capital and \$1.2 million in PHA and other mortgage debt. The project has qualified for federal low-income housing credits.
- **Uni-Penn Housing Partnership I** - a Pennsylvania limited partnership which operates 49 residential rental units and has a ninety-nine year ground lease with PHA at a nominal rent. The project was financed by \$5.3 million of investor capital and \$2.4 million in PHA and other mortgage debt. The project has qualified for federal low-income housing credits.
- **Uni-Penn Housing Partnership II** - a Pennsylvania limited partnership which operates 45 residential rental units. The project was financed by \$5.7 million of investor capital and \$3.2 million in mortgage debt. The project has qualified for federal low-income housing credits.

Note 18. Prior Period Adjustments

Net position as of April 1, 2014 has been adjusted due to the revenues and expenses erroneously recorded by PHA in the preceding year. Details are as follows:

Revenues and expenses erroneously booked in the prior years

PHADC	\$ 46,597
PAPMC	108,069
Philly Seeds	(70,406)
	<u>\$ 84,260</u>

Note 19. Contingencies

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

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

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

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

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

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

Settlements

Russell Myatt v. PHA, City of Philadelphia, Philadelphia County Court of Common Pleas: This is a premises liability action where Plaintiff, wheelchair bound, alleges defective installation of shower stall that caused accumulation of water resulting in his falling from wheelchair. The case was covered by insurance with a \$150,000 deductible. The case was settled with HUD concurrence for the amount of \$170,000, with PHA's contribution toward that amount of \$126,469.

Note 19. Contingencies (Continued)

Settlements (Continued)

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

Tira Williams v. PHA: This is a premises liability, toxic tort case in which the plaintiff alleged severe damage to her lungs and permanent injury as a result of exposure to mold in a PHA public housing unit that allegedly formed after a leak. The case is being covered by insurance, subject to a \$150,000 deductible. In January, 2015, this case settled for \$247,500. As no federal funds were used to pay the settlement, HUD approval was not required.

Eric McAfee v. PHA: This is employment litigation in which the plaintiff alleges a failure to accommodate, disparate treatment, and wrongful termination in violation of the federal Americans with Disabilities Act and the Philadelphia Human Relations Act. The case is being covered by insurance, subject to a \$150,000 deductible. After the close of this fiscal year, the case settled with HUD approval for \$99,999.

Anthony Guidotti v. PHA, Richard Zappile, Geralyn Hemphill, Benjamin Walton, James Mitchell: This is employment litigation in which the plaintiff, a former member of the PHA police force, alleges, *inter alia*, a violation of the Pennsylvania Whistleblower Law in connection with the termination of his employment. The plaintiff is making a claim under the state whistleblower laws and is seeking a large monetary award. The case is being covered by insurance, subject to a \$150,000 deductible and a reservation of rights. After the close of the fiscal year, the parties were negotiating a settlement that would require approval of the Board of Commissioners and HUD. Case has now settled for \$460,000, including PHA's contribution of \$36,593.

Pending or Threatened litigation

In re: Wissahickon Playground: Paulmier, et al., v. City of Philadelphia, Philadelphia Authority for Industrial Development, and PHA: This is real estate litigation concerning PHA's planned and ongoing redevelopment at Queen Lane. Petitioners argue that the City of Philadelphia failed to obtain Orphans' Court approval prior to transferring title of the so-called Wissahickon Playground to PHA, in violation of a claimed use restriction on that parcel. The litigation threatens to enjoin construction at the Queen Lane tax credit redevelopment. A hearing on Petitioners' request for a preliminary injunction has been continued until August 27, 2015, to allow the parties time to address the details of a settlement agreement. The matter is being covered by a title insurance policy subject to a reservation of rights.

Renee Johnson and Renee Johnson as Guardian of Rameena Johnson v. PAPMC, PHA: This is a premises liability, toxic tort case in which the plaintiffs claim significant injury due to exposure to Legionella bacteria in their tax credit unit. One of the plaintiffs was diagnosed with pneumonia caused by Legionella bacteria, or Legionnaires' disease, and that she suffered permanent damage to her lungs as a result. There is no insurance coverage for these claims.

Est. of Hezekiah King Robinson and Lonnia Robinson v. PHA, et al.: This is a premises liability action in which the plaintiff, as administratrix for the estate of her son and on her own behalf, alleges that her son died after he was caused to fall out of a window at West Park Apartments due to the defendants' failure to put security bars on the windows. The case is currently in discovery. The case is covered by insurance subject to a \$150,000 deductible.

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

Note 19. Contingencies (Continued)

Pending or Threatened Litigation (Continued)

Wright, Goins, Banks v. PHA: Related federal court actions have been filed against PHA by Kyeesha Wright, Jacqueline Goins, and Shenita Banks. The plaintiffs, all residents of the Hillcreek Housing Development, also allege exposure to asbestos fibers. This case is not covered by insurance, so PHA is responsible for attorney's fees and any settlement or judgment, to the extent there is one.

PHA is defending against six (6) employment discrimination and wrongful termination claims where the damages in the aggregate could exceed more than \$300,000. Although PHA is vigorously defending these actions, it is too early to determine with any certainty PHA's liability in each case.

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

Keith Caldwell v. PHA: This is employment litigation where Plaintiff, a former executive general manager of housing operations, alleges claims for retaliation on the basis of race and sex, age discrimination, breach of contract, wage and hour claims, and claim under the Pennsylvania Whistleblower Law. The case is in discovery. This case is being covered by insurance pursuant to a reservation of rights with a \$150,000 deductible and indemnification.

Nesheena Pickron v. PHA, PAPMC: This is employment litigation in which Plaintiff asserts claims for gender discrimination, sexual harassment, and retaliation, intentional infliction of emotional distress, and tortious interference with contractual relations. She also claims she was paid less than her male counterparts in violation of the Pennsylvania Equal Pay Law. The case is currently in discovery. PHA's defense is covered by insurance and pursuant to a reservation of rights with a \$150,000 deductible and with no indemnification.

Jennifer Garner v. PHA, et al.: This is employment litigation in which Plaintiff, a former PHA computer technician, asserts claims for discrimination based on her gender and for having taken leave pursuant to the Family Medical Leave Act, for retaliation, and for violations of the Pennsylvania Equal Pay Law. The case is currently in discovery. The case is covered by insurance pursuant to a reservation of rights with a \$150,000 deductible and no indemnification.

Pam Gibson v. PHA: This is employment litigation in which Plaintiff, a former HR benefits employee, alleges age and race discrimination through PHA creating a hostile work environment, as well as her suspension and termination. The case is covered by insurance pursuant to a reservation of rights, with a \$150,000 deductible and no indemnification.

Tamala Bradford v. PHA: This is employment litigation in which Plaintiff, a former employee in PHA's Police Department who alleges a violation of the Pennsylvania Whistleblower Law, for having been retaliated against for reporting wrongdoing. She also claims she was forced to resign due to retaliation. The case is covered by insurance pursuant to a reservation of rights, with a \$150,000 deductible and indemnification.

Kajet Washington v. PHA: The plaintiff filed an administrative complaint with the Philadelphia Commission on Human Rights alleging sex, race, and disability discrimination when she was demoted after returning from FMLA leave. The plaintiff then filed suit in the court of common pleas alleging retaliation. The case is not covered by insurance so PHA is responsible for attorney's fees as well as any settlement or judgment, should there be any.

Note 19. Contingencies (Continued)

Tort Claims

Except as otherwise discussed above, as of March 31, 2015, PHA, through its insurance carrier, HARRG, is defending against multiple personal injury actions. Two cases are claims where the exposure to PHA is expected to exceed \$100,000 and they are discussed above.

PHA's anticipated loss in each other case instance is limited to \$150,000 per claim inclusive of defense costs and liability payments for claims incurred due to alleged wrongful acts prior to March 31, 2014. PHA's anticipated loss for claims incurred due to alleged wrongful acts after March 31, 2014 is limited to \$50,000 per claim. 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 but cumulatively represent potential liability of \$900,000.

Required Supplementary Information

PHILADELPHIA HOUSING AUTHORITY
Notes to Financial Statements
March 31, 2015

PHILADELPHIA HOUSING AUTHORITY
SCHEDULE OF PENSION FUNDING PROGRESS

The six year historical trend information required to be disclosed is as follows

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) – Entry Age (b)	Assets in Excess of (Less than) AAL (a)-(b)	Funded Ratio (a)/(b)	Covered Payroll (c)	Assets in Excess of (Less than) AAL as a % of Covered Payroll [(a)-(b)/(c)]
11/1/09	\$200,900,456	\$272,847,624	(\$71,947,168)	74%	\$37,488,770	(192%)
11/1/10	\$205,295,672	\$275,396,108	(\$70,100,436)	75%	\$36,032,847	(195%)
11/1/11	\$203,315,070	\$273,155,005	(\$69,839,935)	74%	\$13,611,869	(513%)
11/1/12	\$201,154,443	\$275,285,243	(\$74,130,800)	73%	\$10,040,634	(738%)
11/1/13	\$205,065,040	\$271,349,834	(\$66,284,794)	76%	\$2,135,544	(3104%)
11/1/14	\$207,945,238	\$275,960,288	(\$68,015,050)	75%	\$2,357,230	(2885%)

The comparability of trend information is affected by changes in actuarial assumptions, benefit provisions, actuarial funding methods, accounting policies, and other changes. Those changes usually affect trends in contribution requirements and in ratios that use the pension benefit obligation as a factor.

At October 31, 2014, the Plan's assets were comprised of investments in the following percentages; 62% equity, 35% fixed income and 3% cash.

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2015

	Project Total	14.881 Moving to Work Demonstration Program	14.870 Resident Opportunity and Supportive Services	14.170 Congregate Housing Service Program	14.889 Choice Neighborhoods Implementation Grants
111 Cash - Unrestricted	\$13,953,574	\$1,608,369		\$14,161	
112 Cash - Restricted - Modernization and Development	\$0	\$0			
113 Cash - Other Restricted	\$458,642	\$10,334,749			
114 Cash - Tenant Security Deposits	\$799,191	\$0			
115 Cash - Restricted for Payment of Current Liabilities	\$0	\$0			
100 Total Cash	\$15,211,407	\$11,943,118	\$0	\$14,161	\$0
121 Accounts Receivable - PHA Projects		\$0			
122 Accounts Receivable - HUD Other Projects	\$502,922	\$41,610,335	\$56,561	\$31,249	\$84,788
124 Accounts Receivable - Other Government		\$11,267			\$83,102
125 Accounts Receivable - Miscellaneous	\$1,411,217	\$3,810,286			
126 Accounts Receivable - Tenants	\$704,022	\$0			
126.1 Allowance for Doubtful Accounts -Tenants	-\$562,074		\$0	\$0	\$0
126.2 Allowance for Doubtful Accounts - Other	\$0	\$0	\$0	\$0	\$0
127 Notes, Loans, & Mortgages Receivable - Current	\$0	\$0			
128 Fraud Recovery	\$0	\$0			
128.1 Allowance for Doubtful Accounts - Fraud	\$0	\$0			
129 Accrued Interest Receivable	\$0	\$24,986			
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$2,056,087	\$45,456,874	\$56,561	\$31,249	\$167,890
131 Investments - Unrestricted	\$1,806,934	\$52,516,901			
132 Investments - Restricted	\$0	\$0			
135 Investments - Restricted for Payment of Current Liability	\$0	\$0			
142 Prepaid Expenses and Other Assets	\$134,347	\$0			
143 Inventories	\$1,510,029	\$0			

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2015

	Project Total	14.881 Moving to Work Demonstration Program	14.870 Resident Opportunity and Supportive Services	14.170 Congregate Housing Service Program	14.889 Choice Neighborhoods Implementation Grants
143.1 Allowance for Obsolete Inventories	-\$151,003	\$0			
144 Inter Program Due From	\$524,632	\$0			
145 Assets Held for Sale	\$0	\$0			
150 Total Current Assets	\$21,092,433	\$109,916,893	\$56,561	\$45,410	\$167,890
161 Land	\$23,395,636	\$149,460			
162 Buildings	\$1,162,813,024	\$276,311,946			
163 Furniture, Equipment & Machinery - Dwellings	\$177,863	\$985,487			
164 Furniture, Equipment & Machinery - Administration	\$318,267	\$23,378,134	\$110,058		\$792
165 Leasehold Improvements	\$0	\$0			
166 Accumulated Depreciation	-\$846,364,284	-\$133,085,594	-\$110,058		-\$92
167 Construction in Progress	\$21,398,110	\$16,518,964			
168 Infrastructure	\$0	\$0			
160 Total Capital Assets, Net of Accumulated Depreciation	\$361,738,616	\$184,258,397	\$0	\$0	\$700
171 Notes, Loans and Mortgages Receivable - Non-Current	\$0	\$0			
172 Notes, Loans, & Mortgages Receivable - Non Current - Past	\$0	\$0			
173 Grants Receivable - Non Current		\$0			
174 Other Assets	\$0	\$10,000,000			
176 Investments in Joint Ventures	\$520	\$810			
180 Total Non-Current Assets	\$361,739,136	\$194,259,207	\$0	\$0	\$700
200 Deferred Outflow of Resources		\$0	\$0	\$0	\$0
290 Total Assets and Deferred Outflow of Resources	\$382,831,569	\$304,176,100	\$56,561	\$45,410	\$168,590

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2015

	Project Total	14.881 Moving to Work Demonstration Program	14.870 Resident Opportunity and Supportive Services	14.170 Congregate Housing Service Program	14.889 Choice Neighborhoods Implementation Grants
311 Bank Overdraft	\$0	\$0			
312 Accounts Payable <= 90 Days	\$4,669,488	\$555,310		\$6,915	\$12,940
313 Accounts Payable >90 Days Past Due	\$0	\$0			
321 Accrued Wage/Payroll Taxes Payable	\$548,746	\$0			
322 Accrued Compensated Absences - Current Portion	\$3,773,041	\$1,055,656			
324 Accrued Contingency Liability	\$0	\$0			
325 Accrued Interest Payable	\$0	\$0			
331 Accounts Payable - HUD PHA Programs	\$0	\$0			
332 Account Payable - PHA Projects	\$0	\$0			
333 Accounts Payable - Other Government	\$218,005	\$5,831			
341 Tenant Security Deposits	\$799,191	\$0			
342 Unearned Revenue	\$0	\$1,091,329			
343 Current Portion of Long-term Debt - Capital	\$0	\$0			
344 Current Portion of Long-term Debt - Operating Borrowings	\$0	\$0			
345 Other Current Liabilities	\$0	\$3,947,030			
346 Accrued Liabilities - Other	\$6,174,803	\$25,912,549			
347 Inter Program - Due To	\$524,632	\$1,409,040	\$56,561	\$38,495	\$154,950
348 Loan Liability - Current	\$0	\$0			
310 Total Current Liabilities	\$16,707,906	\$33,976,745	\$56,561	\$45,410	\$167,890
351 Long-term Debt, Net of Current - Capital Projects/Mortgage	\$0	\$0			
352 Long-term Debt, Net of Current - Operating Borrowings	\$0	\$0			
353 Non-current Liabilities - Other	\$160,969	\$5,040,138			
354 Accrued Compensated Absences - Non Current	\$2,515,344	\$703,771			
355 Loan Liability - Non Current	\$0	\$0			
356 FASB 5 Liabilities		\$0			

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2015

	Project Total	14.881 Moving to Work Demonstration Program	14.870 Resident Opportunity and Supportive Services	14.170 Congregate Housing Service Program	14.889 Choice Neighborhoods Implementation Grants
357 Accrued Pension and OPEB Liabilities	\$1,708,734	\$0	\$0	\$0	\$0
350 Total Non-Current Liabilities	\$4,385,047	\$5,743,909	\$0	\$0	\$0
300 Total Liabilities	\$21,092,953	\$39,720,654	\$56,561	\$45,410	\$167,890
400 Deferred Inflow of Resources					
508.3 Nonspendable Fund Balance					
508.4 Net Investment in Capital Assets	\$361,738,616	\$184,258,397	\$0	\$0	\$700
509.3 Restricted Fund Balance					
510.3 Committed Fund Balance					
511.3 Assigned Fund Balance					
511.4 Restricted Net Position	\$0	\$0			
512.3 Unassigned Fund Balance					
512.4 Unrestricted Net Position	\$0	\$80,197,049	\$0	\$0	\$0
513 Total Equity - Net Assets / Position	\$361,738,616	\$264,455,446	\$0	\$0	\$700
600 Total Liabilities, Deferred Inflows of Resources and Equity -	\$382,831,569	\$304,176,100	\$56,561	\$45,410	\$168,590

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2015

	10.559 Summer Food Service Program for Children	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	97.109 Disaster Housing Assistance Grant	6.2 Component Unit - Blended	1 Business Activities
111 Cash - Unrestricted				\$43,541,963	\$3,004,578
112 Cash - Restricted - Modernization and Development				\$0	
113 Cash - Other Restricted				\$116,934	
114 Cash - Tenant Security Deposits				\$0	
115 Cash - Restricted for Payment of Current Liabilities				\$0	\$24,289
100 Total Cash	\$0	\$0	\$0	\$43,658,897	\$3,028,867
121 Accounts Receivable - PHA Projects				\$0	
122 Accounts Receivable - HUD Other Projects				\$0	\$0
124 Accounts Receivable - Other Government				\$0	
125 Accounts Receivable - Miscellaneous				\$31,693,011	\$384,453
126 Accounts Receivable - Tenants				\$0	\$11,926
126.1 Allowance for Doubtful Accounts -Tenants	\$0		\$0	\$0	-\$11,926
126.2 Allowance for Doubtful Accounts - Other	\$0		\$0	-\$3,256,805	\$0
127 Notes, Loans, & Mortgages Receivable - Current				\$0	
128 Fraud Recovery				\$0	
128.1 Allowance for Doubtful Accounts - Fraud				\$0	
129 Accrued Interest Receivable				\$8,307	\$13
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$0	\$0	\$0	\$28,444,513	\$384,466
131 Investments - Unrestricted				\$0	\$0
132 Investments - Restricted				\$3,007,276	
135 Investments - Restricted for Payment of Current Liability				\$0	
142 Prepaid Expenses and Other Assets				\$62,969	
143 Inventories				\$0	
143.1 Allowance for Obsolete Inventories				\$0	

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2015

	10.559 Summer Food Service Program for Children	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	97.109 Disaster Housing Assistance Grant	6.2 Component Unit - Blended	1 Business Activities
144 Inter Program Due From		\$2,215,112	\$95,807	\$0	
145 Assets Held for Sale				\$0	
150 Total Current Assets	\$0	\$2,215,112	\$95,807	\$75,173,655	\$3,413,333
161 Land				\$0	\$40,286
162 Buildings				\$0	\$53,357,226
163 Furniture, Equipment & Machinery - Dwellings				\$80,495	\$0
164 Furniture, Equipment & Machinery - Administration				\$0	\$33,559
165 Leasehold Improvements				\$0	
166 Accumulated Depreciation				-\$23,499	-\$23,055,991
167 Construction in Progress				\$0	\$1,795,092
168 Infrastructure				\$0	
160 Total Capital Assets, Net of Accumulated Depreciation	\$0	\$0	\$0	\$56,996	\$32,170,172
171 Notes, Loans and Mortgages Receivable - Non-Current				\$0	\$376,645,932
172 Notes, Loans, & Mortgages Receivable - Non Current - Past				\$0	
173 Grants Receivable - Non Current				\$0	
174 Other Assets				\$0	\$88,011
176 Investments in Joint Ventures				\$0	\$5,075,262
180 Total Non-Current Assets	\$0	\$0	\$0	\$56,996	\$413,979,377
200 Deferred Outflow of Resources	\$0	\$0	\$0	\$0	\$0
290 Total Assets and Deferred Outflow of Resources	\$0	\$2,215,112	\$95,807	\$75,230,651	\$417,392,710
311 Bank Overdraft				\$0	

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2015

	10.559 Summer Food Service Program for Children	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	97.109 Disaster Housing Assistance Grant	6.2 Component Unit - Blended	1 Business Activities
312 Accounts Payable <= 90 Days				\$18,513	\$951,851
313 Accounts Payable >90 Days Past Due				\$0	
321 Accrued Wage/Payroll Taxes Payable				\$0	
322 Accrued Compensated Absences - Current Portion				\$67,988	
324 Accrued Contingency Liability				\$0	
325 Accrued Interest Payable				\$0	\$945,730
331 Accounts Payable - HUD PHA Programs				\$0	
332 Account Payable - PHA Projects				\$0	
333 Accounts Payable - Other Government				\$0	
341 Tenant Security Deposits				\$0	
342 Unearned Revenue		\$816,022		\$0	
343 Current Portion of Long-term Debt - Capital				\$0	\$4,815,000
344 Current Portion of Long-term Debt - Operating Borrowings				\$0	
345 Other Current Liabilities				\$3,882,104	\$489,285
346 Accrued Liabilities - Other				\$156,520	\$194,199
347 Inter Program - Due To				\$0	\$690,070
348 Loan Liability - Current				\$0	
310 Total Current Liabilities	\$0	\$816,022	\$0	\$4,125,125	\$8,086,135
351 Long-term Debt, Net of Current - Capital Projects/Mortgage				\$0	\$46,154,390
352 Long-term Debt, Net of Current - Operating Borrowings				\$0	
353 Non-current Liabilities - Other				\$0	
354 Accrued Compensated Absences - Non Current				\$45,325	
355 Loan Liability - Non Current				\$0	
356 FASB 5 Liabilities				\$0	
357 Accrued Pension and OPEB Liabilities	\$0	\$0	\$0	\$0	\$0

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2015

	10.559 Summer Food Service Program for Children	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	97.109 Disaster Housing Assistance Grant	6.2 Component Unit - Blended	1 Business Activities
350 Total Non-Current Liabilities	\$0	\$0	\$0	\$45,325	\$46,154,390
300 Total Liabilities	\$0	\$816,022	\$0	\$4,170,450	\$54,240,525
400 Deferred Inflow of Resources					
508.3 Nonspendable Fund Balance					
508.4 Net Investment in Capital Assets	\$0	\$0	\$0	\$56,996	-\$18,799,218
509.3 Restricted Fund Balance					
510.3 Committed Fund Balance					
511.3 Assigned Fund Balance					
511.4 Restricted Net Position				\$3,124,210	
512.3 Unassigned Fund Balance					
512.4 Unrestricted Net Position	\$0	\$1,399,090	\$95,807	\$67,878,995	\$381,951,403
513 Total Equity - Net Assets / Position	\$0	\$1,399,090	\$95,807	\$71,060,201	\$363,152,185
600 Total Liabilities, Deferred Inflows of Resources and Equity -	\$0	\$2,215,112	\$95,807	\$75,230,651	\$417,392,710

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2015

	6.1 Component Unit - Discretely Presented	93.044 Special Programs for the Aging Title III, Part B Grants for Supportive	5 Fiduciary	14.182 N/C S/R Section 8 Programs	14.871 Housing Choice Vouchers
111 Cash - Unrestricted	\$6,891,398				\$50,675
112 Cash - Restricted - Modernization and Development	\$0				
113 Cash - Other Restricted	\$24,288,259		\$2,651,040		\$9,633,400
114 Cash - Tenant Security Deposits	\$539,448				
115 Cash - Restricted for Payment of Current Liabilities	\$0				\$0
100 Total Cash	\$31,719,105	\$0	\$2,651,040	\$0	\$9,684,075
121 Accounts Receivable - PHA Projects	\$0				\$1,384,424
122 Accounts Receivable - HUD Other Projects	\$0				\$1,099,081
124 Accounts Receivable - Other Government	\$0				
125 Accounts Receivable - Miscellaneous	\$2,020,074		\$422,309		\$1,250
126 Accounts Receivable - Tenants	\$1,157,261				
126.1 Allowance for Doubtful Accounts -Tenants	-\$717,585	\$0	\$0	\$0	\$0
126.2 Allowance for Doubtful Accounts - Other	\$0	\$0	\$0	\$0	-\$1,269,540
127 Notes, Loans, & Mortgages Receivable - Current	\$0				
128 Fraud Recovery	\$0				
128.1 Allowance for Doubtful Accounts - Fraud	\$0				
129 Accrued Interest Receivable	\$0		\$42,204		\$63,141
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$2,459,750	\$0	\$464,513	\$0	\$1,278,356
131 Investments - Unrestricted	\$0				\$0
132 Investments - Restricted	\$0		\$209,719,692		\$0
135 Investments - Restricted for Payment of Current Liability	\$0				\$0
142 Prepaid Expenses and Other Assets	\$886,390				
143 Inventories	\$0				
143.1 Allowance for Obsolete Inventories	\$0				

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2015

	6.1 Component Unit - Discretely Presented	93.044 Special Programs for the Aging Title III, Part B Grants for Supportive	5 Fiduciary	14.182 N/C S/R Section 8 Programs	14.871 Housing Choice Vouchers
144 Inter Program Due From	\$0			\$22,872	
145 Assets Held for Sale	\$0				
150 Total Current Assets	\$35,065,245	\$0	\$212,835,245	\$22,872	\$10,962,431
161 Land	\$5,573,824				
162 Buildings	\$577,674,029				
163 Furniture, Equipment & Machinery - Dwellings	\$555,845				
164 Furniture, Equipment & Machinery - Administration	\$3,337,710	\$2,489			\$377,402
165 Leasehold Improvements	\$0				
166 Accumulated Depreciation	-\$150,004,478	-\$2,489			-\$377,402
167 Construction in Progress	\$3,478,033				
168 Infrastructure	\$0				
160 Total Capital Assets, Net of Accumulated Depreciation	\$440,614,963	\$0	\$0	\$0	\$0
171 Notes, Loans and Mortgages Receivable - Non-Current	\$0				
172 Notes, Loans, & Mortgages Receivable - Non Current - Past	\$0				
173 Grants Receivable - Non Current	\$0				
174 Other Assets	\$2,190,446				
176 Investments in Joint Ventures	\$0				
180 Total Non-Current Assets	\$442,805,409	\$0	\$0	\$0	\$0
200 Deferred Outflow of Resources	\$0	\$0	\$0	\$0	
290 Total Assets and Deferred Outflow of Resources	\$477,870,654	\$0	\$212,835,245	\$22,872	\$10,962,431
311 Bank Overdraft	\$0				

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2015

	6.1 Component Unit - Discretely Presented	93.044 Special Programs for the Aging_ Title III, Part B_ Grants for Supportive	5 Fiduciary	14.182 N/C S/R Section 8 Programs	14.871 Housing Choice Vouchers
312 Accounts Payable <= 90 Days	\$2,049,667				\$715
313 Accounts Payable >90 Days Past Due	\$0				
321 Accrued Wage/Payroll Taxes Payable	\$0				
322 Accrued Compensated Absences - Current Portion	\$0				\$42,518
324 Accrued Contingency Liability	\$0				
325 Accrued Interest Payable	\$0				
331 Accounts Payable - HUD PHA Programs	\$0				
332 Account Payable - PHA Projects	\$0				
333 Accounts Payable - Other Government	\$0				
341 Tenant Security Deposits	\$525,688				
342 Unearned Revenue	\$180,748				
343 Current Portion of Long-term Debt - Capital	\$358,440				
344 Current Portion of Long-term Debt - Operating Borrowings	\$0				
345 Other Current Liabilities	\$2,475,168		\$86,779		\$5,850
346 Accrued Liabilities - Other	\$4,487,987				
347 Inter Program - Due To	\$0				
348 Loan Liability - Current	\$0				
310 Total Current Liabilities	\$10,077,698	\$0	\$86,779	\$0	\$49,083
351 Long-term Debt, Net of Current - Capital Projects/Mortgage	\$353,835,874				
352 Long-term Debt, Net of Current - Operating Borrowings	\$0				
353 Non-current Liabilities - Other	\$62,510,480				\$97,335
354 Accrued Compensated Absences - Non Current	\$0				\$28,347
355 Loan Liability - Non Current	\$0				
356 FASB 5 Liabilities	\$0				
357 Accrued Pension and OPEB Liabilities	\$0	\$0	\$0	\$0	\$0

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2015

	6.1 Component Unit - Discretely Presented	93.044 Special Programs for the Aging Title III, Part B Grants for Supportive	5 Fiduciary	14.182 N/C S/R Section 8 Programs	14.871 Housing Choice Vouchers
350 Total Non-Current Liabilities	\$416,346,354	\$0	\$0	\$0	\$125,682
300 Total Liabilities	\$426,424,052	\$0	\$86,779	\$0	\$174,765
400 Deferred Inflow of Resources					
508.3 Nonspendable Fund Balance					
508.4 Net Investment in Capital Assets	\$86,420,649	\$0	\$0	\$0	\$0
509.3 Restricted Fund Balance					
510.3 Committed Fund Balance					
511.3 Assigned Fund Balance					
511.4 Restricted Net Position	\$0		\$0		\$9,633,400
512.3 Unassigned Fund Balance					
512.4 Unrestricted Net Position	-\$34,974,047	\$0	\$212,748,466	\$22,872	\$1,154,266
513 Total Equity - Net Assets / Position	\$51,446,602	\$0	\$212,748,466	\$22,872	\$10,787,666
600 Total Liabilities, Deferred Inflows of Resources and Equity -	\$477,870,654	\$0	\$212,835,245	\$22,872	\$10,962,431

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2015

	14.CFP MTW Demonstration Program for Capital Fund	14.OPS MTW Demonstration Program for Low Rent	14.HCV MTW Demonstration Program for HCV program	14.879 Mainstream Vouchers	93.575 Child Care and Development Block Grant
111 Cash - Unrestricted					
112 Cash - Restricted - Modernization and Development					
113 Cash - Other Restricted					
114 Cash - Tenant Security Deposits					
115 Cash - Restricted for Payment of Current Liabilities					
100 Total Cash	\$0	\$0	\$0	\$0	\$0
121 Accounts Receivable - PHA Projects					
122 Accounts Receivable - HUD Other Projects	\$0		\$0		
124 Accounts Receivable - Other Government					
125 Accounts Receivable - Miscellaneous					
126 Accounts Receivable - Tenants					
126.1 Allowance for Doubtful Accounts -Tenants			\$0		
126.2 Allowance for Doubtful Accounts - Other	\$0		\$0		
127 Notes, Loans, & Mortgages Receivable - Current					
128 Fraud Recovery					
128.1 Allowance for Doubtful Accounts - Fraud					
129 Accrued Interest Receivable					
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$0	\$0	\$0	\$0	\$0
131 Investments - Unrestricted					
132 Investments - Restricted					
135 Investments - Restricted for Payment of Current Liability					
142 Prepaid Expenses and Other Assets					
143 Inventories					
143.1 Allowance for Obsolete Inventories					

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2015

	14.CFP MTW Demonstration Program for Capital Fund	14.OPS MTW Demonstration Program for Low Rent	14.HCV MTW Demonstration Program for HCV program	14.879 Mainstream Vouchers	93.575 Child Care and Development Block Grant
144 Inter Program Due From				\$266,791	
145 Assets Held for Sale					
150 Total Current Assets	\$0	\$0	\$0	\$266,791	\$0
161 Land					
162 Buildings					
163 Furniture, Equipment & Machinery - Dwellings					
164 Furniture, Equipment & Machinery - Administration					
165 Leasehold Improvements					
166 Accumulated Depreciation					
167 Construction in Progress					
168 Infrastructure					
160 Total Capital Assets, Net of Accumulated Depreciation	\$0	\$0	\$0	\$0	\$0
171 Notes, Loans and Mortgages Receivable - Non-Current					
172 Notes, Loans, & Mortgages Receivable - Non Current - Past					
173 Grants Receivable - Non Current					
174 Other Assets					
176 Investments in Joint Ventures					
180 Total Non-Current Assets	\$0	\$0	\$0	\$0	\$0
200 Deferred Outflow of Resources					
290 Total Assets and Deferred Outflow of Resources	\$0	\$0	\$0	\$266,791	\$0
311 Bank Overdraft					

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2015

	14.CFP MTW Demonstration Program for Capital Fund	14.OPS MTW Demonstration Program for Low Rent	14.HCV MTW Demonstration Program for HCV program	14.879 Mainstream Vouchers	93.575 Child Care and Development Block Grant
312 Accounts Payable <= 90 Days					
313 Accounts Payable >90 Days Past Due					
321 Accrued Wage/Payroll Taxes Payable					
322 Accrued Compensated Absences - Current Portion					
324 Accrued Contingency Liability					
325 Accrued Interest Payable					
331 Accounts Payable - HUD PHA Programs					
332 Account Payable - PHA Projects					
333 Accounts Payable - Other Government					
341 Tenant Security Deposits					
342 Unearned Revenue					
343 Current Portion of Long-term Debt - Capital					
344 Current Portion of Long-term Debt - Operating Borrowings					
345 Other Current Liabilities					
346 Accrued Liabilities - Other					
347 Inter Program - Due To					
348 Loan Liability - Current					
310 Total Current Liabilities	\$0	\$0	\$0	\$0	\$0
351 Long-term Debt, Net of Current - Capital Projects/Mortgage					
352 Long-term Debt, Net of Current - Operating Borrowings					
353 Non-current Liabilities - Other					
354 Accrued Compensated Absences - Non Current					
355 Loan Liability - Non Current					
356 FASB 5 Liabilities					
357 Accrued Pension and OPEB Liabilities					

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2015

	14.CFP MTW Demonstration Program for Capital Fund	14.OPS MTW Demonstration Program for Low Rent	14.HCV MTW Demonstration Program for HCV program	14.879 Mainstream Vouchers	93.575 Child Care and Development Block Grant
350 Total Non-Current Liabilities	\$0	\$0	\$0	\$0	\$0
300 Total Liabilities	\$0	\$0	\$0	\$0	\$0
400 Deferred Inflow of Resources					
508.3 Nonspendable Fund Balance					
508.4 Net Investment in Capital Assets					
509.3 Restricted Fund Balance					
510.3 Committed Fund Balance					
511.3 Assigned Fund Balance					
511.4 Restricted Net Position					
512.3 Unassigned Fund Balance					
512.4 Unrestricted Net Position	\$0	\$0	\$0	\$266,791	\$0
513 Total Equity - Net Assets / Position	\$0	\$0	\$0	\$266,791	\$0
600 Total Liabilities, Deferred Inflows of Resources and Equity -	\$0	\$0	\$0	\$266,791	\$0

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2015

	2 State/Local	14.856 Lower Income Housing Assistance Program_Section 8 Moderate	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$1,611,071	\$1,078,869	\$71,754,658		\$71,754,658
112 Cash - Restricted - Modernization and Development		\$0	\$0		\$0
113 Cash - Other Restricted		\$0	\$47,483,024		\$47,483,024
114 Cash - Tenant Security Deposits		\$0	\$1,338,639		\$1,338,639
115 Cash - Restricted for Payment of Current Liabilities		\$0	\$24,289		\$24,289
100 Total Cash	\$1,611,071	\$1,078,869	\$120,600,610	\$0	\$120,600,610
121 Accounts Receivable - PHA Projects		\$0	\$1,384,424		\$1,384,424
122 Accounts Receivable - HUD Other Projects		\$11,664	\$43,396,600		\$43,396,600
124 Accounts Receivable - Other Government		\$0	\$94,369		\$94,369
125 Accounts Receivable - Miscellaneous	\$29,340	\$0	\$39,771,940	-\$24,430,936	\$15,341,004
126 Accounts Receivable - Tenants		\$0	\$1,873,209		\$1,873,209
126.1 Allowance for Doubtful Accounts -Tenants		\$0	-\$1,291,585		-\$1,291,585
126.2 Allowance for Doubtful Accounts - Other	\$0	\$0	-\$4,526,345		-\$4,526,345
127 Notes, Loans, & Mortgages Receivable - Current		\$0	\$0		\$0
128 Fraud Recovery		\$0	\$0		\$0
128.1 Allowance for Doubtful Accounts - Fraud		\$0	\$0		\$0
129 Accrued Interest Receivable	\$2	\$6	\$138,659		\$138,659
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$29,342	\$11,670	\$80,841,271	-\$24,430,936	\$56,410,335
131 Investments - Unrestricted		\$0	\$54,323,835		\$54,323,835
132 Investments - Restricted		\$0	\$212,726,968		\$212,726,968
135 Investments - Restricted for Payment of Current Liability		\$0	\$0		\$0
142 Prepaid Expenses and Other Assets		\$0	\$1,083,706		\$1,083,706
143 Inventories		\$0	\$1,510,029		\$1,510,029
143.1 Allowance for Obsolete Inventories		\$0	-\$151,003		-\$151,003

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2015

	2 State/Local	14.856 Lower Income Housing Assistance Program_Section 8 Moderate	Subtotal	ELIM	Total
144 Inter Program Due From	\$490,868	\$1,751,148	\$5,367,230	-\$5,367,230	\$0
145 Assets Held for Sale		\$0	\$0		\$0
150 Total Current Assets	\$2,131,281	\$2,841,687	\$476,302,646	-\$29,798,166	\$446,504,480
161 Land		\$0	\$29,159,206		\$29,159,206
162 Buildings	\$250,000	\$633,750	\$2,071,039,975		\$2,071,039,975
163 Furniture, Equipment & Machinery - Dwellings	\$1,319	\$0	\$1,801,009		\$1,801,009
164 Furniture, Equipment & Machinery - Administration	\$290,125	\$0	\$27,848,536		\$27,848,536
165 Leasehold Improvements		\$0	\$0		\$0
166 Accumulated Depreciation	-\$178,492	-\$42,250	-\$1,153,244,629		-\$1,153,244,629
167 Construction in Progress		\$0	\$43,190,199		\$43,190,199
168 Infrastructure		\$0	\$0		\$0
160 Total Capital Assets, Net of Accumulated Depreciation	\$362,952	\$591,500	\$1,019,794,296	\$0	\$1,019,794,296
171 Notes, Loans and Mortgages Receivable - Non-Current		\$0	\$376,645,932		\$376,645,932
172 Notes, Loans, & Mortgages Receivable - Non Current - Past		\$0	\$0		\$0
173 Grants Receivable - Non Current		\$0	\$0		\$0
174 Other Assets		\$0	\$12,278,457		\$12,278,457
176 Investments in Joint Ventures		\$0	\$5,076,592		\$5,076,592
180 Total Non-Current Assets	\$362,952	\$591,500	\$1,413,795,277	\$0	\$1,413,795,277
200 Deferred Outflow of Resources		\$0	\$0	\$0	\$0
290 Total Assets and Deferred Outflow of Resources	\$2,494,233	\$3,433,187	\$1,890,097,923	-\$29,798,166	\$1,860,299,757
311 Bank Overdraft		\$0	\$0		\$0

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2015

	2 State/Local	14.856 Lower Income Housing Assistance Program_Section 8 Moderate	Subtotal	ELIM	Total
312 Accounts Payable <= 90 Days		\$11	\$8,265,410		\$8,265,410
313 Accounts Payable >90 Days Past Due		\$0	\$0		\$0
321 Accrued Wage/Payroll Taxes Payable		\$0	\$548,746		\$548,746
322 Accrued Compensated Absences - Current Portion		\$0	\$4,939,203		\$4,939,203
324 Accrued Contingency Liability		\$0	\$0		\$0
325 Accrued Interest Payable		\$0	\$945,730		\$945,730
331 Accounts Payable - HUD PHA Programs		\$0	\$0		\$0
332 Account Payable - PHA Projects		\$0	\$0		\$0
333 Accounts Payable - Other Government		\$0	\$223,836		\$223,836
341 Tenant Security Deposits		\$0	\$1,324,879		\$1,324,879
342 Unearned Revenue		\$301,343	\$2,389,442		\$2,389,442
343 Current Portion of Long-term Debt - Capital		\$0	\$5,173,440		\$5,173,440
344 Current Portion of Long-term Debt - Operating Borrowings		\$0	\$0		\$0
345 Other Current Liabilities	\$640,188	\$0	\$11,526,404		\$11,526,404
346 Accrued Liabilities - Other	\$469	\$8,378	\$36,934,905	-\$24,430,936	\$12,503,969
347 Inter Program - Due To		\$2,493,482	\$5,367,230	-\$5,367,230	\$0
348 Loan Liability - Current		\$0	\$0		\$0
310 Total Current Liabilities	\$640,657	\$2,803,214	\$77,639,225	-\$29,798,166	\$47,841,059
351 Long-term Debt, Net of Current - Capital Projects/Mortgage		\$0	\$399,990,264		\$399,990,264
352 Long-term Debt, Net of Current - Operating Borrowings		\$0	\$0		\$0
353 Non-current Liabilities - Other		\$0	\$67,808,922		\$67,808,922
354 Accrued Compensated Absences - Non Current		\$0	\$3,292,787		\$3,292,787
355 Loan Liability - Non Current		\$0	\$0		\$0
356 FASB 5 Liabilities		\$0	\$0		\$0
357 Accrued Pension and OPEB Liabilities		\$0	\$1,708,734		\$1,708,734

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2015

	2 State/Local	14.856 Lower Income Housing Assistance Program_Section 8 Moderate	Subtotal	ELIM	Total
350 Total Non-Current Liabilities	\$0	\$0	\$472,800,707	\$0	\$472,800,707
300 Total Liabilities	\$640,657	\$2,803,214	\$550,439,932	-\$29,798,166	\$520,641,766
400 Deferred Inflow of Resources		\$0	\$0	\$0	\$0
508.3 Nonspendable Fund Balance		\$0			
508.4 Net Investment in Capital Assets	\$362,952	\$591,500	\$614,630,592		\$614,630,592
509.3 Restricted Fund Balance		\$0			
510.3 Committed Fund Balance		\$0			
511.3 Assigned Fund Balance		\$0			
511.4 Restricted Net Position		\$0	\$12,757,610		\$12,757,610
512.3 Unassigned Fund Balance		\$0			
512.4 Unrestricted Net Position	\$1,490,624	\$38,473	\$712,269,789		\$712,269,789
513 Total Equity - Net Assets / Position	\$1,853,576	\$629,973	\$1,339,657,991	\$0	\$1,339,657,991
600 Total Liabilities, Deferred Inflows of Resources and Equity -	\$2,494,233	\$3,433,187	\$1,890,097,923	-\$29,798,166	\$1,860,299,757

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2015

	Project Total	14.881 Moving to Work Demonstration Program	14.870 Resident Opportunity and Supportive Services	14.170 Congregate Housing Service Program	14.889 Choice Neighborhoods Implementation Grants
70300 Net Tenant Rental Revenue	\$23,714,525	\$0			
70400 Tenant Revenue - Other	\$681,054	\$0			
70500 Total Tenant Revenue	\$24,395,579	\$0	\$0	\$0	\$0
70600 HUD PHA Operating Grants	\$0	\$0	\$353,746	\$81,580	\$304,693
70610 Capital Grants	\$0				
70710 Management Fee					
70720 Asset Management Fee					
70730 Book Keeping Fee					
70740 Front Line Service Fee					
70750 Other Fees					
70700 Total Fee Revenue					
70800 Other Government Grants	\$0	\$0			\$83,103
71100 Investment Income - Unrestricted	\$120,558	\$318			
71200 Mortgage Interest Income	\$0	\$0			
71300 Proceeds from Disposition of Assets Held for Sale	\$0	\$0			
71310 Cost of Sale of Assets	\$0	\$0			
71400 Fraud Recovery	\$71,189	\$116,934			
71500 Other Revenue	\$38,841	\$306,969		\$20,395	
71600 Gain or Loss on Sale of Capital Assets	\$447,188	-\$513,367			
72000 Investment Income - Restricted	\$0	\$0			
70000 Total Revenue	\$25,073,355	-\$89,146	\$353,746	\$101,975	\$387,796
91100 Administrative Salaries	\$8,043,600	\$24,222,664	\$102,936		

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2015

	Project Total	14.881 Moving to Work Demonstration Program	14.870 Resident Opportunity and Supportive Services	14.170 Congregate Housing Service Program	14.889 Choice Neighborhoods Implementation Grants
91200 Auditing Fees	\$0	\$281,908			
91300 Management Fee	\$0	\$0	\$0	\$0	\$0
91310 Book-keeping Fee	\$0				
91400 Advertising and Marketing	\$0	\$63,744			
91500 Employee Benefit contributions - Administrative	\$3,790,894	\$15,848,992	\$2,701		
91600 Office Expenses	\$1,361,625	\$3,746,665	\$18,585		
91700 Legal Expense	\$684,954	-\$245,396			
91800 Travel	\$15,673	\$155,445	\$3,448		\$2,082
91810 Allocated Overhead	\$18,274,428	-\$18,274,428			
91900 Other	\$611,861	\$8,768,058	\$7,122		\$211,745
91000 Total Operating - Administrative	\$32,783,035	\$34,567,652	\$134,792	\$0	\$213,827
92000 Asset Management Fee	\$0				
92100 Tenant Services - Salaries	\$40,258	\$373,476	\$152,937	\$8,590	
92200 Relocation Costs	\$299,724	\$908			
92300 Employee Benefit Contributions - Tenant Services	\$18,893	\$0		\$2,177	
92400 Tenant Services - Other	\$577,636	\$473,750	\$65,967	\$91,123	\$172,684
92500 Total Tenant Services	\$936,511	\$848,134	\$218,904	\$101,890	\$172,684
93100 Water	\$11,160,277	\$65,416			
93200 Electricity	\$5,259,861	\$375,473			
93300 Gas	\$7,055,488	\$54,315			
93400 Fuel	\$0	\$0			
93500 Labor	\$66,329	\$0			
93600 Sewer	\$0	\$0			
93700 Employee Benefit Contributions - Utilities	\$30,948	\$0			

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2015

	Project Total	14.881 Moving to Work Demonstration Program	14.870 Resident Opportunity and Supportive Services	14.170 Congregate Housing Service Program	14.889 Choice Neighborhoods Implementation Grants
93800 Other Utilities Expense	\$14,264	\$0			
93000 Total Utilities	\$23,587,167	\$495,204	\$0	\$0	\$0
94100 Ordinary Maintenance and Operations - Labor	\$33,158,596	\$1,084,514			
94200 Ordinary Maintenance and Operations - Materials and	\$6,870,486	-\$209,421			
94300 Ordinary Maintenance and Operations Contracts	\$5,353,855	\$520,819	\$0	\$0	\$0
94500 Employee Benefit Contributions - Ordinary Maintenance	\$15,695,101				
94000 Total Maintenance	\$61,078,038	\$1,395,912	\$0	\$0	\$0
95100 Protective Services - Labor	\$5,631,567	\$164,858			
95200 Protective Services - Other Contract Costs	\$2,205,269	\$837,876			
95300 Protective Services - Other	\$71,806	\$7,855			
95500 Employee Benefit Contributions - Protective Services	\$2,643,079	\$0			
95000 Total Protective Services	\$10,551,721	\$1,010,589	\$0	\$0	\$0
96110 Property Insurance	\$4,493,148	\$0			
96120 Liability Insurance	\$476,675	\$0			
96130 Workmen's Compensation	\$5,170,765	-\$203,218	\$50	\$85	
96140 All Other Insurance	\$76,224	\$24,736			
96100 Total insurance Premiums	\$10,216,812	-\$178,482	\$50	\$85	\$0
96200 Other General Expenses	\$17,351,032	\$313,538			
96210 Compensated Absences	\$0	-\$758,105			
96300 Payments in Lieu of Taxes	\$0	\$0			
96400 Bad debt - Tenant Rents	\$59,982	\$0			
96500 Bad debt - Mortgages	\$0	\$0			

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2015

	Project Total	14.881 Moving to Work Demonstration Program	14.870 Resident Opportunity and Supportive Services	14.170 Congregate Housing Service Program	14.889 Choice Neighborhoods Implementation Grants
96600 Bad debt - Other	\$0	\$0			
96800 Severance Expense	\$310,521	\$51,436			
96000 Total Other General Expenses	\$17,721,535	-\$393,131	\$0	\$0	\$0
96710 Interest of Mortgage (or Bonds) Payable	\$0	\$0			
96720 Interest on Notes Payable (Short and Long Term)	\$0	\$0			
96730 Amortization of Bond Issue Costs		\$0	\$0	\$0	\$0
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$0	\$0
96900 Total Operating Expenses	\$156,874,819	\$37,745,878	\$353,746	\$101,975	\$386,511
97000 Excess of Operating Revenue over Operating Expenses	-\$131,801,464	-\$37,835,024	\$0	\$0	\$1,285
97100 Extraordinary Maintenance	\$4,234,009	\$485,969			-\$792
97200 Casualty Losses - Non-capitalized	\$0	\$0			
97300 Housing Assistance Payments		\$133,419,518			
97350 HAP Portability-In		\$0			
97400 Depreciation Expense	\$38,278,260	\$16,996,204			\$92
97500 Fraud Losses		\$0			
97600 Capital Outlays - Governmental Funds					
97700 Debt Principal Payment - Governmental Funds					
97800 Dwelling Units Rent Expense					
90000 Total Expenses	\$199,387,088	\$188,647,569	\$353,746	\$101,975	\$385,811
10010 Operating Transfer In	\$139,349,742	\$343,484,448			
10020 Operating transfer Out	-\$39,207	-\$172,722,743			

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2015

	Project Total	14.881 Moving to Work Demonstration Program	14.870 Resident Opportunity and Supportive Services	14.170 Congregate Housing Service Program	14.889 Choice Neighborhoods Implementation Grants
10030 Operating Transfers from/to Primary Government	\$0	\$0			
10040 Operating Transfers from/to Component Unit		-\$1,374,809			
10050 Proceeds from Notes, Loans and Bonds					
10060 Proceeds from Property Sales					
10070 Extraordinary Items, Net Gain/Loss		\$0			
10080 Special Items (Net Gain/Loss)		\$0			
10091 Inter Project Excess Cash Transfer In					
10092 Inter Project Excess Cash Transfer Out					
10093 Transfers between Program and Project - In	\$0				
10094 Transfers between Project and Program - Out	\$0	\$0			
10100 Total Other financing Sources (Uses)	\$139,310,535	\$169,386,896	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total	-\$35,003,198	-\$19,349,819	\$0	\$0	\$1,985
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0	\$0
11030 Beginning Equity	\$396,741,814	\$283,803,980	\$0	\$0	\$0
11040 Prior Period Adjustments, Equity Transfers and Correction	\$0	\$1,285	\$0	\$0	-\$1,285
11050 Changes in Compensated Absence Balance					
11060 Changes in Contingent Liability Balance					
11070 Changes in Unrecognized Pension Transition Liability					
11080 Changes in Special Term/Severance Benefits Liability					
11090 Changes in Allowance for Doubtful Accounts - Dwelling					
11100 Changes in Allowance for Doubtful Accounts - Other					
11170 Administrative Fee Equity					
11180 Housing Assistance Payments Equity					
11190 Unit Months Available	141549	196244			

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2015

	Project Total	14.881 Moving to Work Demonstration Program	14.870 Resident Opportunity and Supportive Services	14.170 Congregate Housing Service Program	14.889 Choice Neighborhoods Implementation Grants
11210 Number of Unit Months Leased	121247	196244			
11270 Excess Cash	-\$10,433,547				
11610 Land Purchases	\$0				
11620 Building Purchases	\$4,770,317				
11630 Furniture & Equipment - Dwelling Purchases	\$0				
11640 Furniture & Equipment - Administrative Purchases	\$0				
11650 Leasehold Improvements Purchases	\$0				
11660 Infrastructure Purchases	\$0				
13510 CFFP Debt Service Payments	\$0				
13901 Replacement Housing Factor Funds	\$3,139,481				

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2015

	10.559 Summer Food Service Program for Children	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	97.109 Disaster Housing Assistance Grant	6.2 Component Unit - Blended	1 Business Activities
70300 Net Tenant Rental Revenue				\$0	\$28,582
70400 Tenant Revenue - Other				\$0	
70500 Total Tenant Revenue	\$0	\$0	\$0	\$0	\$28,582
70600 HUD PHA Operating Grants	\$0	\$1,849,861	\$0	\$0	\$0
70610 Capital Grants					
70710 Management Fee					
70720 Asset Management Fee					
70730 Book Keeping Fee					
70740 Front Line Service Fee					
70750 Other Fees					
70700 Total Fee Revenue					
70800 Other Government Grants	\$174,171			\$0	
71100 Investment Income - Unrestricted				\$40,204	\$9
71200 Mortgage Interest Income				\$0	\$5,701,284
71300 Proceeds from Disposition of Assets Held for Sale				\$0	
71310 Cost of Sale of Assets				\$0	
71400 Fraud Recovery				\$0	
71500 Other Revenue	\$340,783			\$1,441,256	\$838,899
71600 Gain or Loss on Sale of Capital Assets				\$0	
72000 Investment Income - Restricted				\$0	
70000 Total Revenue	\$514,954	\$1,849,861	\$0	\$1,481,460	\$6,568,774
91100 Administrative Salaries		\$59,327		\$534,730	
91200 Auditing Fees				\$52,236	

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2015

	10.559 Summer Food Service Program for Children	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	97.109 Disaster Housing Assistance Grant	6.2 Component Unit - Blended	1 Business Activities
91300 Management Fee	\$0	\$0	\$0	\$0	\$0
91310 Book-keeping Fee					
91400 Advertising and Marketing				\$0	
91500 Employee Benefit contributions - Administrative		\$21,099		\$288,665	\$26,949
91600 Office Expenses	\$498			\$36,137	
91700 Legal Expense				\$0	
91800 Travel	\$2,180			\$3,686	
91810 Allocated Overhead				\$0	
91900 Other				\$125,272	\$51,125
91000 Total Operating - Administrative	\$2,678	\$80,426	\$0	\$1,040,726	\$78,074
92000 Asset Management Fee					
92100 Tenant Services - Salaries	\$110,778			\$0	
92200 Relocation Costs				\$0	
92300 Employee Benefit Contributions - Tenant Services				\$0	
92400 Tenant Services - Other	\$401,498			\$226,647	
92500 Total Tenant Services	\$512,276	\$0	\$0	\$226,647	\$0
93100 Water				\$2,098	\$1,614
93200 Electricity				\$2,921	\$25,009
93300 Gas				\$1,529	
93400 Fuel				\$0	
93500 Labor				\$0	
93600 Sewer				\$0	
93700 Employee Benefit Contributions - Utilities				\$0	
93800 Other Utilities Expense				\$0	

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2015

	10.559 Summer Food Service Program for Children	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	97.109 Disaster Housing Assistance Grant	6.2 Component Unit - Blended	1 Business Activities
93000 Total Utilities	\$0	\$0	\$0	\$6,548	\$26,623
94100 Ordinary Maintenance and Operations - Labor				\$0	\$38
94200 Ordinary Maintenance and Operations - Materials and				\$8,774	
94300 Ordinary Maintenance and Operations Contracts	\$0	\$0	\$0	\$796,290	\$0
94500 Employee Benefit Contributions - Ordinary Maintenance					
94000 Total Maintenance	\$0	\$0	\$0	\$805,064	\$38
95100 Protective Services - Labor				\$0	
95200 Protective Services - Other Contract Costs				\$0	
95300 Protective Services - Other				\$0	
95500 Employee Benefit Contributions - Protective Services				\$0	
95000 Total Protective Services	\$0	\$0	\$0	\$0	\$0
96110 Property Insurance				\$13,302	
96120 Liability Insurance				\$0	
96130 Workmen's Compensation		\$808		\$5,196	\$4,747
96140 All Other Insurance				\$1,000	
96100 Total insurance Premiums	\$0	\$808	\$0	\$19,498	\$4,747
96200 Other General Expenses				\$116,197	\$124
96210 Compensated Absences				\$0	
96300 Payments in Lieu of Taxes				\$0	
96400 Bad debt - Tenant Rents				\$0	
96500 Bad debt - Mortgages				\$0	
96600 Bad debt - Other				\$1,804,235	

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2015

	10.559 Summer Food Service Program for Children	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	97.109 Disaster Housing Assistance Grant	6.2 Component Unit - Blended	1 Business Activities
96800 Severance Expense				\$1,410	
96000 Total Other General Expenses	\$0	\$0	\$0	\$1,921,842	\$124
96710 Interest of Mortgage (or Bonds) Payable				\$0	\$3,191,800
96720 Interest on Notes Payable (Short and Long Term)				\$0	
96730 Amortization of Bond Issue Costs	\$0	\$0	\$0	\$0	\$0
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$0	\$3,191,800
96900 Total Operating Expenses	\$514,954	\$81,234	\$0	\$4,020,325	\$3,301,406
97000 Excess of Operating Revenue over Operating Expenses	\$0	\$1,768,627	\$0	-\$2,538,865	\$3,267,368
97100 Extraordinary Maintenance				\$1,486	\$14,825
97200 Casualty Losses - Non-capitalized				\$0	
97300 Housing Assistance Payments		\$1,369,835		\$0	
97350 HAP Portability-In				\$0	
97400 Depreciation Expense				\$11,909	\$2,450,833
97500 Fraud Losses				\$0	
97600 Capital Outlays - Governmental Funds					
97700 Debt Principal Payment - Governmental Funds					
97800 Dwelling Units Rent Expense					
90000 Total Expenses	\$514,954	\$1,451,069	\$0	\$4,033,720	\$5,767,064
10010 Operating Transfer In				\$0	\$33,312,208
10020 Operating transfer Out				\$0	
10030 Operating Transfers from/to Primary Government				\$9,391,616	

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2015

	10.559 Summer Food Service Program for Children	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	97.109 Disaster Housing Assistance Grant	6.2 Component Unit - Blended	1 Business Activities
10040 Operating Transfers from/to Component Unit				\$0	-\$8,016,807
10050 Proceeds from Notes, Loans and Bonds					
10060 Proceeds from Property Sales					
10070 Extraordinary Items, Net Gain/Loss				\$0	
10080 Special Items (Net Gain/Loss)				\$0	
10091 Inter Project Excess Cash Transfer In					
10092 Inter Project Excess Cash Transfer Out					
10093 Transfers between Program and Project - In					
10094 Transfers between Project and Program - Out				\$0	
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0	\$9,391,616	\$25,295,401
10000 Excess (Deficiency) of Total Revenue Over (Under) Total	\$0	\$398,792	\$0	\$6,839,356	\$26,097,111
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0	\$4,575,000
11030 Beginning Equity	\$0	\$1,000,298	\$95,807	\$64,136,585	\$337,055,074
11040 Prior Period Adjustments, Equity Transfers and Correction	\$0	\$0	\$0	\$84,260	\$0
11050 Changes in Compensated Absence Balance					
11060 Changes in Contingent Liability Balance					
11070 Changes in Unrecognized Pension Transition Liability					
11080 Changes in Special Term/Severance Benefits Liability					
11090 Changes in Allowance for Doubtful Accounts - Dwelling					
11100 Changes in Allowance for Doubtful Accounts - Other					
11170 Administrative Fee Equity					
11180 Housing Assistance Payments Equity					
11190 Unit Months Available		4608			
11210 Number of Unit Months Leased		4608			

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2015

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

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2015

	6.1 Component Unit - Discretely Presented	93.044 Special Programs for the Aging Title III, Part B Grants for Supportive	5 Fiduciary	14.182 N/C S/R Section 8 Programs	14.871 Housing Choice Vouchers
70300 Net Tenant Rental Revenue	\$24,159,178				
70400 Tenant Revenue - Other	\$0				
70500 Total Tenant Revenue	\$24,159,178	\$0	\$0	\$0	\$0
70600 HUD PHA Operating Grants		\$0	\$0	\$0	\$3,667,380
70610 Capital Grants					
70710 Management Fee					
70720 Asset Management Fee					
70730 Book Keeping Fee					
70740 Front Line Service Fee					
70750 Other Fees					
70700 Total Fee Revenue					
70800 Other Government Grants	\$0				
71100 Investment Income - Unrestricted	\$16,345		\$3,669,596		\$0
71200 Mortgage Interest Income	\$0				
71300 Proceeds from Disposition of Assets Held for Sale	\$0				
71310 Cost of Sale of Assets	\$0				
71400 Fraud Recovery	\$0				\$33,298
71500 Other Revenue	\$18,680,204		\$8,136,084		\$1,509,458
71600 Gain or Loss on Sale of Capital Assets	\$0				\$1,250
72000 Investment Income - Restricted	\$754		\$10,995,534		\$0
70000 Total Revenue	\$42,856,481	\$0	\$22,801,214	\$0	\$5,211,386
91100 Administrative Salaries	\$3,296,740				\$469,447
91200 Auditing Fees	\$608,000				

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2015

	6.1 Component Unit - Discretely Presented	93.044 Special Programs for the Aging_Title III, Part B_Grants for Supportive	5 Fiduciary	14.182 N/C S/R Section 8 Programs	14.871 Housing Choice Vouchers
91300 Management Fee	\$1,818,394	\$0	\$525,190	\$0	\$0
91310 Book-keeping Fee					
91400 Advertising and Marketing	\$106,375				
91500 Employee Benefit contributions - Administrative	\$491,748				\$224,759
91600 Office Expenses	\$707,333				
91700 Legal Expense	\$464,138				
91800 Travel	\$0				
91810 Allocated Overhead	\$0				
91900 Other	\$694,003		\$0		
91000 Total Operating - Administrative	\$8,186,731	\$0	\$525,190	\$0	\$694,206
92000 Asset Management Fee					
92100 Tenant Services - Salaries	\$0				
92200 Relocation Costs	\$0				
92300 Employee Benefit Contributions - Tenant Services	\$0				
92400 Tenant Services - Other	\$0				
92500 Total Tenant Services	\$0	\$0	\$0	\$0	\$0
93100 Water	\$2,588,184				
93200 Electricity	\$1,115,692				
93300 Gas	\$602,264				
93400 Fuel	\$0				
93500 Labor	\$0				
93600 Sewer	\$136,153				
93700 Employee Benefit Contributions - Utilities	\$0				
93800 Other Utilities Expense	\$0				

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2015

	6.1 Component Unit - Discretely Presented	93.044 Special Programs for the Aging Title III, Part B Grants for Supportive	5 Fiduciary	14.182 N/C S/R Section 8 Programs	14.871 Housing Choice Vouchers
93000 Total Utilities	\$4,442,293	\$0	\$0	\$0	\$0
94100 Ordinary Maintenance and Operations - Labor	\$1,975,596				
94200 Ordinary Maintenance and Operations - Materials and	\$0				
94300 Ordinary Maintenance and Operations Contracts	\$8,965,187	\$0	\$0	\$0	
94500 Employee Benefit Contributions - Ordinary Maintenance					
94000 Total Maintenance	\$10,940,783	\$0	\$0	\$0	\$0
95100 Protective Services - Labor	\$0				
95200 Protective Services - Other Contract Costs	\$0				
95300 Protective Services - Other	\$0				
95500 Employee Benefit Contributions - Protective Services	\$0				
95000 Total Protective Services	\$0	\$0	\$0	\$0	\$0
96110 Property Insurance	\$2,082,674				
96120 Liability Insurance	\$0				
96130 Workmen's Compensation	\$141,139				\$11,604
96140 All Other Insurance	\$50,213				
96100 Total insurance Premiums	\$2,274,026	\$0	\$0	\$0	\$11,604
96200 Other General Expenses	\$722,139		\$22,293,643		\$74,620
96210 Compensated Absences	\$0				-\$24,863
96300 Payments in Lieu of Taxes	\$0				
96400 Bad debt - Tenant Rents	\$180,043				
96500 Bad debt - Mortgages	\$0				
96600 Bad debt - Other	\$1,148				\$1,269,540

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2015

	6.1 Component Unit - Discretely Presented	93.044 Special Programs for the Aging Title III, Part B Grants for Supportive	5 Fiduciary	14.182 N/C S/R Section 8 Programs	14.871 Housing Choice Vouchers
96800 Severance Expense	\$0				\$2,034
96000 Total Other General Expenses	\$903,330	\$0	\$22,293,643	\$0	\$1,321,331
96710 Interest of Mortgage (or Bonds) Payable	\$6,069,270				
96720 Interest on Notes Payable (Short and Long Term)	\$0				
96730 Amortization of Bond Issue Costs	\$0	\$0	\$0	\$0	
96700 Total Interest Expense and Amortization Cost	\$6,069,270	\$0	\$0	\$0	\$0
96900 Total Operating Expenses	\$32,816,433	\$0	\$22,818,833	\$0	\$2,027,141
97000 Excess of Operating Revenue over Operating Expenses	\$10,040,048	\$0	-\$17,619	\$0	\$3,184,245
97100 Extraordinary Maintenance	\$0				
97200 Casualty Losses - Non-capitalized	\$0				
97300 Housing Assistance Payments	\$0				\$2,874,248
97350 HAP Portability-In	\$0				\$1,327,506
97400 Depreciation Expense	\$17,723,881				
97500 Fraud Losses	\$0				
97600 Capital Outlays - Governmental Funds					
97700 Debt Principal Payment - Governmental Funds					
97800 Dwelling Units Rent Expense					
90000 Total Expenses	\$50,540,314	\$0	\$22,818,833	\$0	\$6,228,895
10010 Operating Transfer In	\$0				
10020 Operating transfer Out	\$0				
10030 Operating Transfers from/to Primary Government	\$0				

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2015

	6.1 Component Unit - Discretely Presented	93.044 Special Programs for the Aging Title III, Part B Grants for Supportive	5 Fiduciary	14.182 N/C S/R Section 8 Programs	14.871 Housing Choice Vouchers
10040 Operating Transfers from/to Component Unit	\$0				
10050 Proceeds from Notes, Loans and Bonds					
10060 Proceeds from Property Sales					
10070 Extraordinary Items, Net Gain/Loss	\$0				
10080 Special Items (Net Gain/Loss)	\$0				
10091 Inter Project Excess Cash Transfer In					
10092 Inter Project Excess Cash Transfer Out					
10093 Transfers between Program and Project - In					
10094 Transfers between Project and Program - Out	\$0				
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total	-\$7,683,833	\$0	-\$17,619	\$0	-\$1,017,509
11020 Required Annual Debt Principal Payments	\$10,632,058	\$0	\$0	\$0	\$0
11030 Beginning Equity	\$59,130,435	\$0	\$212,766,085	\$22,872	\$11,805,175
11040 Prior Period Adjustments, Equity Transfers and Correction	\$0	\$0	\$0	\$0	\$0
11050 Changes in Compensated Absence Balance					
11060 Changes in Contingent Liability Balance					
11070 Changes in Unrecognized Pension Transition Liability					
11080 Changes in Special Term/Severance Benefits Liability					
11090 Changes in Allowance for Doubtful Accounts - Dwelling					
11100 Changes in Allowance for Doubtful Accounts - Other					
11170 Administrative Fee Equity					\$1,154,266
11180 Housing Assistance Payments Equity					\$9,633,400
11190 Unit Months Available					4935
11210 Number of Unit Months Leased					4935

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2015

	6.1 Component Unit - Discretely Presented	93.044 Special Programs for the Aging Title III, Part B Grants for Supportive	5 Fiduciary	14.182 N/C S/R Section 8 Programs	14.871 Housing Choice Vouchers
11270 Excess Cash					
11610 Land Purchases					
11620 Building Purchases					
11630 Furniture & Equipment - Dwelling Purchases					
11640 Furniture & Equipment - Administrative Purchases					
11650 Leasehold Improvements Purchases					
11660 Infrastructure Purchases					
13510 CFFP Debt Service Payments					
13901 Replacement Housing Factor Funds					

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2015

	14.CFP MTW Demonstration Program for Capital Fund	14.OPS MTW Demonstration Program for Low Rent	14.HCV MTW Demonstration Program for HCV program	14.879 Mainstream Vouchers	93.575 Child Care and Development Block Grant
70300 Net Tenant Rental Revenue					
70400 Tenant Revenue - Other					
70500 Total Tenant Revenue	\$0	\$0	\$0	\$0	\$0
70600 HUD PHA Operating Grants	\$18,607,690	\$116,902,704	\$194,625,524	\$505,128	
70610 Capital Grants	\$13,348,530				
70710 Management Fee					
70720 Asset Management Fee					
70730 Book Keeping Fee					
70740 Front Line Service Fee					
70750 Other Fees					
70700 Total Fee Revenue					
70800 Other Government Grants					
71100 Investment Income - Unrestricted					
71200 Mortgage Interest Income					
71300 Proceeds from Disposition of Assets Held for Sale					
71310 Cost of Sale of Assets					
71400 Fraud Recovery					
71500 Other Revenue					
71600 Gain or Loss on Sale of Capital Assets					
72000 Investment Income - Restricted					
70000 Total Revenue	\$31,956,220	\$116,902,704	\$194,625,524	\$505,128	\$0
91100 Administrative Salaries				\$8,696	
91200 Auditing Fees					

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2015

	14.CFP MTW Demonstration Program for Capital Fund	14.OPS MTW Demonstration Program for Low Rent	14.HCV MTW Demonstration Program for HCV program	14.879 Mainstream Vouchers	93.575 Child Care and Development Block Grant
91300 Management Fee					
91310 Book-keeping Fee					
91400 Advertising and Marketing					
91500 Employee Benefit contributions - Administrative				\$3,093	
91600 Office Expenses					
91700 Legal Expense					
91800 Travel					
91810 Allocated Overhead		-\$2			
91900 Other		\$2			
91000 Total Operating - Administrative	\$0	\$0	\$0	\$11,789	\$0
92000 Asset Management Fee					
92100 Tenant Services - Salaries					
92200 Relocation Costs					
92300 Employee Benefit Contributions - Tenant Services					
92400 Tenant Services - Other					
92500 Total Tenant Services	\$0	\$0	\$0	\$0	\$0
93100 Water					
93200 Electricity					
93300 Gas					
93400 Fuel					
93500 Labor					
93600 Sewer					
93700 Employee Benefit Contributions - Utilities					
93800 Other Utilities Expense					

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2015

	14.CFP MTW Demonstration Program for Capital Fund	14.OPS MTW Demonstration Program for Low Rent	14.HCV MTW Demonstration Program for HCV program	14.879 Mainstream Vouchers	93.575 Child Care and Development Block Grant
93000 Total Utilities	\$0	\$0	\$0	\$0	\$0
94100 Ordinary Maintenance and Operations - Labor					
94200 Ordinary Maintenance and Operations - Materials and					
94300 Ordinary Maintenance and Operations Contracts					
94500 Employee Benefit Contributions - Ordinary Maintenance					
94000 Total Maintenance	\$0	\$0	\$0	\$0	\$0
95100 Protective Services - Labor					
95200 Protective Services - Other Contract Costs					
95300 Protective Services - Other					
95500 Employee Benefit Contributions - Protective Services					
95000 Total Protective Services	\$0	\$0	\$0	\$0	\$0
96110 Property Insurance					
96120 Liability Insurance					
96130 Workmen's Compensation				\$118	
96140 All Other Insurance					
96100 Total insurance Premiums	\$0	\$0	\$0	\$118	\$0
96200 Other General Expenses				\$549	
96210 Compensated Absences					
96300 Payments in Lieu of Taxes					
96400 Bad debt - Tenant Rents					
96500 Bad debt - Mortgages					
96600 Bad debt - Other					

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2015

	14.CFP MTW Demonstration Program for Capital Fund	14.OPS MTW Demonstration Program for Low Rent	14.HCV MTW Demonstration Program for HCV program	14.879 Mainstream Vouchers	93.575 Child Care and Development Block Grant
96800 Severance Expense					
96000 Total Other General Expenses	\$0	\$0	\$0	\$549	\$0
96710 Interest of Mortgage (or Bonds) Payable					
96720 Interest on Notes Payable (Short and Long Term)					
96730 Amortization of Bond Issue Costs					
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$0	\$0
96900 Total Operating Expenses	\$0	\$0	\$0	\$12,456	\$0
97000 Excess of Operating Revenue over Operating Expenses	\$31,956,220	\$116,902,704	\$194,625,524	\$492,672	\$0
97100 Extraordinary Maintenance					
97200 Casualty Losses - Non-capitalized					
97300 Housing Assistance Payments				\$469,815	
97350 HAP Portability-In					
97400 Depreciation Expense					
97500 Fraud Losses					
97600 Capital Outlays - Governmental Funds					
97700 Debt Principal Payment - Governmental Funds					
97800 Dwelling Units Rent Expense					
90000 Total Expenses	\$0	\$0	\$0	\$482,271	\$0
10010 Operating Transfer In	\$0	\$0			
10020 Operating transfer Out	-\$31,956,220	-\$116,902,704	-\$194,625,524		
10030 Operating Transfers from/to Primary Government					

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2015

	14.CFP MTW Demonstration Program for Capital Fund	14.OPS MTW Demonstration Program for Low Rent	14.HCV MTW Demonstration Program for HCV program	14.879 Mainstream Vouchers	93.575 Child Care and Development Block Grant
10040 Operating Transfers from/to Component Unit					
10050 Proceeds from Notes, Loans and Bonds					
10060 Proceeds from Property Sales					
10070 Extraordinary Items, Net Gain/Loss					
10080 Special Items (Net Gain/Loss)					
10091 Inter Project Excess Cash Transfer In					
10092 Inter Project Excess Cash Transfer Out					
10093 Transfers between Program and Project - In					
10094 Transfers between Project and Program - Out					
10100 Total Other financing Sources (Uses)	-\$31,956,220	-\$116,902,704	-\$194,625,524	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total	\$0	\$0	\$0	\$22,857	\$0
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0	\$0
11030 Beginning Equity	\$0	\$0	\$0	\$243,934	\$0
11040 Prior Period Adjustments, Equity Transfers and Correction	\$0		\$0		
11050 Changes in Compensated Absence Balance					
11060 Changes in Contingent Liability Balance					
11070 Changes in Unrecognized Pension Transition Liability					
11080 Changes in Special Term/Severance Benefits Liability					
11090 Changes in Allowance for Doubtful Accounts - Dwelling					
11100 Changes in Allowance for Doubtful Accounts - Other					
11170 Administrative Fee Equity					
11180 Housing Assistance Payments Equity					
11190 Unit Months Available				840	
11210 Number of Unit Months Leased				769	

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2015

	14.CFP MTW Demonstration Program for Capital Fund	14.OPS MTW Demonstration Program for Low Rent	14.HCV MTW Demonstration Program for HCV program	14.879 Mainstream Vouchers	93.575 Child Care and Development Block Grant
11270 Excess Cash					
11610 Land Purchases					
11620 Building Purchases					
11630 Furniture & Equipment - Dwelling Purchases					
11640 Furniture & Equipment - Administrative Purchases					
11650 Leasehold Improvements Purchases					
11660 Infrastructure Purchases					
13510 CFFP Debt Service Payments					
13901 Replacement Housing Factor Funds					

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2015

	2 State/Local	14.856 Lower Income Housing Assistance Program_Section 8 Moderate	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue		\$0	\$47,902,285		\$47,902,285
70400 Tenant Revenue - Other		\$0	\$681,054		\$681,054
70500 Total Tenant Revenue	\$0	\$0	\$48,583,339	\$0	\$48,583,339
70600 HUD PHA Operating Grants		\$1,869,170	\$338,767,476		\$338,767,476
70610 Capital Grants		\$0	\$13,348,530		\$13,348,530
70710 Management Fee		\$0			
70720 Asset Management Fee		\$0			
70730 Book Keeping Fee		\$0			
70740 Front Line Service Fee		\$0			
70750 Other Fees		\$0			
70700 Total Fee Revenue		\$0	\$0	\$0	\$0
70800 Other Government Grants	\$289,681	\$0	\$546,955		\$546,955
71100 Investment Income - Unrestricted	\$2	\$66	\$3,847,098		\$3,847,098
71200 Mortgage Interest Income		\$0	\$5,701,284		\$5,701,284
71300 Proceeds from Disposition of Assets Held for Sale		\$0	\$0		\$0
71310 Cost of Sale of Assets		\$0	\$0		\$0
71400 Fraud Recovery		\$0	\$221,421		\$221,421
71500 Other Revenue	\$21,243	\$0	\$31,334,132		\$31,334,132
71600 Gain or Loss on Sale of Capital Assets		\$0	-\$64,929		-\$64,929
72000 Investment Income - Restricted		\$0	\$10,996,288		\$10,996,288
70000 Total Revenue	\$310,926	\$1,869,236	\$453,281,594	\$0	\$453,281,594
91100 Administrative Salaries	\$49,933	\$47,472	\$36,835,545		\$36,835,545
91200 Auditing Fees		\$0	\$942,144		\$942,144

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2015

	2 State/Local	14.856 Lower Income Housing Assistance Program_Section 8 Moderate	Subtotal	ELIM	Total
91300 Management Fee		\$0	\$2,343,584		\$2,343,584
91310 Book-keeping Fee		\$0	\$0		\$0
91400 Advertising and Marketing		\$0	\$170,119		\$170,119
91500 Employee Benefit contributions - Administrative	\$10,110	\$16,888	\$20,725,898		\$20,725,898
91600 Office Expenses	\$378	\$0	\$5,871,221		\$5,871,221
91700 Legal Expense		\$0	\$903,696		\$903,696
91800 Travel	\$1,001	\$0	\$183,515		\$183,515
91810 Allocated Overhead		\$0	-\$2		-\$2
91900 Other		\$0	\$10,469,188		\$10,469,188
91000 Total Operating - Administrative	\$61,422	\$64,360	\$78,444,908	\$0	\$78,444,908
92000 Asset Management Fee		\$0	\$0		\$0
92100 Tenant Services - Salaries		\$0	\$686,039		\$686,039
92200 Relocation Costs		\$0	\$300,632		\$300,632
92300 Employee Benefit Contributions - Tenant Services		\$0	\$21,070		\$21,070
92400 Tenant Services - Other		\$0	\$2,009,305		\$2,009,305
92500 Total Tenant Services	\$0	\$0	\$3,017,046	\$0	\$3,017,046
93100 Water		\$0	\$13,817,589		\$13,817,589
93200 Electricity		\$0	\$6,778,956		\$6,778,956
93300 Gas		\$0	\$7,713,596		\$7,713,596
93400 Fuel		\$0	\$0		\$0
93500 Labor		\$0	\$66,329		\$66,329
93600 Sewer		\$0	\$136,153		\$136,153
93700 Employee Benefit Contributions - Utilities		\$0	\$30,948		\$30,948
93800 Other Utilities Expense		\$0	\$14,264		\$14,264

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2015

	2 State/Local	14.856 Lower Income Housing Assistance Program_Section 8 Moderate	Subtotal	ELIM	Total
93000 Total Utilities	\$0	\$0	\$28,557,835	\$0	\$28,557,835
94100 Ordinary Maintenance and Operations - Labor		\$0	\$36,218,744		\$36,218,744
94200 Ordinary Maintenance and Operations - Materials and		\$0	\$6,669,839		\$6,669,839
94300 Ordinary Maintenance and Operations Contracts		\$0	\$15,636,151		\$15,636,151
94500 Employee Benefit Contributions - Ordinary Maintenance		\$0	\$15,695,101		\$15,695,101
94000 Total Maintenance	\$0	\$0	\$74,219,835	\$0	\$74,219,835
95100 Protective Services - Labor		\$0	\$5,796,425		\$5,796,425
95200 Protective Services - Other Contract Costs		\$0	\$3,043,145		\$3,043,145
95300 Protective Services - Other	\$5,757	\$0	\$85,418		\$85,418
95500 Employee Benefit Contributions - Protective Services		\$0	\$2,643,079		\$2,643,079
95000 Total Protective Services	\$5,757	\$0	\$11,568,067	\$0	\$11,568,067
96110 Property Insurance		\$0	\$6,589,124		\$6,589,124
96120 Liability Insurance		\$0	\$476,675		\$476,675
96130 Workmen's Compensation	\$250	\$645	\$5,132,189		\$5,132,189
96140 All Other Insurance		\$0	\$152,173		\$152,173
96100 Total insurance Premiums	\$250	\$645	\$12,350,161	\$0	\$12,350,161
96200 Other General Expenses	\$51,928	\$35,615	\$40,959,385		\$40,959,385
96210 Compensated Absences		\$0	-\$782,968		-\$782,968
96300 Payments in Lieu of Taxes		\$0	\$0		\$0
96400 Bad debt - Tenant Rents		\$0	\$240,025		\$240,025
96500 Bad debt - Mortgages		\$0	\$0		\$0
96600 Bad debt - Other		\$0	\$3,074,923		\$3,074,923

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2015

	2 State/Local	14.856 Lower Income Housing Assistance Program_Section 8 Moderate	Subtotal	ELIM	Total
96800 Severance Expense		\$0	\$365,401		\$365,401
96000 Total Other General Expenses	\$51,928	\$35,615	\$43,856,766	\$0	\$43,856,766
96710 Interest of Mortgage (or Bonds) Payable		\$0	\$9,261,070		\$9,261,070
96720 Interest on Notes Payable (Short and Long Term)		\$0	\$0		\$0
96730 Amortization of Bond Issue Costs		\$0	\$0		\$0
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$9,261,070	\$0	\$9,261,070
96900 Total Operating Expenses	\$119,357	\$100,620	\$261,275,688	\$0	\$261,275,688
97000 Excess of Operating Revenue over Operating Expenses	\$191,569	\$1,768,616	\$192,005,906	\$0	\$192,005,906
97100 Extraordinary Maintenance	\$47,705	\$0	\$4,783,202		\$4,783,202
97200 Casualty Losses - Non-capitalized		\$0	\$0		\$0
97300 Housing Assistance Payments		\$1,637,645	\$139,771,061		\$139,771,061
97350 HAP Portability-In		\$0	\$1,327,506		\$1,327,506
97400 Depreciation Expense	\$55,479	\$42,250	\$75,558,908		\$75,558,908
97500 Fraud Losses		\$0	\$0		\$0
97600 Capital Outlays - Governmental Funds		\$0			
97700 Debt Principal Payment - Governmental Funds		\$0			
97800 Dwelling Units Rent Expense		\$0			
90000 Total Expenses	\$222,541	\$1,780,515	\$482,716,365	\$0	\$482,716,365
10010 Operating Transfer In	\$100,000	\$0	\$516,246,398	-\$516,207,191	\$39,207
10020 Operating transfer Out		\$0	-\$516,246,398	\$516,207,191	-\$39,207
10030 Operating Transfers from/to Primary Government		\$0	\$9,391,616	-\$9,391,616	\$0

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2015

	2 State/Local	14.856 Lower Income Housing Assistance Program_Section 8 Moderate	Subtotal	ELIM	Total
10040 Operating Transfers from/to Component Unit		\$0	-\$9,391,616	\$9,391,616	\$0
10050 Proceeds from Notes, Loans and Bonds		\$0			
10060 Proceeds from Property Sales		\$0			
10070 Extraordinary Items, Net Gain/Loss		\$0	\$0		\$0
10080 Special Items (Net Gain/Loss)		\$0	\$0		\$0
10091 Inter Project Excess Cash Transfer In		\$0			
10092 Inter Project Excess Cash Transfer Out		\$0			
10093 Transfers between Program and Project - In		\$0	\$0	\$0	\$0
10094 Transfers between Project and Program - Out		\$0	\$0	\$0	\$0
10100 Total Other financing Sources (Uses)	\$100,000	\$0	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total	\$188,385	\$88,721	-\$29,434,771	\$0	-\$29,434,771
11020 Required Annual Debt Principal Payments	\$0	\$0	\$15,207,058		\$15,207,058
11030 Beginning Equity	\$1,665,191	\$541,252	\$1,369,008,502		\$1,369,008,502
11040 Prior Period Adjustments, Equity Transfers and Correction		\$0	\$84,260		\$84,260
11050 Changes in Compensated Absence Balance		\$0			
11060 Changes in Contingent Liability Balance		\$0			
11070 Changes in Unrecognized Pension Transition Liability		\$0			
11080 Changes in Special Term/Severance Benefits Liability		\$0			
11090 Changes in Allowance for Doubtful Accounts - Dwelling		\$0			
11100 Changes in Allowance for Doubtful Accounts - Other		\$0			
11170 Administrative Fee Equity		\$0	\$1,154,266		\$1,154,266
11180 Housing Assistance Payments Equity		\$0	\$9,633,400		\$9,633,400
11190 Unit Months Available		2964	351140		351140
11210 Number of Unit Months Leased		2964	330767		330767

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 03/31/2015

	2 State/Local	14.856 Lower Income Housing Assistance Program_Section 8 Moderate	Subtotal	ELIM	Total
11270 Excess Cash		\$0	-\$10,433,547		-\$10,433,547
11610 Land Purchases		\$0	\$0		\$0
11620 Building Purchases		\$0	\$4,770,317		\$4,770,317
11630 Furniture & Equipment - Dwelling Purchases		\$0	\$0		\$0
11640 Furniture & Equipment - Administrative Purchases		\$0	\$0		\$0
11650 Leasehold Improvements Purchases		\$0	\$0		\$0
11660 Infrastructure Purchases		\$0	\$0		\$0
13510 CFFP Debt Service Payments		\$0	\$0		\$0
13901 Replacement Housing Factor Funds		\$0	\$3,139,481		\$3,139,481

HUD Supplementary Information

Philadelphia Housing Authority

Schedule of Actual Modernization Cost Certificate

Hope VI Grant

March 31, 2015

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

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

Other Supplementary Information

Philadelphia Housing Authority
Combining Statement of Net Position
March 31, 2015

	State and Local Grants	Section 8 Housing Choice Program	Section 8 Mainstream Program	Section 8 Modern Rehab Prg No. 1	Section 8 Modern Rehab Prg No. 2	Section 8 Modern Rehab Prg No. 3	Section 8 Modern Rehab Prg No. 4	Section 8 Modern Rehab Prg No. 5
Assets								
Current Assets								
Cash and cash equivalents	\$ 1,611,071	\$ 50,675	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted cash	-	9,633,400	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-
Receivables, net	29,342	1,278,356	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-	-
Due from other funds	490,868	-	266,791	130,620	553,836	481,370	31,663	11,991
Other assets	-	-	-	-	-	-	-	-
Total current assets	2,131,281	10,962,431	266,791	130,620	553,836	481,370	31,663	11,991
Noncurrent Assets								
Mortgage receivable	-	-	-	-	-	-	-	-
Restricted cash	-	-	-	-	-	-	-	-
Restricted investments	-	-	-	-	-	-	-	-
Capital assets, net of depreciation	362,952	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-
Total noncurrent assets	362,952	-	-	-	-	-	-	-
Total assets	\$ 2,494,233	\$ 10,962,431	\$ 266,791	\$ 130,620	\$ 553,836	\$ 481,370	\$ 31,663	\$ 11,991
Liabilities and Net Position								
Current Liabilities								
Accounts payable	\$ -	\$ 715	\$ -	\$ 4	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	469	-	-	-	-	-	-	-
Current portion of long-term debt	-	-	-	-	-	-	-	-
Due to other government agencies	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-
Compensated absences	-	42,518	-	-	-	-	-	-
Trust and deposits	-	-	-	-	-	-	-	-
Unearned revenues and other current liabilities	640,188	5,850	-	434	109,353	46,525	-	-
Total current liabilities	640,657	49,083	-	438	109,353	46,525	-	-
Noncurrent liabilities								
Compensated absences	-	28,347	-	-	-	-	-	-
Bonds, notes and loans payable	-	-	-	-	-	-	-	-
Other liabilities	-	97,335	-	-	-	-	-	-
Total noncurrent liabilities	-	125,682	-	-	-	-	-	-
Total liabilities	640,657	174,765	-	438	109,353	46,525	-	-
Net Position								
Net investment in capital assets	362,952	-	-	-	-	-	-	-
Restricted for Section 8	-	9,633,400	-	-	-	-	-	-
Restricted for development	-	-	-	-	-	-	-	-
Unrestricted (deficit)	1,490,624	1,154,266	266,791	130,182	444,483	434,845	31,663	11,991
Total net position	1,853,576	10,787,666	266,791	130,182	444,483	434,845	31,663	11,991
Total liabilities and net position	\$ 2,494,233	\$ 10,962,431	\$ 266,791	\$ 130,620	\$ 553,836	\$ 481,370	\$ 31,663	\$ 11,991

Philadelphia Housing Authority
Combining Statement of Net Position (Continued)
March 31, 2015

	Section 8 Modern Rehab Prg No. 6	Section 8 Modern Rehab Prg No. 7	Section 8 Modern Rehab Prg No. 8	Section 8 Modern Rehab Prg No. 9	Section 8 Modern Rehab Prg No. 10	Section 8 Modern Rehab Prg No. 2	Section 8 Modern Rehab Prg Admin Fees	Section 8 Modern Rehab Prg	Section 8 Single Room Occupancy Program
Assets									
Current Assets									
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 1,078,869	\$ -	\$ -	\$ -	\$ -
Restricted cash	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-
Receivables, net	-	-	11,664	-	6	-	-	-	-
Due from other governments	-	-	-	-	-	-	-	-	-
Due from other funds	21,217	104,792	84,759	330,900	-	-	-	-	2,215,112
Other assets	-	-	-	-	-	-	-	-	-
Total current assets	21,217	104,792	96,423	330,900	1,078,875	-	-	-	2,215,112
Noncurrent Assets									
Mortgage receivable	-	-	-	-	-	-	-	-	-
Restricted cash	-	-	-	-	-	-	-	-	-
Restricted investments	-	-	-	-	-	-	-	-	-
Capital assets, net of depreciation	-	-	-	-	591,500	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-
Total noncurrent assets	-	-	-	-	591,500	-	-	-	-
Total assets	\$ 21,217	\$ 104,792	\$ 96,423	\$ 330,900	\$ 1,670,375	\$ -	\$ -	\$ -	\$ 2,215,112
Liabilities and Net Position									
Current Liabilities									
Accounts payable	\$ -	\$ -	\$ 7	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-	8,378	-	-	-	-
Current portion of long-term debt	-	-	-	-	-	-	-	-	-
Due to other government agencies	-	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	2,493,482	-	-	-	-
Compensated absences	-	-	-	-	-	-	-	-	-
Trust and deposits	-	-	-	-	-	-	-	-	-
Unearned revenues and other current liabilities	-	8,611	-	136,420	-	-	-	-	816,022
Total current liabilities	-	8,611	7	136,420	2,501,860	-	-	-	816,022
Noncurrent liabilities									
Compensated absences	-	-	-	-	-	-	-	-	-
Bonds, notes and loans payable	-	-	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-	-	-	-
Total noncurrent liabilities	-	-	-	-	-	-	-	-	-
Total liabilities	-	8,611	7	136,420	2,501,860	-	-	-	816,022
Net Position									
Net investment in capital assets	-	-	-	-	591,500	-	-	-	-
Restricted for Section 8	-	-	-	-	-	-	-	-	-
Restricted for development	-	-	-	-	-	-	-	-	-
Unrestricted (deficit)	21,217	96,181	96,416	194,480	(1,422,985)	-	-	-	1,399,090
Total net position	21,217	96,181	96,416	194,480	(831,485)	-	-	-	1,399,090
Total liabilities and net position	\$ 21,217	\$ 104,792	\$ 96,423	\$ 330,900	\$ 1,670,375	\$ -	\$ -	\$ -	\$ 2,215,112

Philadelphia Housing Authority
Combining Statement of Net Position (Continued)
March 31, 2015

	Section 8 New Construction Programs	Congregate Housing Program	Resident Opportunity and Self-Sufficiency Program	Disaster Funding Program	Choice Neighborhood Program	Veterans Affairs Program	Modern Rehab Prg No. 3	ARRA Competitive Programs	Healthy Homes Program
Assets									
Current Assets									
Cash and cash equivalents	\$ -	\$ 14,161	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted cash	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-
Receivables, net	-	31,249	56,561	-	167,890	-	-	-	-
Due from other governments	-	-	-	-	-	-	-	-	-
Due from other funds	22,872	-	-	95,807	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-
Total current assets	22,872	45,410	56,561	95,807	167,890	-	-	-	-
Noncurrent Assets									
Mortgage receivable	-	-	-	-	-	-	-	-	-
Restricted cash	-	-	-	-	-	-	-	-	-
Restricted investments	-	-	-	-	-	-	-	-	-
Capital assets, net of depreciation	-	-	-	-	700	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-
Total noncurrent assets	-	-	-	-	700	-	-	-	-
Total assets	\$ 22,872	\$ 45,410	\$ 56,561	\$ 95,807	\$ 168,590	\$ -	\$ -	\$ -	\$ -
Liabilities and Net Position									
Current Liabilities									
Accounts payable	\$ -	\$ 6,915	\$ -	\$ -	\$ 12,940	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-	-	-	-	-	-
Current portion of long-term debt	-	-	-	-	-	-	-	-	-
Due to other government agencies	-	-	-	-	-	-	-	-	-
Due to other funds	-	38,495	56,561	-	154,950	-	-	-	-
Compensated absences	-	-	-	-	-	-	-	-	-
Trust and deposits	-	-	-	-	-	-	-	-	-
Unearned revenues and other current liabilities	-	-	-	-	-	-	-	-	-
Total current liabilities	-	45,410	56,561	-	167,890	-	-	-	-
Noncurrent liabilities									
Compensated absences	-	-	-	-	-	-	-	-	-
Bonds, notes and loans payable	-	-	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-	-	-	-
Total noncurrent liabilities	-	-	-	-	-	-	-	-	-
Total liabilities	-	45,410	56,561	-	167,890	-	-	-	-
Net Position									
Net investment in capital assets	-	-	-	-	700	-	-	-	-
Restricted for Section 8	-	-	-	-	-	-	-	-	-
Restricted for development	-	-	-	-	-	-	-	-	-
Unrestricted (deficit)	22,872	-	-	95,807	-	-	-	-	-
Total net position	22,872	-	-	95,807	700	-	-	-	-
Total liabilities and net position	\$ 22,872	\$ 45,410	\$ 56,561	\$ 95,807	\$ 168,590	\$ -	\$ -	\$ -	\$ -

Philadelphia Housing Authority
Combining Statement of Net Position (Continued)
March 31, 2015

	Moving to Work Program	Project Totals	Other Business Activities	Long Term Notes Receivable	Debt Service Fund	General Purpose Bonds	Blended Component Units	Total PHA Programs
Assets								
Current Assets								
Cash and cash equivalents	\$ 1,608,369	\$ 13,953,574	\$ 2,851,743	\$ -	\$ 147,663	\$ 5,172	\$ 43,541,963	\$ 64,863,260
Restricted cash	10,793,391	799,191	24,289	-	-	-	116,934	21,367,205
Investments	52,516,901	1,806,934	-	-	-	-	-	54,323,835
Receivables, net	45,456,874	2,056,087	384,465	-	1	-	28,444,513	77,917,008
Due from other governments	-	-	-	-	-	-	-	-
Due from other funds	-	524,632	-	-	-	-	-	5,367,230
Other assets	-	1,493,373	-	-	-	-	62,969	1,556,342
Total current assets	110,375,535	20,633,791	3,260,497	-	147,664	5,172	72,166,379	225,394,880
Noncurrent Assets								
Mortgage receivable	-	-	-	376,645,932	-	-	-	376,645,932
Restricted cash	810	520	-	5,075,262	-	-	-	5,076,592
Restricted investments	-	-	-	-	-	-	3,007,276	3,007,276
Capital assets, net of depreciation	194,258,397	361,738,616	6,491,993	-	24,895,055	783,124	56,996	589,179,333
Other assets	-	-	88,011	-	-	-	-	88,011
Total noncurrent assets	194,259,207	361,739,136	6,580,004	381,721,194	24,895,055	783,124	3,064,272	973,997,144
Total assets	\$ 304,634,742	\$ 382,372,927	\$ 9,840,501	\$ 381,721,194	\$ 25,042,719	\$ 788,296	\$ 75,230,651	\$ 1,199,392,024
Liabilities and Net Position								
Current Liabilities								
Accounts payable	\$ 555,310	\$ 4,669,488	\$ 951,851	\$ -	\$ -	\$ -	\$ 18,513	\$ 6,215,743
Accrued liabilities	25,410,230	7,225,868	194,199	-	771,563	174,167	156,520	33,941,394
Current portion of long-term debt	-	-	-	-	4,815,000	-	-	4,815,000
Due to other government agencies	5,831	218,005	-	-	-	-	-	223,836
Due to other funds	1,409,040	524,632	714,698	-	(24,628)	-	-	5,367,230
Compensated absences	1,055,656	3,773,041	-	-	-	-	67,988	4,939,203
Trust and deposits	-	799,191	-	-	-	-	-	799,191
Unearned revenues and other current liabilities	5,999,320	(960,961)	489,285	-	-	-	3,882,104	11,173,151
Total current liabilities	34,435,387	16,249,264	2,350,033	-	5,561,935	174,167	4,125,125	67,474,748
Noncurrent liabilities								
Compensated absences	703,771	2,515,344	-	-	-	-	45,325	3,292,787
Bonds, notes and loans payable	-	-	-	-	35,154,390	11,000,000	-	46,154,390
Other liabilities	5,040,138	1,869,703	-	-	-	-	-	7,007,176
Total noncurrent liabilities	5,743,909	4,385,047	-	-	35,154,390	11,000,000	45,325	56,454,353
Total liabilities	40,179,296	20,634,311	2,350,033	-	40,716,325	11,174,167	4,170,450	123,929,101
Net Position								
Net investment in capital assets	194,258,397	361,738,616	6,491,993	-	(15,074,335)	(10,216,876)	56,996	538,209,943
Restricted for Section 8	-	-	-	-	-	-	-	9,633,400
Restricted for development	-	-	-	-	-	-	3,124,210	3,124,210
Unrestricted (deficit)	70,197,049	-	998,475	381,721,194	(599,271)	(168,995)	67,878,995	524,495,370
Total net position	264,455,446	361,738,616	7,490,468	381,721,194	(15,673,606)	(10,385,871)	71,060,201	1,075,462,923
Total liabilities and net position	\$ 304,634,742	\$ 382,372,927	\$ 9,840,501	\$ 381,721,194	\$ 25,042,719	\$ 788,296	\$ 75,230,651	\$ 1,199,392,024

Philadelphia Housing Authority
Combining Statement of Net Position (Continued)
March 31, 2015

	Reclassification	Elimination	Totals
Assets			
Current Assets			
Cash and cash equivalents	\$ -	\$ -	\$ 64,863,260
Restricted cash	-	-	21,367,205
Investments	-	-	54,323,835
Receivables, net	-	(24,430,936)	53,486,072
Due from other governments	-	-	-
Due from other funds	-	(5,367,230)	-
Other assets	-	-	1,556,342
Total current assets	-	(29,798,166)	195,596,714
Noncurrent Assets			
Mortgage receivable	-	-	376,645,932
Restricted cash	-	-	5,076,592
Restricted investments	-	-	3,007,276
Capital assets, net of depreciation	(10,000,000)	-	579,179,333
Other assets	10,000,000	-	10,088,011
Total noncurrent assets	-	-	973,997,144
Total assets	\$ -	\$ (29,798,166)	\$ 1,169,593,858
Liabilities and Net Position			
Current Liabilities			
Accounts payable	\$ -	\$ -	\$ 6,215,743
Accrued liabilities	-	(24,430,936)	9,510,458
Current portion of long-term debt	-	-	4,815,000
Due to other government agencies	-	-	223,836
Due to other funds	-	(5,367,230)	-
Compensated absences	-	-	4,939,203
Trust and deposits	-	-	799,191
Unearned revenues and other current liabilities	-	-	11,173,151
Total current liabilities	-	(29,798,166)	37,676,582
Noncurrent liabilities			
Compensated absences	-	-	3,292,787
Bonds, notes and loans payable	-	-	46,154,390
Other liabilities	-	-	7,007,176
Total noncurrent liabilities	-	-	56,454,353
Total liabilities	-	(29,798,166)	94,130,935
Net Position			
Net investment in capital assets	(10,000,000)	-	528,209,943
Restricted for Section 8	-	-	9,633,400
Restricted for development	-	-	3,124,210
Unrestricted (deficit)	10,000,000	-	534,495,370
Total net position	-	-	1,075,462,923
Total liabilities and net position	\$ -	\$ (29,798,166)	\$ 1,169,593,858

Philadelphia Housing Authority
Combining Statement of Revenues, Expenses and Changes in Net Position
March 31, 2015

	State and Local Grants	Section 8 Housing Choice Program	Section 8 Mainstream Program	Section 8 Modern Rehab Prg No. 1	Section 8 Modern Rehab Prg No. 2	Section 8 Modern Rehab Prg No. 3	Section 8 Modern Rehab Prg No. 4	Section 8 Modern Rehab Prg No. 5
Operating Revenue								
Total tenant revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating subsidies	289,681	3,667,380	505,128	371,927	516,892	478,166	-	-
Other income	21,243	1,509,458	-	-	-	-	-	-
Total operating revenue	310,924	5,176,838	505,128	371,927	516,892	478,166	-	-
Operating Expenses								
Administrative	61,422	694,206	11,789	11,219	18,868	15,807	-	-
Tenant services	-	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-	-
Maintenance	47,705	-	-	-	-	-	-	-
Protective services	5,757	-	-	-	-	-	-	-
General	52,178	1,332,935	667	112	189	159	-	-
Housing assistance programs	-	4,201,754	469,815	329,327	453,960	418,136	-	-
Depreciation and amortization	55,479	-	-	-	-	-	-	-
Total operating expenses	222,541	6,228,895	482,271	340,658	473,017	434,102	-	-
Operating income (loss)	88,383	(1,052,057)	22,857	31,269	43,875	44,064	-	-
Nonoperating Revenue and (Expenses)								
Interest and investment earnings	2	-	-	-	-	-	-	-
Other revenue/charges	-	34,548	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-
Net nonoperating revenue	2	34,548	-	-	-	-	-	-
Income (loss) before capital contributions	88,385	(1,017,509)	22,857	31,269	43,875	44,064	-	-
Capital contributions								
HUD capital subsidies	-	-	-	-	-	-	-	-
Other nonoperating contributions	100,000	-	-	-	-	-	-	-
Partners contributions	-	-	-	-	-	-	-	-
	100,000	-	-	-	-	-	-	-
Change in net position	188,385	(1,017,509)	22,857	31,269	43,875	44,064	-	-
Net position, beginning								
As previously reported	1,665,191	11,805,175	243,934	98,913	400,608	390,781	31,663	11,991
Prior period adjustments and equity transfers	-	-	-	-	-	-	-	-
As restated	1,665,191	11,805,175	243,934	98,913	400,608	390,781	31,663	11,991
Net position, ending	\$ 1,853,576	\$ 10,787,666	\$ 266,791	\$ 130,182	\$ 444,483	\$ 434,845	\$ 31,663	\$ 11,991

Philadelphia Housing Authority
Combining Statement of Revenues, Expenses and Changes in Net Position (Continued)
March 31, 2015

	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	-	68,965	198,145	235,075	-	-	-	1,849,861	-
Other income	-	-	-	-	-	-	-	-	-
Total operating revenue	-	68,965	198,145	235,075	-	-	-	1,849,861	-
Operating Expenses									
Administrative	-	2,337	5,141	10,988	-	-	-	80,426	-
Tenant services	-	-	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-	-	-
Maintenance	-	-	-	-	-	-	-	-	-
Protective services	-	-	-	-	-	-	-	-	-
General	-	23	35,667	110	-	-	-	808	-
Housing assistance programs	-	66,335	176,545	193,342	-	-	-	1,369,835	-
Depreciation and amortization	-	-	-	-	42,250	-	-	-	-
Total operating expenses	-	68,695	217,353	204,440	42,250	-	-	1,451,069	-
Operating income (loss)	-	270	(19,208)	30,635	(42,250)	-	-	398,792	-
Nonoperating Revenue and (Expenses)									
Interest and investment earnings	-	-	-	-	66	-	-	-	-
Other revenue/charges	-	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-	-
Net nonoperating revenue	-	-	-	-	66	-	-	-	-
Income (loss) before capital contributions	-	270	(19,208)	30,635	(42,184)	-	-	398,792	-
Capital contributions									
HUD capital subsidies	-	-	-	-	-	-	-	-	-
Other nonoperating contributions	-	-	-	-	-	-	-	-	-
Partners contributions	-	-	-	-	-	-	-	-	-
Change in net position	-	270	(19,208)	30,635	(42,184)	-	-	398,792	-
Net position, beginning									
As previously reported	21,217	95,911	115,624	163,845	(789,301)	-	-	1,000,298	22,872
Prior period adjustments and equity trans	-	-	-	-	-	-	-	-	-
As restated	21,217	95,911	115,624	163,845	(789,301)	-	-	1,000,298	22,872
Net position, ending	\$21,217	\$96,181	\$ 96,416	\$ 194,480	\$ (831,485)	\$ -	\$ -	\$ 1,399,090	\$ 22,872

Philadelphia Housing Authority
Combining Statement of Revenues, Expenses and Changes in Net Position (Continued)
March 31, 2015

	SR Community	Congregate Housing Program	Summer Feeding Program	Resident Opportunity and Self-Sufficiency Program	Disaster Funding Program	Choice Neighborhood Program	Veterans Affairs Program	ARRA Competitive Programs	ARRA Formula Program	Healthy Homes Program
Operating Revenue										
Total tenant revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating subsidies	-	81,580	174,171	353,746	-	387,796	-	-	-	-
Other income	-	20,395	340,783	-	-	-	-	-	-	-
Total operating revenue	-	101,975	514,954	353,746	-	387,796	-	-	-	-
Operating Expenses										
Administrative	-	-	2,678	134,792	-	213,827	-	-	-	-
Tenant services	-	101,890	512,276	218,904	-	172,684	-	-	-	-
Utilities	-	-	-	-	-	-	-	-	-	-
Maintenance	-	-	-	-	-	(792)	-	-	-	-
Protective services	-	-	-	-	-	-	-	-	-	-
General	-	85	-	50	-	-	-	-	-	-
Housing assistance programs	-	-	-	-	-	-	-	-	-	-
Depreciation and amortization	-	-	-	-	-	92	-	-	-	-
Total operating expenses	-	101,975	514,954	353,746	-	385,811	-	-	-	-
Operating income (loss)	-	-	-	-	-	1,985	-	-	-	-
Nonoperating Revenue and (Expenses)										
Interest and investment earnings	-	-	-	-	-	-	-	-	-	-
Other revenue/charges	-	-	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-	-	-
Net nonoperating revenue	-	-	-	-	-	-	-	-	-	-
Income (loss) before capital contributions	-	-	-	-	-	1,985	-	-	-	-
Capital contributions										
HUD capital subsidies	-	-	-	-	-	-	-	-	-	-
Other nonoperating contributions	-	-	-	-	-	-	-	-	-	-
Partners contributions	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-	-	-	-	1,985	-	-	-	-
Net position, beginning										
As previously reported	-	-	-	-	95,807	-	-	-	-	-
Prior period adjustments and equity tran:	-	-	-	-	-	(1,285)	-	-	-	-
As restated	-	-	-	-	95,807	(1,285)	-	-	-	-
Net position, ending	\$ -	\$ -	\$ -	\$ -	\$ 95,807	\$ 700	\$ -	\$ -	\$ -	\$ -

Philadelphia Housing Authority
Combining Statement of Revenues, Expenses and Changes in Net Position (Continued)
March 31, 2015

	Moving to Work Program	Project Total	Other Business Activities	Long-Term Notes Receivable	Debt Service Fund	General Purpose Bonds	Blended Component Units	Total PHA Programs
Operating Revenue								
Total tenant revenue	\$ -	\$ 24,395,579	\$ 28,582	\$ -	\$ -	\$ -	\$ -	\$ 24,424,161
Operating subsidies	330,135,918	-	-	-	-	-	-	339,314,431
Other income	306,969	38,841	838,899	-	-	-	1,441,256	4,517,844
Total operating revenue	330,442,887	24,434,420	867,481	-	-	-	1,441,256	368,256,436
Operating Expenses								
Administrative	34,567,652	32,783,035	78,074	-	-	-	1,040,726	69,732,987
Tenant services	848,134	936,511	-	-	-	-	226,647	3,017,046
Utilities	495,204	23,587,167	26,623	-	-	-	6,548	24,115,542
Maintenance	1,881,881	65,312,047	165,579	(150,716)	-	-	806,550	68,062,254
Protective services	1,010,589	10,551,721	-	-	-	-	-	11,568,067
General	(571,613)	27,938,347	4,871	-	-	-	1,941,340	30,735,928
Housing assistance programs	133,419,518	-	-	-	-	-	-	141,098,567
Depreciation and amortization	16,996,204	38,278,260	132,808	-	2,294,947	23,078	11,909	57,835,027
Total operating expenses	188,647,569	199,387,088	407,955	(150,716)	2,294,947	23,078	4,033,720	406,165,418
Operating income (loss)	141,795,318	(174,952,668)	459,526	150,716	(2,294,947)	(23,078)	(2,592,464)	(37,908,982)
Nonoperating Revenue and (Expenses)								
Interest and investment earnings	318	120,558	-	5,701,284	9	-	40,204	5,862,441
Other revenue/charges	(396,433)	518,377	-	-	-	-	-	156,492
Interest expense	-	-	-	-	(2,664,300)	(527,500)	-	(3,191,800)
Net nonoperating revenue	(396,115)	638,935	-	5,701,284	(2,664,291)	(527,500)	40,204	2,827,133
Income (loss) before capital contributions	141,399,203	(174,313,733)	459,526	5,852,000	(4,959,238)	(550,578)	(2,552,260)	(35,081,849)
Capital contributions								
HUD capital subsidies	13,348,530	-	-	-	-	-	-	13,348,530
Other nonoperating contributions	(174,097,552)	139,310,535	(241,286)	17,537,820	7,471,367	527,500	9,391,616	-
Partners contributions	-	-	-	-	-	-	-	-
	(160,749,022)	139,310,535	(241,286)	17,537,820	7,471,367	527,500	9,391,616	13,348,530
Change in net position	(19,349,819)	(35,003,198)	218,240	23,389,820	2,512,129	(23,078)	6,839,356	(21,733,319)
Net position, beginning								
As previously reported	283,803,980	396,741,814	7,272,228	358,331,374	(18,185,735)	(10,362,793)	64,136,585	1,097,111,982
Prior period adjustments and equity transfers	1,285	-	-	-	-	-	84,260	84,260
As restated	283,805,265	396,741,814	7,272,228	358,331,374	(18,185,735)	(10,362,793)	64,220,845	1,097,196,242
Net position, ending	\$ 264,455,446	\$ 361,738,616	\$ 7,490,468	\$ 381,721,194	\$ (15,673,606)	\$ (10,385,871)	\$ 71,060,201	\$ 1,075,462,923

Philadelphia Housing Authority
Component Units
Combining Statement of Net Position
March 31, 2015

	Neumann North	Raymond Rosen Assoc. t/a 8 Diamonds Townhouses	Ridge Avenue Housing	St. Anthony's Senior Residences	St. Ignatius Senior Housing I	St. Ignatius Senior Housing II	Southwark Plaza	Spring Garden Housing I
Assets								
Current Assets								
Cash	\$ 33,813	\$ 37,953	\$ 130,415	\$ 109,408	\$ 580,981	\$ 486,909	\$ 85,562	\$ 12,326
Restricted cash	377,064	1,583,312	434,279	166,494	464,348	1,118,520	445,711	82,638
Investments	-	-	-	-	-	-	-	-
Receivables, net	4	44,544	2,793	2,417	3,952	535	22,852	16,119
Due from other governments	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-
Other assets	5,430	22,015	39,225	7,790	8,709	7,153	41,954	18,287
Total current assets	416,311	1,687,824	606,712	286,109	1,057,990	1,613,117	596,079	129,370
Noncurrent Assets								
Mortgage receivable	-	-	-	-	-	-	-	-
Restricted Cash	-	-	-	-	-	-	-	-
Restricted investments	-	-	-	-	-	-	-	-
Capital assets, net of depreciation	7,776,633	12,387,127	1,690,996	2,626,993	5,541,251	6,670,609	33,762,872	9,274,444
Other assets	188	38,225	254,018	1,418	56,620	9,178	9,695	8,503
Total noncurrent assets	7,776,821	12,425,352	1,945,014	2,628,411	5,597,871	6,679,787	33,772,567	9,282,947
Total assets	\$ 8,193,132	\$ 14,113,176	\$ 2,551,726	\$ 2,914,520	\$ 6,655,861	\$ 8,292,904	\$ 34,368,646	\$ 9,412,317
Liabilities and Net Position								
Current Liabilities								
Accounts payable	\$ 96,356	\$ 318,561	\$ 56,171	\$ 2,430	\$ 61,058	\$ 42,427	\$ 442,048	\$ 95,587
Accrued liabilities	46,667	9,038	-	20,255	53,527	42,395	744,592	50,811
Current portion of long-term debt	358,440	-	-	-	-	-	-	-
Due to other government agencies	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-
Compensated absences	-	-	-	-	-	-	-	-
Trust and deposits	32,550	78,865	38,267	13,680	23,426	5,346	61,396	17,516
Unearned revenues and other current liabilities	30,408	18,354	1,512,651	2,306	2	314	36,487	584
Total current liabilities	564,421	424,818	1,607,089	38,671	138,013	90,482	1,284,523	164,498
Noncurrent liabilities								
Compensated absences	-	-	-	-	-	-	-	-
Bonds, notes and loans payable	3,905,553	15,968,970	18,369,277	1,650,000	2,484,422	1,150,000	38,682,801	7,046,317
Other liabilities	1,507,683	1,053,880	747,830	189,736	832,029	404,916	-	5,743,230
Total noncurrent liabilities	5,413,236	17,022,850	19,117,107	1,839,736	3,316,451	1,554,916	38,682,801	12,789,547
Total liabilities	5,977,657	17,447,668	20,724,196	1,878,407	3,454,464	1,645,398	39,967,324	12,954,045
Net Position								
Net investment in capital assets	3,512,640	(3,581,843)	(16,678,281)	976,993	3,056,829	5,520,609	(4,919,929)	2,228,127
Restricted	-	-	-	-	-	-	-	-
Unrestricted (deficit)	(1,297,165)	247,351	(1,494,189)	59,120	144,568	1,126,897	(678,749)	(5,769,855)
Total net position	2,215,475	(3,334,492)	(18,172,470)	1,036,113	3,201,397	6,647,506	(5,598,678)	(3,541,728)
Total liabilities and net position	\$ 8,193,132	\$ 14,113,176	\$ 2,551,726	\$ 2,914,520	\$ 6,655,861	\$ 8,292,904	\$ 34,368,646	\$ 9,412,317

Philadelphia Housing Authority
Component Units
Combining Statement of Net Position (Continued)
March 31, 2015

	Spring Garden Historic	Uni-Penn Housing Partnership I	Uni-Penn Housing Partnership II	Cambridge Plaza I	Cambridge Plaza II	Cambridge Plaza III	Germantown House	Lucien E. Blackwell Homes Phase II
Assets								
Current Assets								
Cash	\$ 252,630	\$ 37,455	\$ 16,572	\$ 80,638	\$ 36,553	\$ 131,815	\$ 240,637	\$ 264,724
Restricted cash	826,708	81,466	233,432	271,451	581,453	540,304	1,325,383	937,597
Investments	-	-	-	-	-	-	-	-
Receivables, net	8,568	2,982	31,576	30,570	8,866	41,085	156,002	93,463
Due from other governments	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-
Other assets	8,403	18,134	13,958	35,121	24,578	13,511	69,301	9,109
Total current assets	1,096,309	140,037	295,538	417,780	651,450	726,715	1,791,323	1,304,893
Noncurrent Assets								
Mortgage receivable	-	-	-	-	-	-	-	-
Restricted cash	-	-	-	-	-	-	-	-
Restricted investments	-	-	-	-	-	-	-	-
Capital assets, net of depreciation	14,976,396	140,749	442,733	4,796,285	6,181,085	6,301,172	14,984,174	12,496,794
Other assets	87,369	6,502	6,337	22,656	40,791	22,820	49,551	40,991
Total noncurrent assets	15,063,765	147,251	449,070	4,818,941	6,221,876	6,323,992	15,033,725	12,537,785
Total assets	\$ 16,160,074	\$ 287,288	\$ 744,608	\$ 5,236,721	\$ 6,873,326	\$ 7,050,707	\$ 16,825,048	\$ 13,842,678
Liabilities and Net Position								
Current Liabilities								
Accounts payable	\$ 296,117	\$ 37,336	\$ 98,137	\$ 19,988	\$ 60,434	\$ -	\$ -	\$ -
Accrued liabilities	33,548	-	-	79,729	38,771	88,725	198,109	74,410
Current portion of long-term debt	-	-	-	-	-	-	-	-
Due to other government agencies	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-
Compensated absences	-	-	-	-	-	-	-	-
Trust and deposits	31,003	10,976	10,934	4,119	4,554	4,123	14,005	6,336
Unearned revenues and other current liabilities	6,915	1,432	647,057	4,310	3,288	3,635	-	3,934
Total current liabilities	367,583	49,744	756,128	108,146	107,047	96,483	212,114	84,680
Noncurrent liabilities								
Compensated absences	-	-	-	-	-	-	-	-
Bonds, notes and loans payable	8,842,425	2,459,439	3,213,383	2,579,029	3,593,093	3,041,325	8,187,912	4,201,075
Other liabilities	1,407,208	2,083,231	2,626,852	1,783,549	1,974,830	1,486,795	1,938,438	1,467,996
Total noncurrent liabilities	10,249,633	4,542,670	5,840,235	4,362,578	5,567,923	4,528,120	10,126,350	5,669,071
Total liabilities	10,617,216	4,592,414	6,596,363	4,470,724	5,674,970	4,624,603	10,338,464	5,753,751
Net Position								
Net investment in capital assets	6,133,971	(2,318,690)	(2,770,650)	2,217,256	2,587,992	3,259,847	6,796,262	8,295,719
Restricted	-	-	-	-	-	-	-	-
Unrestricted (deficit)	(591,113)	(1,986,436)	(3,081,105)	(1,451,259)	(1,389,636)	(833,743)	(309,678)	(206,792)
Total net position	5,542,858	(4,305,126)	(5,851,755)	765,997	1,198,356	2,426,104	6,486,584	8,088,927
Total liabilities and net position	\$ 16,160,074	\$ 287,288	\$ 744,608	\$ 5,236,721	\$ 6,873,326	\$ 7,050,707	\$ 16,825,048	\$ 13,842,678

Philadelphia Housing Authority
Component Units
Combining Statement of Net Position (Continued)
March 31, 2015

	Lucien E. Blackwell Homes Phase III	Ludlow Scattered	Mantua I	Mantua II	Marshall Shepard	Mill Creek Phase I	Mt. Olivet	Nellie Reynolds
Assets								
Current Assets								
Cash	\$ 102,180	\$ 20,915	\$ 1,310,515	\$ 100,529	\$ 154,810	\$ 199,401	\$ 231,812	\$ 67,442
Restricted cash	527,599	878,302	743,844	779,314	832,811	1,041,816	1,883,986	589,658
Investments	-	-	-	-	-	-	-	-
Receivables, net	148,247	77,066	114,660	6,820	80,593	77,221	146,532	138,323
Due from other governments	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-
Other assets	9,116	45,422	1,929	17,969	12,864	9,134	-	68,532
Total current assets	787,142	1,021,705	2,170,948	904,632	1,081,078	1,327,572	2,262,330	863,955
Noncurrent Assets								
Mortgage receivable	-	-	-	-	-	-	-	-
Restricted ash	-	-	-	-	-	-	-	-
Restricted investments	-	-	-	-	-	-	-	-
Capital assets, net of depreciation	10,747,899	19,336,903	14,951,498	13,642,198	16,692,093	12,476,742	10,897,090	15,248,766
Other assets	83,751	45,161	95,575	135,162	414,241	29,650	161,192	27,502
Total noncurrent assets	10,831,650	19,382,064	15,047,073	13,777,360	17,106,334	12,506,392	11,058,282	15,276,268
Total assets	\$ 11,618,792	\$ 20,403,769	\$ 17,218,021	\$ 14,681,992	\$ 18,187,412	\$ 13,833,964	\$ 13,320,612	\$ 16,140,223
Liabilities and Net Position								
Current Liabilities								
Accounts payable	\$ -	\$ 12,500	\$ 6,696	\$ 7,623	\$ 18,383	\$ 11,857	\$ 38,359	\$ 31,106
Accrued liabilities	143,072	57,091	89,777	37,697	52,633	229,584	327,622	126,331
Current portion of long-term debt	-	-	-	-	-	-	-	-
Due to other government agencies	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-
Compensated absences	-	-	-	-	-	-	-	-
Trust and deposits	4,257	7,562	4,653	5,049	7,029	8,910	15,939	6,138
Unearned revenues and other current liabilities	1,371	7,166	1,027	15,751	3,259	2,803	9,754	3,245
Total current liabilities	148,700	84,319	102,153	66,120	81,304	253,154	391,674	166,820
Noncurrent liabilities								
Compensated absences	-	-	-	-	-	-	-	-
Bonds, notes and loans payable	2,944,341	11,545,499	8,399,180	11,672,707	14,395,705	6,103,752	9,740,166	2,848,291
Other liabilities	989,059	2,740,611	2,230,689	613,384	2,911,615	3,078,870	3,736,822	889,112
Total noncurrent liabilities	3,933,400	14,286,110	10,629,869	12,286,091	17,307,320	9,182,622	13,476,988	3,737,403
Total liabilities	4,082,100	14,370,429	10,732,022	12,352,211	17,388,624	9,435,776	13,868,662	3,904,223
Net Position								
Net investment in capital assets	7,803,558	7,791,404	6,552,318	1,969,491	2,296,388	6,372,990	1,156,924	12,400,475
Restricted	-	-	-	-	-	-	-	-
Unrestricted (deficit)	(266,866)	(1,758,064)	(66,319)	360,290	(1,497,600)	(1,974,802)	(1,704,974)	(164,475)
Total net position	7,536,692	6,033,340	6,485,999	2,329,781	798,788	4,398,188	(548,050)	12,236,000
Total liabilities and net position	\$ 11,618,792	\$ 20,403,769	\$ 17,218,021	\$ 14,681,992	\$ 18,187,412	\$ 13,833,964	\$ 13,320,612	\$ 16,140,223

Philadelphia Housing Authority
Component Units
Combining Statement of Net Position (Continued)
March 31, 2015

	Norris Apartments LP	Paschall I	Paschall II	Richard Allen Phase III	Suffolk Manor	Tasker I	Tasker II	Uni-Penn Housing t/a MLK Plaza IV
Assets								
Current Assets								
Cash	\$ 26,751	\$ 17,175	\$ 454,297	\$ 147,933	\$ 512,177	\$ 178,270	\$ 381,415	\$ 122,188
Restricted cash	472,815	538,973	510,051	1,604,374	401,958	1,818,886	799,791	414,360
Investments	-	-	-	-	-	-	-	-
Receivables, net	60,354	58,490	34,364	38,333	184,502	369,376	222,358	64,944
Due from other governments	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-
Other assets	12,642	34,387	47,268	22,938	44,206	10,509	107,549	22,169
Total current assets	572,562	649,025	1,045,980	1,813,578	1,142,843	2,377,041	1,511,113	623,661
Noncurrent Assets								
Mortgage receivable	-	-	-	-	-	-	-	-
Restricted cash	-	-	-	-	-	-	-	-
Restricted investments	-	-	-	-	-	-	-	-
Capital assets, net of depreciation	19,044,692	17,044,844	17,064,317	22,470,468	17,279,244	32,277,109	22,972,990	6,872,960
Other assets	93,552	86,826	44,760	41,500	14,615	77,488	52,517	21,314
Total noncurrent assets	19,138,244	17,131,670	17,109,077	22,511,968	17,293,859	32,354,597	23,025,507	6,894,274
Total assets	\$ 19,710,806	\$ 17,780,695	\$ 18,155,057	\$ 24,325,546	\$ 18,436,702	\$ 34,731,638	\$ 24,536,620	\$ 7,517,935
Liabilities and Net Position								
Current Liabilities								
Accounts payable	\$ 1,963	\$ 17,004	\$ 23,124	\$ 40,183	\$ 30,108	\$ 88,220	\$ 33,909	\$ 11,879
Accrued liabilities	56,876	33,019	32,089	76,540	228,233	211,894	90,329	33,511
Current portion of long-term debt	-	-	-	-	-	-	-	-
Due to other government agencies	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-
Compensated absences	-	-	-	-	-	-	-	-
Trust and deposits	4,851	4,950	4,851	18,862	17,958	25,763	18,455	4,059
Unearned revenues and other current liabilities	12,238	146,953	150,322	9,187	-	7,106	4,517	1,146
Total current liabilities	75,928	201,926	210,386	144,772	276,299	332,983	147,210	50,595
Noncurrent liabilities								
Compensated absences	-	-	-	-	-	-	-	-
Bonds, notes and loans payable	19,334,477	16,801,757	18,108,552	22,190,978	10,453,027	32,385,000	20,990,000	3,351,430
Other liabilities	2,220,527	2,314,390	2,523,020	499,308	6,130,153	542,458	446,322	1,475,666
Total noncurrent liabilities	21,555,004	19,116,147	20,631,572	22,690,286	16,583,180	32,927,458	21,436,322	4,827,096
Total liabilities	21,630,932	19,318,073	20,841,958	22,835,058	16,859,479	33,260,441	21,583,532	4,877,691
Net Position								
Net investment in capital assets	(289,785)	243,087	(1,044,235)	279,490	6,826,217	(107,891)	1,982,990	3,521,530
Restricted	-	-	-	-	-	-	-	-
Unrestricted (deficit)	(1,630,341)	(1,780,465)	(1,642,666)	1,210,998	(5,248,994)	1,579,088	970,098	(881,286)
Total net position	(1,920,126)	(1,537,378)	(2,686,901)	1,490,488	1,577,223	1,471,197	2,953,088	2,640,244
Total liabilities and net position	\$ 19,710,806	\$ 17,780,695	\$ 18,155,057	\$ 24,325,546	\$ 18,436,702	\$ 34,731,638	\$ 24,536,620	\$ 7,517,935

Philadelphia Housing Authority
Component Units
Combining Statement of Net Position (Continued)
March 31, 2015

	Warnock I	Warnock II	Gordon Street	Oakdale Street	Queen Lane Apartments, LP	Total Discrete Units
Assets						
Current Assets						
Cash	\$ 38,052	\$ 55,889	\$ -	\$ 59,361	\$ 171,895	\$ 6,891,398
Restricted cash	728,715	466,932	-	-	323,362	24,827,707
Investments	-	-	-	-	-	-
Receivables, net	73,566	97,460	-	-	213	2,459,750
Due from other governments	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Other assets	39,571	37,507	-	-	-	886,390
Total current assets	879,904	657,788	-	59,361	495,470	35,065,245
Noncurrent Assets						
Mortgage receivable	-	-	-	-	-	-
Restricted cash	-	-	-	-	-	-
Restricted investments	-	-	-	-	-	-
Capital assets, net of depreciation	14,941,804	13,125,000	480,410	1,500,034	1,497,589	440,614,963
Other assets	61,139	49,639	-	-	-	2,190,446
Total noncurrent assets	15,002,943	13,174,639	480,410	1,500,034	1,497,589	442,805,409
Total assets	\$ 15,882,847	\$ 13,832,427	\$ 480,410	\$ 1,559,395	\$ 1,993,059	\$ 477,870,654
Liabilities and Net Position						
Current Liabilities						
Accounts payable	\$ 29,999	\$ 20,104	\$ -	\$ -	\$ -	\$ 2,049,667
Accrued liabilities	23,495	90,021	100,970	966,626	-	4,487,987
Current portion of long-term debt	-	-	-	-	-	358,440
Due to other government agencies	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Compensated absences	-	-	-	-	-	-
Trust and deposits	4,851	4,455	-	-	-	525,688
Unearned revenues and other current liabilities	1,978	6,416	-	-	-	2,655,916
Total current liabilities	60,323	120,996	100,970	966,626	-	10,077,698
Noncurrent liabilities						
Compensated absences	-	-	-	-	-	-
Bonds, notes and loans payable	7,842,724	7,254,139	377,811	587,462	1,133,855	353,835,874
Other liabilities	945,441	2,494,481	1,629	5,307	473,413	62,510,480
Total noncurrent liabilities	8,788,165	9,748,620	379,440	592,769	1,607,268	416,346,354
Total liabilities	8,848,488	9,869,616	480,410	1,559,395	1,607,268	426,424,052
Net Position						
Net investment in capital assets	7,099,080	5,870,861	102,599	912,572	363,734	86,420,649
Restricted	-	-	-	-	-	-
Unrestricted (deficit)	(64,721)	(1,908,050)	(102,599)	(912,572)	22,057	(34,974,047)
Total net position	7,034,359	3,962,811	-	-	385,791	51,446,602
Total liabilities and net position	\$ 15,882,847	\$ 13,832,427	\$ 480,410	\$ 1,559,395	\$ 1,993,059	\$ 477,870,654

Philadelphia Housing Authority
Component Units
Combining Statement of Revenues, Expenses and Changes in Net Position
March 31, 2015

	Neumann North	Raymond Rosen Assoc. t/a 8 Diamonds Townhouses	Ridge Avenue Housing	St. Anthony's Senior Residences	St. Ignatius Senior Housing I	St. Ignatius Senior Housing II	Southwark Plaza	Spring Garden Housing I
Operating Revenue								
Total tenant revenue	\$ 642,330	\$ 482,355	\$ 950,831	\$ 333,575	\$ 554,161	\$ 454,613	\$ 876,265	\$ 650,383
Operating subsidies	-	-	-	-	-	-	-	-
Other income	20,965	661,568	10,573	5,394	16,460	6,988	2,136,975	1,495
Total operating revenue	663,295	1,143,923	961,404	338,969	570,621	461,601	3,013,240	651,878
Operating Expenses								
Administrative	158,440	317,152	340,189	132,712	207,529	86,555	990,815	207,712
Tenant services	-	-	-	-	-	-	-	-
Utilities	212,379	213,629	111,747	37,085	117,961	80,005	580,223	90,895
Maintenance	200,275	470,740	375,692	107,563	90,074	75,761	1,306,632	250,692
Protective services	-	-	-	-	-	-	-	-
General	96,838	185,884	121,980	43,721	88,736	65,033	484,046	173,825
Housing assistance programs	-	-	-	-	-	-	-	-
Depreciation and amortization	264,420	912,232	83,145	224,216	238,868	205,105	1,465,734	343,229
Total operating expenses	932,352	2,099,637	1,032,753	545,297	743,168	512,459	4,827,450	1,066,353
Operating income (loss)	(269,057)	(955,714)	(71,349)	(206,328)	(172,547)	(50,858)	(1,814,210)	(414,475)
Nonoperating Revenue and (Expenses)								
Interest and investment earnings	1,514	2,957	3	304	3,309	-	2,362	41
Special items	-	-	-	-	-	-	-	-
Interest expense	(152,488)	(79,845)	(18,369)	(17,245)	(85,662)	(64,717)	-	(624,280)
Net nonoperating revenue	(150,974)	(76,888)	(18,366)	(16,941)	(82,353)	(64,717)	2,362	(624,239)
Income (loss) before capital contributions	(420,031)	(1,032,602)	(89,715)	(223,269)	(254,900)	(115,575)	(1,811,848)	(1,038,714)
Capital contributions								
HUD capital subsidies	-	-	-	-	-	-	-	-
Other nonoperating contributions	-	-	-	-	-	-	-	-
Partner distributions	-	-	-	(3,000)	-	-	-	-
Partners contributions	-	605,000	-	-	-	-	-	-
	-	605,000	-	(3,000)	-	-	-	-
Change in net position	(420,031)	(427,602)	(89,715)	(226,269)	(254,900)	(115,575)	(1,811,848)	(1,038,714)
Net position, beginning								
As previously reported	2,635,506	(2,906,890)	(18,082,755)	1,262,382	3,456,297	6,763,081	(3,786,830)	(2,503,014)
Prior period adjustments	-	-	-	-	-	-	-	-
As restated	2,635,506	(2,906,890)	(18,082,755)	1,262,382	3,456,297	6,763,081	(3,786,830)	(2,503,014)
Net position, ending	\$ 2,215,475	\$ (3,334,492)	\$ (18,172,470)	\$ 1,036,113	\$ 3,201,397	\$ 6,647,506	\$ (5,598,678)	\$ (3,541,728)

Philadelphia Housing Authority
Component Units
Combining Statement of Revenues, Expenses and Changes in Net Position (Continued)
March 31, 2015

	Spring Garden Historic	Uni-Penn Housing Partnership I	Uni-Penn Housing Partnership II	Cambridge Plaza I	Cambridge Plaza II	Cambridge Plaza III	Germantown House	Lucien E. Blackwell Homes Phase II
Operating Revenue								
Total tenant revenue	\$ 465,697	\$ 376,666	\$ 314,878	\$ 403,420	\$ 444,006	\$ 366,222	\$ 1,307,281	\$ 690,729
Operating subsidies	-	-	-	-	-	-	-	-
Other income	5,106	2,578	19,337	612	6,710	1,165	9,382	6,865
Total operating revenue	470,803	379,244	334,215	404,032	450,716	367,387	1,316,663	697,594
Operating Expenses								
Administrative	176,030	148,277	105,626	109,914	145,099	106,033	457,995	134,187
Tenant services	-	-	-	-	-	-	-	-
Utilities	85,541	29,377	56,663	45,161	62,989	46,897	269,122	72,129
Maintenance	143,451	182,154	168,255	179,475	178,490	152,459	455,797	386,652
Protective services	-	-	-	-	-	-	-	-
General	83,637	49,281	46,997	51,228	43,129	42,149	68,582	85,701
Housing assistance programs	-	-	-	-	-	-	-	-
Depreciation and amortization	501,801	6,501	15,600	209,405	261,740	244,699	481,209	533,166
Total operating expenses	990,460	415,590	393,141	595,183	691,447	592,237	1,732,705	1,211,835
Operating income (loss)	(519,657)	(36,346)	(58,926)	(191,151)	(240,731)	(224,850)	(416,042)	(514,241)
Nonoperating Revenue and (Expenses)								
Interest and investment earnings	-	-	948	50	55	106	221	228
Special items	-	-	-	-	-	-	-	-
Interest expense	(102,000)	(169,122)	(130,509)	(140,815)	(187,919)	(159,061)	(176,609)	(151,290)
Net nonoperating revenue	(102,000)	(169,122)	(129,561)	(140,765)	(187,864)	(158,955)	(176,388)	(151,062)
Income (loss) before capital contributions	(621,657)	(205,468)	(188,487)	(331,916)	(428,595)	(383,805)	(592,430)	(665,303)
Capital contributions								
HUD capital subsidies	-	-	-	-	-	-	-	-
Other nonoperating contributions	-	-	-	-	-	-	-	-
Partner distributions	-	-	-	-	-	-	-	-
Partners contributions	-	152,987	-	30,834	-	-	-	-
	-	152,987	-	30,834	-	-	-	-
Change in net position	(621,657)	(52,481)	(188,487)	(301,082)	(428,595)	(383,805)	(592,430)	(665,303)
Net position, beginning								
As previously reported	6,164,515	(4,252,645)	(5,663,268)	1,067,079	1,626,951	2,809,909	7,079,014	8,754,230
Prior period adjustments	-	-	-	-	-	-	-	-
As restated	6,164,515	(4,252,645)	(5,663,268)	1,067,079	1,626,951	2,809,909	7,079,014	8,754,230
Net position, ending	\$ 5,542,858	\$ (4,305,126)	\$ (5,851,755)	\$ 765,997	\$ 1,198,356	\$ 2,426,104	\$ 6,486,584	\$ 8,088,927

Philadelphia Housing Authority
Component Units
Combining Statement of Revenues, Expenses and Changes in Net Position (Continued)
March 31, 2015

	Lucien E. Blakwell Homes Phase III	Ludlow Scattered	Mantua I	Mantua II	Marshall Shepard	Mill Creek Phase I	Mt. Olivet	Nellie Reynolds
Operating Revenue								
Total tenant revenue	\$ 595,728	\$ 635,982	\$ 588,269	\$ 313,040	\$ 648,998	\$ 728,887	\$ 1,735,105	\$ 770,718
Operating subsidies	-	-	-	-	-	-	-	-
Other income	3,501	4,566	4,032	2,806	22,756	51,681	6,129	1,170
Total operating revenue	599,229	640,548	592,301	315,846	671,754	780,568	1,741,234	771,888
Operating Expenses								
Administrative	180,107	244,327	265,963	86,911	257,991	278,295	532,732	223,167
Tenant services	-	-	-	-	-	-	-	-
Utilities	46,593	70,275	51,652	65,150	71,899	90,328	324,435	162,985
Maintenance	269,473	239,036	247,569	81,973	239,687	244,306	726,467	270,538
Protective services	-	-	-	-	-	-	-	-
General	57,573	51,982	49,093	119,007	64,604	125,966	92,891	93,297
Housing assistance programs	-	-	-	-	-	-	-	-
Depreciation and amortization	371,994	616,229	573,045	534,701	666,586	505,481	385,667	454,981
Total operating expenses	925,740	1,221,849	1,187,322	887,742	1,300,767	1,244,376	2,062,192	1,204,968
Operating income (loss)	(326,511)	(581,301)	(595,021)	(571,896)	(629,013)	(463,808)	(320,958)	(433,080)
Nonoperating Revenue and (Expenses)								
Interest and investment earnings	107	86	1,152	1,497	128	142	182	90
Special items	-	-	-	-	-	-	-	-
Interest expense	(139,782)	(345,167)	(207,355)	-	(431,871)	(284,436)	(332,749)	(146,687)
Net nonoperating revenue	(139,675)	(345,081)	(206,203)	1,497	(431,743)	(284,294)	(332,567)	(146,597)
Income (loss) before capital contributions	(466,186)	(926,382)	(801,224)	(570,399)	(1,060,756)	(748,102)	(653,525)	(579,677)
Capital contributions								
HUD capital subsidies	-	-	-	-	-	-	-	-
Other nonoperating contributions	-	-	-	-	-	-	-	-
Partner distributions	-	-	-	-	-	-	(119)	-
Partners contributions	-	-	8,986,952	4,269,929	-	-	-	-
	-	-	8,986,952	4,269,929	-	-	(119)	-
Change in net position	(466,186)	(926,382)	8,185,728	3,699,530	(1,060,756)	(748,102)	(653,644)	(579,677)
Net position, beginning								
As previously reported	8,002,878	6,959,722	(1,699,729)	(1,369,749)	1,859,544	5,146,290	105,594	12,815,677
Prior period adjustments	-	-	-	-	-	-	-	-
As restated	8,002,878	6,959,722	(1,699,729)	(1,369,749)	1,859,544	5,146,290	105,594	12,815,677
Net position, ending	\$ 7,536,692	\$ 6,033,340	\$ 6,485,999	\$ 2,329,781	\$ 798,788	\$ 4,398,188	\$ (548,050)	\$ 12,236,000

Philadelphia Housing Authority
Component Units
Combining Statement of Revenues, Expenses and Changes in Net Position (Continued)
March 31, 2015

	Norris Apartments LP	Paschall I	Paschall II	Richard Allen Phase III	Suffolk Manor	Tasker I	Tasker II	Uni-Penn Housing t/a MLK Plaza IV
Operating Revenue								
Total tenant revenue	\$ 451,360	\$ 391,780	\$ 346,106	\$ 1,259,985	\$ 1,363,003	\$ 2,255,674	\$ 1,429,675	\$ 322,994
Operating subsidies	-	-	-	-	-	-	-	-
Other income	3,273	3,612	7,143	7,378	9,575	19,071	24,144	3,586
Total operating revenue	454,633	395,392	353,249	1,267,363	1,372,578	2,274,745	1,453,819	326,580
Operating Expenses								
Administrative	176,115	172,191	151,817	484,196	475,508	333,157	256,739	68,399
Tenant services	-	-	-	-	-	-	-	-
Utilities	116,309	58,263	42,338	152,387	250,968	410,848	209,865	52,712
Maintenance	81,055	79,114	79,920	466,720	515,029	1,239,162	761,661	146,050
Protective services	-	-	-	-	-	-	-	-
General	82,816	47,191	46,338	91,434	74,856	163,505	127,060	38,376
Housing assistance programs	-	-	-	-	-	-	-	-
Depreciation and amortization	646,830	688,057	723,314	814,485	601,199	1,776,215	1,176,268	262,742
Total operating expenses	1,103,125	1,044,816	1,043,727	2,009,222	1,917,560	3,922,887	2,531,593	568,279
Operating income (loss)	(648,492)	(649,424)	(690,478)	(741,859)	(544,982)	(1,648,142)	(1,077,774)	(241,699)
Nonoperating Revenue and (Expenses)								
Interest and investment earnings	79	43	260	185	328	214	263	105
Special items	-	-	-	-	-	-	-	-
Interest expense	(242,175)	(213,148)	(293,967)	(22,191)	(500,292)	(32,385)	(20,990)	(151,486)
Net nonoperating revenue	(242,096)	(213,105)	(293,707)	(22,006)	(499,964)	(32,171)	(20,727)	(151,381)
Income (loss) before capital contributions	(890,588)	(862,529)	(984,185)	(763,865)	(1,044,946)	(1,680,313)	(1,098,501)	(393,080)
Capital contributions								
HUD capital subsidies	-	-	-	-	-	-	-	-
Other nonoperating contributions	-	-	-	-	-	-	-	-
Partner distributions	-	-	-	-	-	(1,696)	(1,472)	-
Partners contributions	433,755	471,836	252,268	-	-	-	-	-
	433,755	471,836	252,268	-	-	(1,696)	(1,472)	-
Change in net position	(456,833)	(390,693)	(731,917)	(763,865)	(1,044,946)	(1,682,009)	(1,099,973)	(393,080)
Net position, beginning								
As previously reported	(1,463,293)	(1,146,685)	(1,954,984)	2,254,353	2,622,169	3,153,206	4,053,061	3,033,324
Prior period adjustments	-	-	-	-	-	-	-	-
As restated	(1,463,293)	(1,146,685)	(1,954,984)	2,254,353	2,622,169	3,153,206	4,053,061	3,033,324
Net position, ending	\$ (1,920,126)	\$ (1,537,378)	\$ (2,686,901)	\$ 1,490,488	\$ 1,577,223	\$ 1,471,197	\$ 2,953,088	\$ 2,640,244

Philadelphia Housing Authority
Component Units
Combining Statement of Revenues, Expenses and Changes in Net Position (Continued)
March 31, 2015

	Warnock I	Warnock II	Gordon Street, LLC	Oakdale Street, LLC	Queen Lane Apartments, L.P.	Total Discrete Units
Operating Revenue						
Total tenant revenue	\$ 451,706	\$ 556,756	\$ -	\$ -	\$ -	\$ 24,159,178
Operating subsidies	-	-	-	-	-	-
Other income	3,260	996	-	-	385,791	3,476,643
Total operating revenue	454,966	557,752	-	-	385,791	27,635,821
Operating Expenses						
Administrative	86,356	88,495	-	-	-	8,186,731
Tenant services	-	-	-	-	-	-
Utilities	42,742	110,741	-	-	-	4,442,293
Maintenance	252,922	275,939	-	-	-	10,940,783
Protective services	-	-	-	-	-	-
General	48,054	66,259	-	-	-	3,171,069
Housing assistance programs	-	-	-	-	-	-
Depreciation and amortization	492,035	442,982	-	-	-	17,723,881
Total operating expenses	922,109	984,416	-	-	-	44,464,757
Operating income (loss)	(467,143)	(426,664)	-	-	385,791	(16,828,936)
Nonoperating Revenue and (Expenses)						
Interest and investment earnings	89	51	-	-	-	17,099
Special items	-	-	-	-	-	-
Interest expense	(137,400)	(307,258)	-	-	-	(6,069,270)
Net nonoperating revenue	(137,311)	(307,207)	-	-	-	(6,052,171)
Income (loss) before capital contributions	(604,454)	(733,871)	-	-	385,791	(22,881,107)
Capital contributions						
HUD capital subsidies	-	-	-	-	-	-
Other nonoperating contributions	-	-	-	-	-	-
Partner distributions	-	-	-	-	-	(6,287)
Partners contributions	-	-	-	-	-	15,203,561
	-	-	-	-	-	15,197,274
Change in net position	(604,454)	(733,871)	-	-	385,791	(7,683,833)
Net position, beginning						
As previously reported	7,638,813	4,696,682	-	-	-	59,130,435
Prior period adjustments	-	-	-	-	-	-
As restated	7,638,813	4,696,682	-	-	-	59,130,435
Net position, ending	\$ 7,034,359	\$ 3,962,811	\$ -	\$ -	\$ 385,791	\$ 51,446,602

Single Audit Section

Philadelphia Housing Authority

**Schedule of Expenditures of Federal Awards
Year Ended March 31, 2015**

	Federal CFDA Number	Pass-Through Grantor Number	Federal Expenditures
<hr/>			
Federal Grantor/Pass-Through Grantor/Program or Cluster Title			
<u>U.S. Department of Housing and Urban Development</u>			
Congregate Housing Services Program	14.170	N/A	\$ 81,580
Section 8 Project-Based Cluster			
Section 8 Moderate Rehabilitation Single Room Occupancy	14.249	N/A	1,849,861
Lower Income Housing Assistance Program_Section 8 Moderate Rehabilitation	14.856	N/A	1,869,170
Total Section 8 Project-Based Cluster			<u>3,719,031</u>
Moving to Work Demonstration Program			
Section 8 Housing Choice Vouchers			194,625,524
Public and Indian Housing			116,902,704
Public Housing Capital Fund			31,956,220
Total Moving to Work Demonstration Program	14.881	N/A	<u>343,484,448</u>
Resident Opportunity and Supportive Services - Service Coordinators	14.870	N/A	<u>353,746</u>
Choice Neighborhoods Implementation Grants	14.889	N/A	<u>304,693</u>
Housing Voucher Cluster			
Section 8 Housing Choice Vouchers	14.871	N/A	3,667,380
Mainstream Vouchers	14.879	N/A	505,128
Total Housing Voucher Cluster			<u>4,172,508</u>
<u>U.S. Department of Agriculture</u>			
<u>Pass-Through Commonwealth of Pennsylvania</u>			
Summer Food Service Program for Children	10.559	N/A	<u>174,171</u>
			<u>\$ 352,290,177</u>

See Notes to Schedule of Expenditures of Federal Awards.

Philadelphia Housing Authority

Notes to Schedule of Expenditures of Federal Awards Year Ended March 31, 2015

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Philadelphia Housing Authority (PHA of the Authority) under programs of the federal government for the year ended March 31, 2015. The information in the Schedule is reported in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operations of PHA, it is not intended to and does not present the financial position, changes in net position or cash flows of PHA.

Note 2. Summary of Significant Accounting Policies

Expenditures reported in the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Philadelphia Housing Authority

**Notes to Schedule of Expenditures of Federal Awards
Year Ended March 31, 2015**

Note 3. Expenditures to Subrecipients

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

CFDA Number	Program Name	Subrecipient	Amount Provided
14.881	Moving to Work Demonstration Program	Cambridge Plaza L.P.	\$ 262,611
		Cambridge Plaza II, L.P.	344,504
		Cambridge III, L.P.	259,456
		(Falls Ridge) Ridge Avenue	537,375
		Germantown House	805,300
		Lucien E. Blackwell Homes Phase II, L.P.	449,267
		Lucien E. Blackwell Homes Phase III, L.P.	528,722
		Ludlow Scattered Sites Phase III, L.P.	426,728
		Mantua Phase I, L.P.	489,580
		Mantua Phase II, L.P.	189,932
		Marshall Shepard Village, L.P.	617,291
		Mill Creek	539,064
		Mt. Olivet L.P.	1,162,652
		Nellie Reynolds Gardens, L.P.	479,131
		Neuman North, L.P.	263,003
		Norris Apartments, L.P.	362,270
		Paschall L.P. Phase I	228,814
		Paschall L.P. Phase II	196,144
		Raymond Rosen (8 Diamonds)	627,064
		Richard Allen Phase III	690,090
		Southwark (Courtyards)	2,042,499
		Spring Garden Housing Limited Partnership	362,124
		Spring Garden II	114,252
		St. Anthony's Senior Residences Associates, L.P.	160,320
		St. Ignatius Senior Housing I, L.P. (Angela Court I)	269,847
		St. Ignatius Senior Housing II, L.P. (Angela Court II)	203,351
		Suffolk Manor	893,367
		Tasker I	1,482,640
		Tasker II	880,455
		Uni-Penn (MLK I) I	183,271
		Uni-Penn (MLK II) II	176,164
		Uni-Penn (MLK IV) IV	185,386
		Warnock Phase I	299,093
		Warnock Phase II	372,640
			<u>\$ 17,084,407</u>

**Independent Auditor's Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in
Accordance With *Government Auditing Standards***

To the Board of Commissioners
Philadelphia Housing Authority
Philadelphia, Pennsylvania

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the proprietary fund type, the aggregate discretely presented component units and aggregate remaining fund information of Philadelphia Housing Authority (PHA), as of and for the year ended March 31, 2015, and the related notes to the financial statements, which collectively comprise PHA's basic financial statements, and have issued our report thereon dated November 19, 2015. Our report includes a reference to other auditors who audited the financial statements of the fiduciary fund type and the discretely presented component units, as described in our report on PHA's financial statements. The financial statements of the discretely presented component units were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether PHA's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

RSM US LLP

Blue Bell, Pennsylvania
November 19, 2015

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

To the Board of Commissioners
Philadelphia Housing Authority
Philadelphia, Pennsylvania

Report on Compliance for Each Major Federal Program

We have audited Philadelphia Housing Authority's (PHA) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of PHA's major federal programs for the year ended March 31, 2015. PHA's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of PHA's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about PHA's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of PHA's compliance.

Opinion on Each Major Federal Program

In our opinion, PHA complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended March 31, 2015.

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular No. A-133 and which are described in the accompanying schedule of findings and questioned costs as item No. 2015-001. Our opinion on each major federal program is not modified with respect to this matter.

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

Report on Internal Control Over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item No.2015-001 that we consider to be a significant deficiency.

PHA's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. PHA's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

RSM US LLP

Blue Bell, Pennsylvania
November 19, 2015

Philadelphia Housing Authority

**Schedule of Findings and Questioned Costs
Year Ended March 31, 2015**

I. Summary of Independent Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes X No
- Significant deficiency(ies) identified? Yes X None Reported

Noncompliance material to financial statements noted? Yes X No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? Yes X No
- Significant deficiency(ies) identified? X Yes None Reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133? X Yes No

Identification of major programs:

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

Dollar threshold used to distinguish between Type A and Type B Programs: \$3,000,000

Auditee qualified as low-risk auditee? Yes X No

Philadelphia Housing Authority

Schedule of Findings and Questioned Costs Year Ended March 31, 2015

II. Financial Statement Findings

None identified.

III. Findings and Questioned Costs for Federal Awards

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

Finding #2015-001 – Reporting – Form HUD-50058

Federal program information

U.S. Department of Housing and Urban Development

CFDA 14.881 Moving to Work Demonstration Program
Section 8 Housing Choice Vouchers
Program Year: April 1, 2014 to March 31, 2015
Program Number: PA002VOW

Public And Indian Housing
Program Year: April 1, 2014 to March 31, 2015
Program Number: PA002-00000114D and PA002-00000115D

Criteria

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

The *Family Report* contains critical information indicated as *Key Line Items*. A public housing authority is also required to retain certain items required by HUD when completing the HUD-50058.

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

MTW agencies are required to establish and implement a reasonable rent policy, which shall be designed to encourage employment and self-sufficiency by participating families, consistent with the purpose of the

MTW demonstration, such as by excluding some or all of a family's earned income for purposes of determining rent. The rent policy must be in the Annual MTW Plan. The Administrative Plan for Housing Choice Voucher (HCV) Program and Admissions and Continued Occupancy Policy for Low Rent Public Housing (LPH) Program also governs more specifics of the rent reasonableness calculation, such as allowable deductions, unit type for rent calculation and income allowability.

Philadelphia Housing Authority

Schedule of Findings and Questioned Costs Year Ended March 31, 2015

Statement of Condition

Tenant file inspections included 60 files from the HCV program, 68 files from the LPH program, including 8 files from the discrete component units under the LPH program. Out of 60 HCV tenant files inspected, 6 (10%) files had one or more exceptions noted. Out of 68 LPH files inspected, 10 (15%) had one or more exceptions noted. These exceptions involved incorrect Form HUD-50058 reporting to HUD as follows:

Housing Choice Voucher Program

- (a) 2 HCV HUD-50058 forms showed an incorrect birth date for a household member.
- (b) 1 HCV tenant file was not compliant with the requirement to include the Individual Control Number page of the Earned Income Report as evidence of the Earned Income Verification (EIV) check required to be performed to verify \$0 income tenants every 180 days. There were 4 HCV files selected related to \$0 income tenants. The Authority completed the interim HUD Form 50058 and included in a note to the file, but the ICN page was not maintained as the process was being reengineered during the year ended March 31, 2015.
- (c) 2 HCV files excluded deductions in calculation of reasonable rent.
- (d) 1 HCV file included an incorrect unit type in the calculation of reasonable rent.

Low Rent Public Housing Program

- (a) 1 LPH file did not have an annual reexamination filed in a timely manner.
- (b) 3 LPH tenants had changes to income that were not properly updated during reexamination.
- (c) 1 LPH HUD-50058 form reported unallowable income.
- (d) 2 LPH calculations improperly included or excluded the \$500 working family deduction. Either the deduction was not supported by evidence of a minimum of 20 hours worked or evidence of the minimum hours was obtained but the deduction was not granted. Therefore, incorrect total annual income was reported to HUD. Improperly excluding the \$500 working family deduction also results in non-compliance with the established reasonable rent policy. Rent is restricted to the lesser of a percentage of annual income or a ceiling rent.
- (e) 1 LPH file did not include evidence of timely follow-up action related to a failed criminal background check that was performed upon reexamination.
- (f) 2 LPH HUD-50058 forms showed an incorrect birth date for a household member.
- (g) 1 tenant file for a discrete component unit did not have an annual Housing Quality Standards (HQS) inspection performed for the year ended March 31, 2015.

Known and Likely Questioned Costs

Known and likely questioned costs for each of the conditions above:

Housing Choice Voucher Program

- (a) None
- (b) None
- (c) Undeterminable understatement of annual income and corresponding excess Housing Assistance Payments.
- (d) HAP was calculated and paid as \$15 lower than it should have been for the year ended March 31, 2015.

Philadelphia Housing Authority

Schedule of Findings and Questioned Costs Year Ended March 31, 2015

Low Rent Public Housing Program

- (a) None
- (b) Rent was undercharged by \$112 for the tenant files with errors noted.
- (c) None
- (d) A net overcharge of rent of \$514 for the tenant files with exceptions noted.
- (e) None
- (f) None
- (g) None

Cause of Condition

The causes of conditions noted were:

Housing Choice Voucher Program

- (a) Data entry errors when populating Form HUD-50058.
- (b) Staff responsible for these files did not follow the Authority's policy requiring re-verification of income for \$0 income tenants every 180 days. Prior year finding was communicated in December 2015 and reinforcement of policy was made at that time, but 180 days had already passed in the fiscal year.
- (c) Authority staff did not follow the authority's policy for the allowable deductions in the Administrative Plan during year ended March 31, 2015. These items were corrected subsequent to year-end.
- (d) Authority staff did not enter unit type into system in accordance with Authority policy during year ended March 31, 2015. This item was corrected subsequent to year-end.

Low Rent Public Housing

- (a) Staff responsible for this file did not properly capture date of reexamination in accordance with the Authority's policy.
- (b) Staff responsible for these files did not follow the Authority's policy for updating income based on information received during the reexamination process.
- (c) System improperly reported income on Form HUD-50058
- (d) Authority staff did not follow the Authority's policy for the allowable deductions under the ACOP for the year ended March 31, 2015 for this file. This item was corrected subsequent to year-end.
- (e) Authority staff did not follow the Authority's policy for timely follow-up when reexamination work is performed. The tenant was eventually evicted subsequent to year-end.
- (f) Data entry errors when populating Form HUD-50058. These errors were corrected subsequent to year end.
- (g) Management of the discrete component unit site did not follow the Authority's policy for annual inspection.

Recommendation

The Authority has established policies and controls which did not operate effectively in these instances. We make the following recommendations:

- Strengthen and expand review of manual data inputs. The scope of current review procedures were not sufficient to detect and correct the manual errors noted.
- The Authority implemented a process to identify tenant files that were for due for EIV check due to \$-0- income subsequent to prior year audit finding. The Authority should verify that this process is operating as designed.
- Reinforce training on policies regarding timeliness of reexaminations, allowable deductions, calculation inputs and documentation that should be maintained within tenant files.

Philadelphia Housing Authority

Schedule of Findings and Questioned Costs Year Ended March 31, 2015

Management's Response

As a result of last fiscal year's audit findings, the LPH Program and the HCV Program expanded and strengthened its processes to comply with internal and external audits, HUD's rules and regulations, and PHA's policies and procedures.

Housing Choice Voucher Program

The HCV Program provided extensive and intense training to its entire staff to further enhance manual data inputs, reinforcement of policies, and the detection of errors. The training included but was not limited to topics such as: 50058 consistencies with client file, Verification Hierarchy, Upfront Income Verification (UIV), Income Verification Review, Timeline of Recertifications, Zero Income, among other items. Moreover, the HCV Program has ongoing training throughout the year for reinforcement of guidelines.

Out of the six (6) noted exceptions, five (5) of six (6) or 83% of the exceptions were detected, identified and corrected by the HCV Program internal control compliance review process prior to releasing the files for review, providing PHA assurance that the HCV Program internal control systems are working effectively and as intended.

In particular, one file in question was cited for an Enterprise Income Verification (EIV) 180-day review of zero income tenants, and was in correlation with a prior year exception noted by McGladrey. As a result of this prior year exception, the HCV Program conducted an extensive internal review of all of its zero income families, made corrections where required, and documented the tenant files accordingly. The updated 50058 (effective 7/1/2014), the EIV printed (1/15/2015) effective 7/1/2014 and the system note that the EIV verification for the 180 zero income check was completed for this particular file serve as evidence that the appropriate 180-day review was performed as required.

Low Rent Public Housing

Beginning in March of 2013, various training on LPH Program rules, procedures and regulations was conducted and professional certification is now required for all employees who determine eligibility, lease clients, recertify, determine rent, and conduct inspections for the program; Employees were certified as Public Housing Management Specialists, and the certification is required to remain employed as a Property Manager. Included within these sessions was training on recertification, interim recertification, and rent calculation (including deductions and utility allowances). Additionally the LPH Program hired two Public Housing Compliance Specialists to assist with program compliance monitoring.

Similar to the HCV Program, over the last fiscal year, the LPH Program provided extensive training to management staff around manual data inputs, reinforcement of policies, and the detection and correction of errors. Currently there are mechanisms in place to assist managers with annualizing income correctly and performing rent calculation accurately. Additionally, there are checklists, reports, dashboards, and ticklers in place to assist with tracking Recertifications.

Nine (9) of the 11 items cited are as a result of data entry errors – the property management staff responsible for the errors have all been trained on the governing policies and procedures to accurately perform their job functions. Accordingly, these individuals have been held accountable for their errors according to PHA's disciplinary policy, up to and including termination. PHA is committed to continually providing Property Managers the training and support needed to maintain accurate files. Additionally, each error has been corrected and the appropriate rent credits have been adjusted where due.

Philadelphia Housing Authority

**Schedule of Findings and Questioned Costs
Year Ended March 31, 2015**

For the one (1) exception listed as “HUD form 50058 reported unallowable income,” the household contained a live-in-aid whose income was correctly excluded from the income determination and the rent calculation for the household. The live-in-aid income was incorrectly populated on the 50058 because of an isolated system anomaly with this particular file. PHA’s IT Department has researched this anomaly, resubmitted the correct 50058 for this file and assured that no other files with live-in-aid income have this issue.

There was one (1) tenant file for a discrete component unit noted as not having an annual HQS inspection performed for the year ended March 31, 2015. This unit in question is located at one of PHA’s alternatively-managed properties, which are developments managed by a third-party. PHA will provide official notice regarding this finding and remind the management entity of the importance of maintaining accurate inspection files for every annual inspection.

Philadelphia Housing Authority

**Summary Schedule of Prior Audit Findings
Year Ended March 31, 2015**

Internal Control Findings

Finding No. 2014-001 - Financial Reporting

Criteria

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

Statement of Condition

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

Cause of Condition

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

Effect of Condition

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

Recommendation

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

Current Status

Workers' Compensation

Management has modified the existing process to review the Worker's Compensation liability and cash collateral balances at mid-year and at year-end. A meeting has been held with Risk Management, Human Resources, Finance, Connor Strong, and Liberty Mutual to evaluate current and anticipated future losses, claims, and payments to Liberty Mutual. Based on the results of the year-end evaluation of Worker's Compensation, as necessary, an adjusting journal entry will be booked to reflect Management's estimate of Worker's Compensation. Documentation to support these adjustments and evaluation analysis is being maintained accordingly. Implementation of this corrective action began January 2015 and has continued since.

In February 2015, Finance met with Human Resources, Risk, Legal, Connor Strong and Liberty to review the Worker's Compensation claims historical data and trend and calculated a preliminary estimate of the Worker's Compensation Reserve as the end of the FY2015. Finance met with Risk and Legal again in May 2015 to update the preliminary calculation to be booked as reserve by Finance.

In addition, Risk performed a detailed analysis of the Worker's Compensation Loss Projection as a basis of the minimum Worker's Compensation reserve and submitted the analysis to Human Resources, Legal and Finance for review. Finance compared the required reserve in the analysis to the current reserve recorded in the books and no adjustment is deemed necessary.

Philadelphia Housing Authority

Summary Schedule of Prior Audit Findings Year Ended March 31, 2015

Legal

Management has modified the existing process to review potential legal claims and liability at mid-year and at year-end. Finance and Legal have met to discuss the existing and potential legal claims. Based on the results of the year-end evaluation, as necessary, an adjusting journal entry will be booked to reflect Management's estimate of the outstanding legal liability. Documentation to support these adjustments and evaluation analysis is being maintained accordingly. Implementation of this corrective action began January 2015 and has continued since.

For FY2015, Finance obtained a schedule of Litigations from Legal and discussed the amount of estimated legal liability that needs to be accrued based on information available as of May 2015 (Preliminary FDS submission). Legal updated the status of the Litigations and compared the new estimated liability to the liability recorded in the books by Finance. Since the new estimate is not materially different from the preliminary calculation, no additional reserve was booked by Finance.

Lastly, a memorandum was drafted and submitted to HUD that codifies this routine review process. To date, HUD has not responded to PHA's submission. PHA anticipates that HUD will close this finding based on the response.

A. Findings and Questioned Costs for Federal Awards

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

Federal program information

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

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

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

Criteria

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

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

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

Philadelphia Housing Authority

Summary Schedule of Prior Audit Findings Year Ended March 31, 2015

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

Statement of Condition

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

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

Housing Choice Voucher Program

- (a) 6 HCV HUD-50058 forms showed an incorrect date of admission to the program. Inspection of the files showed earlier lease agreements dated several years before the reported admission date.
- (b) 3 HCV files were missing income verification support for some of the listed income sources, specifically the CIS/EIV printouts supporting SSI and SSP income. Income must be verified with applicable supporting documents such as paystubs, EIV reports, benefit letters, DPA CIS database printout, etc. As such, it cannot be determined if the total annual income reported to HUD via Form HUD-50058 is accurate.
- (c) 3 of the HCV files selected related to \$0 income tenants. Out of these 3 tenant files, 1 was not compliant with the Authority's policy to verify \$0 income every 180 days. \$0 income is verified by running and reviewing EIV report for income. The verification was subsequently completed 7 months beyond the 180-day due date.
- (d) 1 HCV rent calculation utilized an incorrect utility allowance which resulted in excess HAP paid on behalf of the tenant. The HCV tenant was a CRP participant but was provided the higher utility allowance applicable to non-CRP tenants.
- (e) 4 HCV income calculations did not agree to supporting documents such as paystubs, third-party confirmations of income, etc. As such, reported total annual income is incorrect. Tenant rent is correspondingly understated and HAP was paid in excess on behalf of these tenants.
- (f) 3 HCV units were inspected timely but not reported as inspected and passed on Form HUD-50058 on the correct date.
- (g) 2 HCV tenants had Family Self Sufficiency (FSS) escrow balances accrued but were not reported as current FSS participants. Further investigation showed that the reported information was correct but the FSS accounts had not been properly closed out.

Low Rent Public Housing Program

- (a) 4 LPH files were missing income verification support for some or all income sources. Income must be verified with supporting documents such as paystubs, EIV reports, benefit letters, DPA CIS database printout, etc. As such, it cannot be determined if the total annual income reported to HUD via Form HUD-50058 is accurate.
- (b) 3 of the LPH files selected related to \$0 income tenants. Out of these 3 files, 1 file was missing evidence that an EIV report was run for the 180-day recertification. As such, it could not be confirmed that there was no income on the EIV report for the tenant.
- (c) 4 LPH income calculations did not agree to supporting documents, such as paystubs, etc. As such, reported total annual income is incorrect. Tenant rent is correspondingly incorrect and may be non-compliant with the established reasonable rent policy. Rent is restricted to the lesser of a percentage of annual income or a ceiling rent.

Philadelphia Housing Authority

Summary Schedule of Prior Audit Findings Year Ended March 31, 2015

- (d) 2 LPH calculations improperly included or excluded the \$500 working family deduction. Either the deduction was not supported by evidence of a minimum of 20 hours worked or evidence of the minimum hours was obtained but the deduction was not granted. Therefore, incorrect total annual income was reported to HUD. Improperly excluding the \$500 working family deduction also results in non-compliance with the established reasonable rent policy. Rent is restricted to the lesser of a percentage of annual income or a ceiling rent.
- (e) 8 LPH income recertifications were not completed within the required time frame.
- (f) 2 LPH HUD-50058 forms reported prior re-exam dates which were not evidenced by supporting documents or disagreed with CRM records.

Questioned Costs

Questioned costs for each of the conditions above:

Housing Choice Voucher Program

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

Low Rent Public Housing Program

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

Cause of Condition

The causes of conditions noted were:

Housing Choice Voucher Program

- (a) These dates were imported from the previous operating system (CCS) into Elite. CCS was a contract based system which only maintained information on the most recent contract, not the date of admission. The Authority converted from CCS to Elite in December 2008, and due to the limitations of CCS, the software engineers used the move-in date of the unit occupied at time of conversion as the date of admission.
- (b) Staff responsible for these files did not follow the Authority's policies and procedures regarding documentation that should be retained for the income verification. Support was obtained and kept for certain income elements but not others. For one of the files, it was noted that the entire recertification effective for the fiscal year was misplaced during one of the various office moves and transitions and was unavailable for inspection.
- (c) Staff responsible for these files did not follow the Authority's policy requiring re-verification of income for \$0 income tenants every 180 days.
- (d) Staff responsible for these files did not properly identify these tenants as CRP participants and did not notice that the system glitch which resulted in the calculation incorrectly using the utility allowance chart for non-CRP tenants.

Philadelphia Housing Authority

Summary Schedule of Prior Audit Findings Year Ended March 31, 2015

- (e) Mathematical and data entry errors when aggregating and annualizing income. Accidental exclusion of Child Support income from the calculation. Transposition of numbers during calculation.
- (f) As Form HUD-50058 is automatically populated from the CRM database, management knows that the errors in the inspection dates on Form HUD-50058 are due to a system glitch. The system was not detecting the recent inspections and instead pulled a prior date.
- (g) Due to significant turnover in the department, FSS contract files have not been adequately maintained and FSS escrow balances have not been properly closed out for tenants terminated from the program. The Authority believes a majority of the remaining accrued escrow balance relates to expired FFS contracts and is currently reviewing and reconciling all files.

Low Rent Public Housing Program

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

Recommendation

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

- Strengthen and expand review of manual data inputs and calculations. The Authority currently has review procedures in place but the scope of these were not sufficient to detect and correct the manual errors noted.
- The Authority uses reports which show \$-0- income tenants and the last date of EIV verification to identify upcoming due dates for re-certification. The \$0 income file which did not undergo re-exam within the 180 days time requirement was not detected under this control. The Authority should evaluate why a flag was not raised for this file despite an appropriately designed control and adjust accordingly.
- Create an automated control within Elite to prevent the use of non-CRP utility allowances for CRP participants.
- Enhance and reinforce training of staff to ensure they understand:
 - Established policies regarding what support must be maintained in the file for each element.
 - Method for calculating income and importance of double-checking work to prevent data entry errors.
 - Available deductions and the documentation that must be retained for each.

Philadelphia Housing Authority

Summary Schedule of Prior Audit Findings Year Ended March 31, 2015

- The Authority has established automated controls to alert management when files are soon-to-be due or overdue for recertification. This control did not effectively ensure the recertifications were completed timely for 8 files inspected. The Authority should review why these were not completed timely despite the alerts in place. The Authority should improve follow up on existing alerts for when files are due for recertification.
- The Authority should strengthen existing policies, procedures, and internal controls to ensure that unit inspections deficiencies are addressed and appropriately documented.

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

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

Current Status

HCV and PH have reviewed and corrected outstanding rent calculations errors cited. Management will continue to require staff to attend training and obtain PH/HCV Specialist Certification as a mandatory job requirement. Further, PH/HCV Specialist Certification training was concluded in the month of June, 2015.

Management will continue efforts to standardize tenant files, perform supervisory and compliance file reviews and hold staff accountable for failure to adhere to governing rules and regulations for file compliance. Property Managers in the HCV and LRPB Programs will continue to use file review checklists when performing Recertification procedures, which require the review of Lease Addendums to ensure that the proper documentation is in the file.

Supervisory staff will continue to monitor zero-income recertification and late recertification reports to ensure timely resolution, as well as to ensure that instances where the delay is tenant caused is clearly documented.

Standard Operating Procedures for the FSS program detailing routine reconciliation requirements have been drafted and approved. HUD has received a copy of the approved SOP in response to this finding. Training of the appropriate staff is scheduled to commence in October of 2015.

See Finding 2015-001.

Philadelphia Housing Authority

Summary Schedule of Prior Audit Findings Year Ended March 31, 2015

Finding No. 2014-003 Eligibility and Tenant File Maintenance

Federal program information

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

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

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

Criteria

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

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

Statement of Condition

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

Housing Choice Voucher Program

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

Low Rent Public Housing Program

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

Philadelphia Housing Authority

Summary Schedule of Prior Audit Findings Year Ended March 31, 2015

Questioned Costs

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

No other exceptions resulted in questioned costs.

Cause of Condition

Housing Choice Voucher Program

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

Low Rent Public Housing Program

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

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

Recommendation

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

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

Current Status

HCV and PH have reviewed and corrected outstanding rent calculations errors cited. Management will continue to require staff to attend training and obtain PH/HCV Specialist Certification as a mandatory job requirement. Further, PH/HCV Specialist Certification training was concluded in the month of June 2015. Management will continue efforts to standardize tenant files, perform supervisory and compliance file reviews and hold staff accountable for failure to adhere to governing rules and regulations for file compliance. Property Managers in the HCV and LRPB Programs will continue to use file review checklists when performing Recertification procedures, which require the review of Lease Addendums to ensure that the proper documentation is in the file. PHA notes that during the fiscal year 2015 audit, no findings of missing or misplaced documentation in tenant files were cited.

Philadelphia Housing Authority

Summary Schedule of Prior Audit Findings Year Ended March 31, 2015

Finding No. 2014-004 Allowable Costs/Cost Principles

Federal program information

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

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

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

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

Criteria

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

Statement of Condition

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

Questioned Costs

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

Cause of Condition

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

Recommendation

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

Philadelphia Housing Authority

Summary Schedule of Prior Audit Findings Year Ended March 31, 2015

Current Status

PHA modified the original corrective action plan to be in line with the requirements of HUD's Notice (Section 4 of HUD Notice PIH-2012-14). As part of the year-end closing, PHA performed an analysis to identify the employees whose salaries exceeded \$155,500 and calculated the impacted salaries that should not be paid out of the Section 8 or 9 funds. PHA ensured that Non-Federal fund (Fund 004) was used to pay for these salaries. This process will be used going forward and is documented in a Standard Operating Procedure.

After recording all the payroll expenses for fiscal year 2015, Finance calculated the salaries in excess of \$155,500 threshold as per PIH-2012-14 and initiated a transfer of funds from Non-Federal (Fund 004) to Operating Fund (Federal) to reimburse the excess salaries initially paid using Federal funds.

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

Federal program information

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

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

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

Criteria

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

Statement of Condition

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

Questioned Costs

None.

Cause of Condition

This process of bad debt reporting was reviewed and codified in a Standard Operating Procedure (SOP). The SOP has been finalized and approved, after which training of the appropriate staff was conducted. The Admissions Manager may now access organization-wide Move-Out reports on a monthly basis from the CRM system. This data is then used to update tenant balances in EIV and as a second control, Management now performs a quarterly reviews to ensure that all balances have in fact been updated. None of the exceptions noted were for End of Participation dates prior to October 2013, therefore, it appears the new processes and controls are appropriately designed and are operating effectively.

Philadelphia Housing Authority

Summary Schedule of Prior Audit Findings Year Ended March 31, 2015

PHA continues to contact HUD regarding the correction of the balances cited during the Audit however, to date, HUD has not reopened the client records in EIV for PHA to update accordingly. PHA has formally communicated this issue to HUD on several instances, most recent being in PHA's formal response to HUD regarding this audit.

Recommendation

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

Current Status

The Admissions Manager has reviewed all End of Participation transactions currently listed from April 2013 to September 2013 – there are no additional exceptions to the five reported above. For the five exceptions, one has been corrected, and the Admissions Manager has attempted to contact PHA's HUD EIV Coordinator on several occasions for access to enter the balances of the remaining four into EIV. To date, HUD has not been of assistance to resolve this issue. PHA has documented all attempts to communicate with HUD regarding correcting the four remaining exceptions. Additionally, the Compliance Department of OAC developed a Bad Debt Reporting SOP that the Admissions Manager uses to manage this process. The PHA's Admissions Manager is responsible for this task.

Finding No. 2014-006 Debarment and Suspension

Federal program information

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

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

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

Criteria

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

Statement of Condition

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

Philadelphia Housing Authority

Summary Schedule of Prior Audit Findings Year Ended March 31, 2015

Cause of Condition

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

Recommendation

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

Current Status

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

Effective December 1, 2014, PHA's Supply Chain department began conducting weekly debarment checks on all active vendors in PHA's database. Any vendors determined as debarred will become inactive and will not receive future payments from PHA. The results of each weekly review are forwarded to PHA's Office of Audit and Compliance for review and consideration. Also, the Compliance Department of OAC developed a Debarment Report Log Procedure to document the aforementioned process. This procedure has been finalized and approved as a Standard Operating Procedure, and the appropriate staff has been trained. HUD has received a copy of the approved SOP in response to this finding.

Philadelphia Housing Authority

**Corrective Action Plan
Year Ended March 31, 2015**

See attached Corrective Action Plan.



Philadelphia Housing Authority
Annual Audit Corrective Action Plan
Year End March 31, 2015

Finding #2015-001 – Reporting – Form HUD-50058

Statement of Condition

Tenant file inspections included 60 files from the HCV program, 68 files from the LPH program, including 8 files from the discrete component units under the LPH program. Out of 60 HCV tenant files inspected, 6 (10%) files had one or more exceptions noted. Out of 68 LPH files inspected, 10 (15%) had one or more exceptions noted. These exceptions involved incorrect Form HUD-50058 reporting to HUD as follows:

Housing Choice Voucher Program

- (a) 2 HCV HUD-50058 forms showed an incorrect birth date for a household member.
- (b) 1 HCV tenant file was not compliant with the requirement to include the Individual Control Number page of the Earned Income Report as evidence of the Earned Income Verification (EIV) check required to be performed to verify \$0 income tenants every 180 days. There were 4 HCV files selected related to \$0 income tenants. The Authority completed the interim HUD Form 50058 and included in a note to the file, but the ICN page was not maintained as the process was being reengineered during the year ended March 31, 2015.
- (c) 2 HCV files excluded deductions in calculation of reasonable rent.
- (d) 1 HCV file included an incorrect unit type in the calculation of reasonable rent.

Low Rent Public Housing Program

- (a) 1 LPH file did not have an annual reexamination filed in a timely manner.
- (b) 3 LPH tenants had changes to income that were not properly updated during reexamination.
- (c) 1 LPH HUD-50058 form reported unallowable income.
- (d) 2 LPH files reported deductions incorrectly in calculation of tenant rent.
- (e) 1 LPH file did not include evidence of timely follow-up action related to a failed criminal background check that was performed upon reexamination.
- (f) 2 LPH HUD-50058 forms showed an incorrect birth date for a household member.
- (g) 1 tenant file for a discrete component unit did not have an annual Housing Quality Standards (HQS) inspection performed for the year ended March 31, 2015.

Questioned Costs

Questioned costs for each of the conditions above:

Housing Choice Voucher Program

- (a) None
- (b) None
- (c) Housing Assistance Payment (HAP) was calculated and paid as \$56 lower for the tenant files for the year ended March 31, 2015.
- (d) HAP was calculated and paid as \$15 lower than it should have been for the year ended March 31, 2015.

Low Rent Public Housing Program

- (a) None

- (b) Rent was undercharged by \$112 for the tenant files with errors noted.
- (c) None
- (d) A net overcharge of rent of \$514 for the tenant files with exceptions noted.
- (e) None
- (f) None
- (g) None

Cause of Condition

The causes of conditions noted were:

Housing Choice Voucher Program

- (a) Data entry errors when populating Form HUD-50058.
- (b) Staff responsible for these files did not follow the Authority's policy requiring re-verification of income for \$0 income tenants every 180 days. Prior year finding was communicated in December 2015 and reinforcement of policy was made at that time, but 180 days had already passed in the fiscal year.
- (c) Authority staff did not follow the authority's policy for the allowable deductions in the Administrative Plan during year ended March 31, 2015. These items were corrected subsequent to year-end.
- (d) Authority staff did not enter unit type into system in accordance with Authority policy during year ended March 31, 2015. This item was corrected subsequent to year-end.

Low Rent Public Housing

- (a) Staff responsible for this file did not properly capture date of reexamination in accordance with the Authority's policy.
- (b) Staff responsible for these files did not follow the Authority's policy for updating income based on information received during the reexamination process.
- (c) System improperly reported income on Form HUD-50058
- (d) Authority staff did not follow the Authority's policy for the allowable deductions under the ACOP for the year ended March 31, 2015 for this file. This item was corrected subsequent to year-end.
- (e) Authority staff did not follow the Authority's policy for timely follow-up when reexamination work is performed. The tenant was eventually evicted subsequent to year-end.
- (f) Data entry errors when populating Form HUD-50058. These errors were corrected subsequent to year end.
- (g) Management of the discrete component unit site did not follow the Authority's policy for annual inspection.

Recommendation

The Authority has established policies and controls which did not operate effectively in these instances. We make the following recommendations:

- Strengthen and expand review of manual data inputs. The scope of current review procedures were not sufficient to detect and correct the manual errors noted.
- The Authority implemented a process to identify tenant files that were for due for EIV check due to \$-0- income subsequent to prior year audit finding. The Authority should verify that this process is operating as designed.

- Reinforce training on policies regarding timeliness of reexaminations, allowable deductions, calculation inputs and documentation that should be maintained within tenant files.

Corrective Action Plan

As a result of last fiscal year's audit findings, the LPH Program and the HCV Program expanded and strengthened its processes to comply with internal and external audits, HUD's rules and regulations, and PHA's policies and procedures.

Housing Choice Voucher Program

The HCV Program provided extensive and intense training to its entire staff to further enhance manual data inputs, reinforcement of policies, and the detection of errors. The training included but was not limited to topics such as: 50058 consistencies with client file, Verification Hierarchy, Upfront Income Verification (UIV), Income Verification Review, Timeline of Recertifications, Zero Income, among other items. Moreover, the HCV Program has ongoing training throughout the year for reinforcement of guidelines.

Out of the six (6) noted exceptions, five (5) of six (6) or 83% of the exceptions were detected, identified and corrected by the HCV Program internal control compliance review process prior to releasing the files for review, providing PHA assurance that the HCV Program internal control systems are working effectively and as intended.

In particular, one file in question was cited for an Enterprise Income Verification (EIV) 180-day review of zero income tenants, and was in correlation with a prior year exception noted by McGladrey. As a result of this prior year exception, the HCV Program conducted an extensive internal review of all of its zero income families, made corrections where required, and documented the tenant files accordingly. The updated 50058 (effective 7/1/2014), the EIV printed (1/15/2015) effective 7/1/2014 and the system note that the EIV verification for the 180 zero income check was completed for this particular file serve as evidence that the appropriate 180-day review was performed as required.

Low Rent Public Housing

Beginning in March of 2013, various training on LPH Program rules, procedures and regulations was conducted and professional certification is now required for all employees who determine eligibility, lease clients, recertify, determine rent, and conduct inspections for the program; Employees were certified as Public Housing Management Specialists, and the certification is required to remain employed as a Property Manager. Included within these sessions was training on recertification, interim recertification, and rent calculation (including deductions and utility allowances). Additionally the LPH Program hired two Public Housing Compliance Specialists to assist with program compliance monitoring.

Similar to the HCV Program, over the last fiscal year, the LPH Program provided extensive training to management staff around manual data inputs, reinforcement of policies, and the detection and correction of errors. Currently there are mechanisms in place to assist managers with annualizing income correctly and performing rent calculation accurately. Additionally, there are checklists, reports, dashboards, and ticklers in place to assist with tracking Recertifications.

Nine (9) of the 11 items cited are as a result of data entry errors – the property management staff responsible for the errors have all been trained on the governing policies and procedures to accurately perform their job functions. Accordingly, these individuals have been held accountable for their errors

according to PHA's disciplinary policy, up to and including termination. PHA is committed to continually providing Property Managers the training and support needed to maintain accurate files. Additionally, each error has been corrected and the appropriate rent credits have been adjusted where due.

For the one (1) exception listed as "HUD form 50058 reported unallowable income," the household contained a live-in-aid whose income was correctly excluded from the income determination and the rent calculation for the household. The live-in-aid income was incorrectly populated on the 50058 because of an isolated system anomaly with this particular file. PHA's IT Department has researched this anomaly, resubmitted the correct 50058 for this file and assured that no other files with live-in-aid income have this issue.

There was one (1) tenant file for a discrete component unit noted as not having an annual HQS inspection performed for the year ended March 31, 2015. This unit in question is located at one of PHA's alternatively-managed properties, which are developments managed by a third-party. PHA will provide official notice regarding this finding and remind the management entity of the importance of maintaining accurate inspection files for every annual inspection.

All noted findings for both programs have been corrected.