

Philadelphia Housing Authority

Financial and Compliance Report
March 31, 2017

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Table of 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	27-70
Required supplementary information	
Schedule of changes in net pension liability and related ratios	71
Schedule of plan contributions	72
Supplementary information	
Financial data schedule	73-132
Other supplementary information	
Combining statement of net position (PHA and blended component units)	133-137
Combining statement of revenues, expenses and changes in net position	138-141
Combining statement of net position (discrete component units)	147-146
Combining statement of revenues, expenses and changes in net position (discrete component units)	148-151
Single audit section	
Schedule of expenditures of federal awards	152
Notes to schedule of expenditures of federal awards	153-154
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>	155-156
Independent auditor's report for each major program and on internal control over compliance required by the Uniform Guidance	157-158
Schedule of findings and questioned costs	159-162
Summary schedule of prior audit findings	163-174
Corrective action plan	175

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

October 20, 2017

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

We are pleased to present the Philadelphia Housing Authority ("PHA" or the "Authority") Comprehensive Annual Financial Report for the fiscal year ended March 31, 2017. This report was prepared by PHA's Finance staff and financial statements have been audited by RSM US LLP, a firm of licensed certified public accountants.

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.

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.

The goal of the independent audit was to provide reasonable assurance that PHA's financial statements for the fiscal year ended March 31, 2017 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, 2017, 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.

During the fiscal year 2016, the Authority changed its accounting policy for its defined benefit pension plan to adopt GASB 68 accounting standard whereby the net pension liability and any related unrecognized experience gain and loss are included in the financial statements.

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 beginning on page 12.

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 over 46,000 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.

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

- 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.

Governing Body:

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, including sessions on public housing management, Ethical Conduct, Conflict of Interest, EEO and the Fair Housing Act. The Board provides guidance and oversight of PHA's operations.

The members of PHA's Board of Commissioners for the fiscal year ended March 31, 2017 were:

- 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) **Frederick S. Purnell, Sr** – Deputy Director for Housing and Community Development for the City of Philadelphia;
- 5) **Patrick J. Eiding** – President of the Philadelphia Council AFL-CIO;
- 6) **Herbert Wetzel – Vice Chair** – Executive Director of Housing and Community Development for City Council;
- 7) **Ethel Wise** – President of the Wilson Park Family Resident Council;
- 8) **Julia Danzy** – Former City of Philadelphia Director of Social Services, Deputy Commissioner of Health; and Operations Director for the Department of Human Services; and
- 9) **Asia Coney** – President of PHA's Resident Advisory Board.

Moving To Work

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

1. 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.

2. 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.

FY 2017 Accomplishments and Program Highlights

PHA has had another outstanding year in providing affordable housing opportunities and supportive services to low income families and seniors in Philadelphia. We have made substantial progress in four areas: housing our nation's veterans, preventing and reducing homelessness, revitalizing neighborhoods, and supporting families and communities.

Below are some of PHA's FY 2017 major accomplishments and milestones which demonstrate PHA's continued strategic focus and commitment to its vision strategic goals:

- 1) In FY 2017, PHA added 1,162 units under its "6 in 5" initiative to create 6,000 units of affordable housing in five years. The total was achieved through Project Based Vouchers, the Rental Assistance Demonstration (RAD) Program, and Annual Contributions Contract;
- 2) In the Housing Choice Voucher Program, PHA now serves 19,067 households in the Program with both MTW and Non-MTW Special Purpose vouchers;
 - a. Ninety-five (95) veterans were housed through the Veterans Affairs Supportive Housing (VASH) program raising the overall total to 659
 - b. The Housing Opportunity Program (HOP) assisted in leasing to approximately 45 participants in opportunity areas throughout the Philadelphia region, opening opportunities to greater economic, educational and social mobility
 - c. One hundred and five (105) individuals and families were housed with vouchers through the Blueprint to End Homelessness Program in partnership with the City of Philadelphia
 - d. Ten (10) voucher participants through its partnership with the United States Probation office and the Mayor's Office of Reintegration services to aid the reentry of ex-offenders into society through the Second Chance Program
 - e. Seventeen (17) disabled persons were housed through the new Section 811 voucher program, a supportive housing program for persons with disabilities

- 3) PHA completed work on the first phase of a legacy development this past fiscal year with the grand opening of Blumberg Phase I (57 units) under the Sharswood/Blumberg Transformation Plan in North Philadelphia, a \$22.2 million investment;
- 4) PHA also purchased the old Vaux High School building from the School District of Philadelphia with plans to reopen it as a neighborhood school in the fall of 2017 with education innovator Big Picture;
- 5) PHA also reached a tentative agreement to build a new grocery store on the Ridge Avenue commercial corridor, and the PHA board approved a construction contract to build PHA's new headquarters adjacent to the supermarket location to anchor the corridor;
- 6) PHA also began construction of the Strawberry Mansion Apartments, a \$23.6 million dollar investment in a historic neighborhood; this development is the third of three developments in the Strawberry Mansion neighborhood, the other two being the Oakdale Street and Gordon Apartments;
- 7) Forty-Five (45) residents became new homeowners as part of PHA's 5H and Housing Choice Voucher Homeownership Programs;
- 8) \$256,000 in scholarships was awarded to 62 residents by Philly SEEDs, Inc., PHA's charitable affiliate;
- 9) PHA began implementation of the Jobs Plus Pilot Program in July 2016; at the end of FY2017 the Jobs Plus staff had met with and conducted individual assessments with 215 residents, more than 68% more residents compared to the goal of 315 after only nine months of operation;
- 10) The Philadelphia Housing Authority Police Department (PHAPD) recorded a stunning 41% decrease in serious crimes at PHA developments; and
- 11) PHA began a partnership with T-Mobile to provide up to 4,500 public assisted families with a free tablet and access to the high-speed network.

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 2017, 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. Beginning April 1, 1999, PHA purchased commercial policies for personal injury coverage. 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. However, most of these claims are insured and management believes PHA's liability is limited to the deductible amounts under the policies.

Contributions by Federal Agencies: PHA received the majority of its Fiscal Year 2017 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 James Kenney, the Philadelphia City Council and Council President Darrell Clarke, PHA's staff and clients for their unfailing support for maintaining the highest standards of professionalism in the management of the Authority's finances.

Respectfully submitted,



Kelvin A. Jeremiah
President & CEO

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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 business-type activities, the aggregate discretely presented component units and the aggregate remaining fund information of the Philadelphia Housing Authority (PHA), as of and for the year ended March 31, 2017 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, 2016. We did not audit the financial statements of the aggregate discretely presented component units as of and for the year ending December 31, 2016. 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, except for the following four entities, St. Ignatius Senior Housing I, L.P., St. Ignatius Senior Housing II, L.P., St. Francis Villa Senior Housing, L.P., and 1952 Allegheny Associates L.P., 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 respective financial position of the business-type activities, the aggregate discretely presented component units, and the aggregate remaining fund information of the PHA as of March 31, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance 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 12 through 20 and the schedule of changes in net pension liability and related ratios and schedule of plan contributions on page 71 through 72 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 Philadelphia Housing Authority's basic financial statements. The accompanying financial data schedule, as well as other supplementary information shown on pages 133 to 151, 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 Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* 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 133 to 151 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 October 20, 2017 on our consideration of the PHA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of PHA's 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
October 20, 2017

**PHILADELPHIA HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2017**

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, 2017. 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

PHA's financial position remained strong with a net position of **\$993,858,592** at March 31, 2017.

- Total assets and deferred outflows exceeded total liabilities (net position) at March 31, 2017, by \$993.8 million compared to \$992.6 million in FY 2016. Of this amount, \$486.4 million are *unrestricted net position*, which includes \$377.2 million of mortgages receivable from PHA's discretely presented component units. The remaining unrestricted net position of \$109.2 million may be used to meet PHA's ongoing obligations to clients and creditors.
- PHA's FY2017 total net position increased by \$1.3 million or 0.1% increase vs FY2016.
- Total liabilities of \$170.2 million decreased by \$11.3 million compared to FY2016 representing a 6.2% decrease.
- Total operating revenue for FY2017 was \$394.1 million (vs \$395.7 million in FY2016), representing a reduction of \$1.6 million from prior fiscal year. Total operating revenue was \$25.8 million more than operating expenses (excluding depreciation) compared to \$19.2 million in FY 2016.
- Total operating expenses for FY2017 decreased by \$8.2 million or 2.2% compared to FY2016.

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) fiduciary 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 and can be found on pages 27 through 70 of this report.

**PHILADELPHIA HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2017**

Overview of the Financial Statements (Continued)

The supplemental 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 programs 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 133 of this report.

**PHILADELPHIA HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2017**

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 \$993,858,592 at March 31, 2017. The combined net position of PHA increased by \$1,257,985 in FY2017 compared to FY2016. The following table shows a summary of changes from the prior year amounts:

**Philadelphia Housing Authority
Net Position as of March 31**

	Increase/(Decrease)			
	FY2017	FY2016	Dollar Variance	Percent Variance
Assets				
Cash and Investments	\$ 125,901,901	\$ 134,951,081	\$ (9,049,180)	(6.7%)
Accounts Receivable	71,398,822	56,113,442	15,285,380	27.2%
Other Current Assets	1,529,333	2,382,323	(852,990)	(35.8%)
Total Current Assets	198,830,056	193,446,846	5,383,210	2.8%
Net Program Loans Receivable	377,168,992	382,425,013	(5,256,021)	(1.4%)
Restricted Cash & Investments	1,602,926	2,732,598	(1,129,672)	(41.3%)
Capital Assets	545,093,402	560,022,085	(14,928,683)	(2.7%)
Other Assets	14,034,065	10,936,175	3,097,890	28.3%
Total Assets	1,136,729,441	1,149,562,717	(12,833,276)	(1.1%)
Deferred Outflows	27,299,605	24,527,371	2,772,234	11.3%
Total Assets and Deferred Outflows	\$ 1,164,029,046	\$ 1,174,090,088	\$ (10,061,042)	(0.9%)
Liabilities				
Accounts Payable	\$ 5,434,821	\$ 10,599,861	\$ (5,165,040)	(48.7%)
Other Current Liabilities	30,542,280	37,462,579	(6,920,299)	(18.5%)
Total Current Liabilities	35,977,101	48,062,440	(12,085,339)	(25.1%)
Noncurrent Liabilities	134,193,353	133,427,041	766,312	0.6%
Total Liabilities	170,170,454	181,489,481	(11,319,027)	(6.2%)
Net Position				
Net Investment in Capital Assets	504,192,318	517,287,419	(13,095,101)	(2.5%)
Restricted	3,245,279	3,035,237	210,042	6.9%
Unrestricted	486,420,995	472,277,951	14,143,044	3.0%
Total Net Position	993,858,592	992,600,607	1,257,985	0.1%
Total Liabilities and Net Position	\$ 1,164,029,046	\$ 1,174,090,088	\$ (10,061,042)	(0.9%)

**PHILADELPHIA HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2017**

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 FY2017 vs FY2016 is shown in the table below.

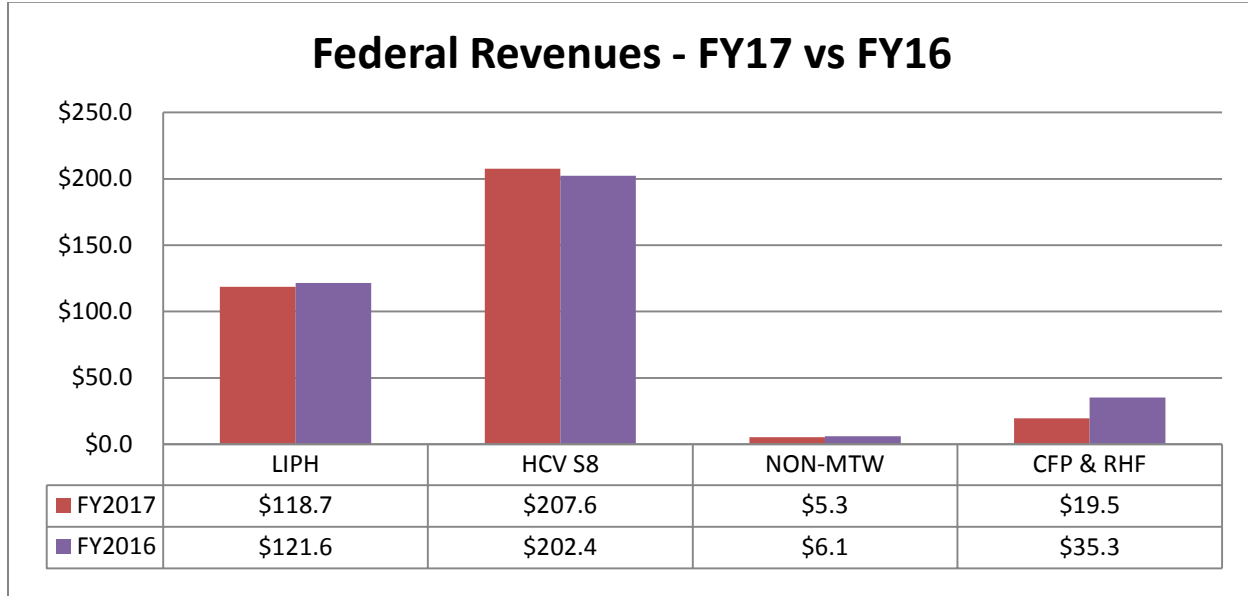
**Philadelphia Housing Authority
Statements of Revenues, Expenses and Changes in Net Position for the year ended March 31**

			Increase/(Decrease)	
	FY2017	FY2016	Dollar Variance	Percent Variance
Revenue				
Program Revenue:				
Charges for Services	\$ 26,685,078	\$ 26,089,704	\$ 595,374	2.3%
Federal Revenue	351,720,093	365,450,191	(13,730,098)	(3.8%)
Other Income	15,699,328	4,111,928	11,587,400	281.8%
Total Operating Revenue	394,104,499	395,651,823	(1,547,324)	(0.4%)
Expenses				
Direct	289,602,442	298,018,665	(8,416,223)	(2.8%)
Administrative	78,709,325	78,514,832	194,493	0.2%
Total Operating Expenses	368,311,767	376,533,497	(8,221,730)	(2.2%)
Depreciation	44,156,807	48,847,725	(4,690,918)	(9.6%)
Total Expenses	412,468,574	425,381,222	(12,912,648)	(3.0%)
Operating Loss	(18,364,075)	(29,729,399)	11,365,324	(38.2%)
Net Nonoperating Revenue(Expense)	2,562,494	(14,225,000)	16,787,494	(118.0%)
Capital Subsidies	17,059,566	19,222,882	(2,163,316)	(11.3%)
Change in Net Position	1,257,985	(24,731,517)	25,989,502	(105.1%)
Prior Period Adjustments	-	(58,130,799)	58,130,799	(100.0%)
Increase/(Decrease) in Net Position	\$ 1,257,985	\$ (82,862,316)	\$ 84,120,301	101.5%

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 decreased by \$13.7 million and capital subsidies decreased by \$2.2 million.

Direct expenses amounted to **\$289.6 million**, representing a year-to-year decrease of **\$8.4 million**, or 2.8%. Administrative expenses totaled **\$78.7 million** which is an increase of about **\$.2 million** or .2% from the prior fiscal year.

**PHILADELPHIA HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2017**



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 Program/ Section 8 (HCV S8)** – PHA recognized HCV S8 revenues based on HUD's obligated funds as supported by the Annual Contribution Contract (ACC). The increase in HCV S8 revenue is due to slight increase in funding from HUD due to higher estimated HAP payments.

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** – This revenue source mainly consists of Mainstream, Moderate Rehab and Single Occupancy Programs and other resident services grants.
- **CFP/RHF** – the significant decrease is mainly due to reduced site improvement activities in FY2017.

**PHILADELPHIA HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2017**

Direct Costs

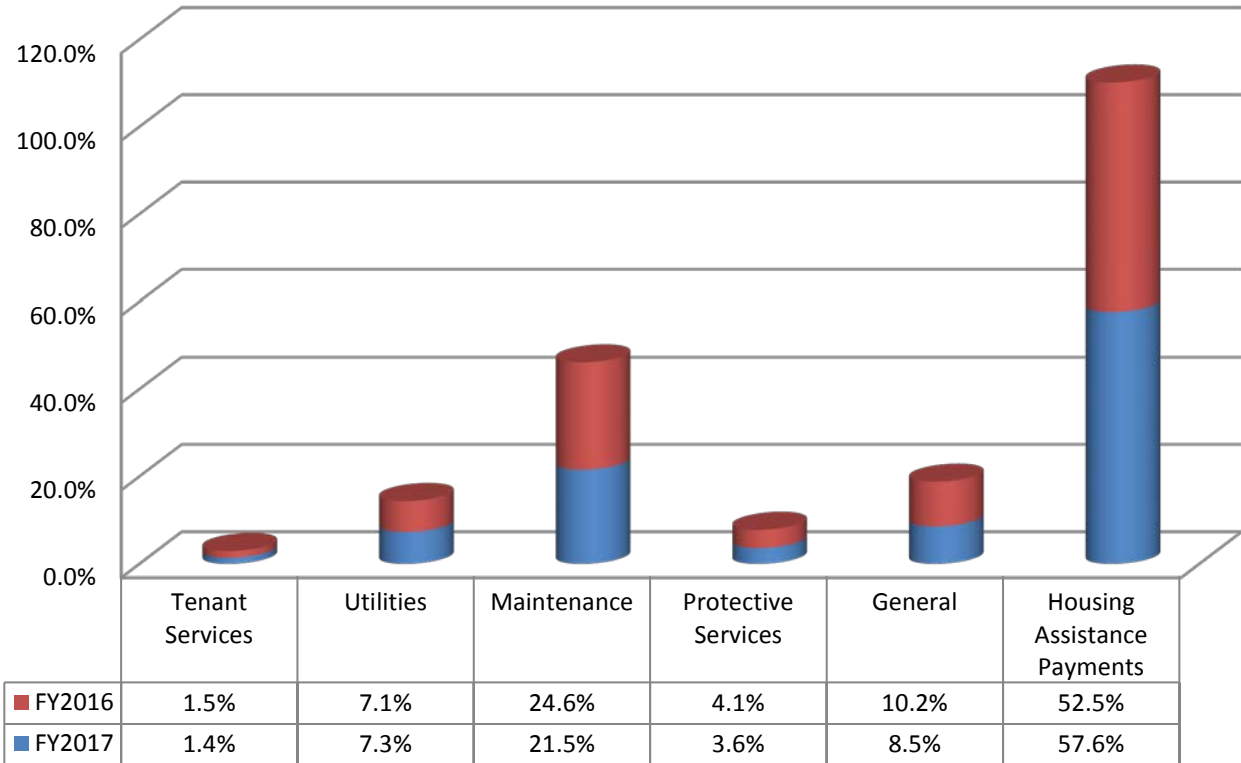
	FY2017	% of Subsidy	FY2016	% of Subsidy	<u>Increase (Decrease)</u>	
	\$		\$		\$Δ	%Δ
Tenant services	4,050,662	1.2%	4,550,351	1.2%	(499,689)	(11.0%)
Utilities	21,045,251	6.0%	21,080,217	5.8%	(34,966)	(0.2%)
Maintenance	62,359,670	17.7%	73,228,847	20.0%	(10,869,177)	(14.8%)
Protective services	10,461,522	3.0%	12,365,596	3.4%	(1,904,074)	(15.4%)
General	24,744,900	7.0%	30,454,340	8.3%	(5,709,440)	(18.7%)
Housing assistance payments	166,940,437	47.5%	156,339,314	42.8%	10,601,123	6.8%
Total Direct Expenses	289,602,442	83.0%	298,018,665	81.5%	(8,416,223)	(2.8%)

NOTES ON DIRECT COSTS

- **Tenants Services** – tenant services for FY2017 are in line with Budget. The decrease in tenant services of about \$.5 million was mainly due to reduced relocation activities this fiscal year related to the Blumberg/Sharswood project from the prior fiscal year.
- **Utilities** – decrease of 0.2% was due to the continued implementation of Energy Conservation Measures and Sustainable Practices throughout PHA operations.
- **Maintenance** – decrease of about \$10.9 million or 14.8% was due to lower maintenance labor, materials and contracts costs by about \$5.6 million and lower extraordinary maintenance by about \$5.2 million.
- **Protective Services** – decrease mainly due to reduced staffing, contract and other component costs of about \$1.9 million or 15.4% vs prior year.
- **General** – the 18.7% decrease was mainly due to a reduction in workers' compensation.
- **Housing Assistance Payments (HAP)** – overall HAP payments increased by \$10.6 million as a result of increased utilization.

**PHILADELPHIA HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2017**

Direct Cost Breakdown (FY17 vs FY16)



NOTES ON THE DIRECT COST RATIO CHANGES

- **Tenants Services** – decreased in FY2017 compared to FY2016 as a percentage of total direct cost
- **Utilities** – decreased in FY2017 as a result of Energy Conservation Measures and Sustainable Practices throughout PHA operations
- **Maintenance** – as a percentage of total direct cost, decreased to 21.5% in FY2017 compared to 24.6% in FY2016
- **Housing Assistance Payments (HAP)** – overall HAP payments increased in FY2017 due to increased utilization in the Program

**PHILADELPHIA HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2017**

Capital Assets. Capital Assets include land, buildings and improvements, equipment and construction in progress. At March 31, 2017 total capital assets totaled **\$1,553.1 million**. The Authority's total capital assets increased by **\$29.4 million or 1.9%** compared to the prior year. Capital acquisitions totaled **\$29.6 million**.

**Philadelphia Housing Authority
Capital Assets as of March 31
(In Millions of Dollars)**

	FY2017	FY2016	Increase/(Decrease)	
			Dollar Variance	Percent Variance
Land	\$ 23.6	\$ 23.6	\$ -	0.0%
Buildings and Improvements	1,431.9	1,416.2	15.7	1.1%
Equipment - Dwelling	1.2	1.2	0.0	0.0%
Equipment - Administration	26.7	26.6	0.1	0.4%
Construction in Progress	69.7	56.1	13.6	24.2%
Total Capital Assets	1,553.1	1,523.7	29.4	1.9%
Accumulated Depreciation	(1,008.0)	(963.7)	(44.3)	4.6%
Net Capital Assets	\$ 545.1	\$ 560.0	\$ (14.9)	(2.7%)

Long-term Debt and Other Long-term Liabilities. Long-term debt and other long-term liabilities as of March 31, 2017, compared with March 31, 2016, are depicted in the following schedule.

**Philadelphia Housing Authority
Long-term Debt and Other Long-term Liabilities as of March 31
(In Millions of Dollars)**

	FY2017	FY2016	Increase/(Decrease)	
			Dollar Variance	Percent Variance
Compensated Absences	\$ 2.9	\$ 3.3	\$ (0.4)	(12.1%)
Long-term Debt	35.6	41.0	(5.4)	(13.2%)
Self Insurance and Other Claims	2.5	2.5	0.0	0.0%
Net Pension Liability	90.6	83.8	6.8	8.1%
Other	2.6	2.8	(0.2)	(7.1%)
Total	\$ 134.2	\$ 133.4	\$ 0.8	0.6%

The decrease in the Long Term Debt of \$5.4 million pertains to the reclassification of the current portion of the debt. Net Pension Liability represents the unfunded pension liability recognized in compliance with GASB 68.

**PHILADELPHIA HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2017**

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 Executive Vice President/Chief Administrative & Financial Officer, 1800 South 32nd Street, Philadelphia, PA 19145.

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PHILADELPHIA HOUSING AUTHORITY
STATEMENT OF NET POSITION
March 31, 2017

	Primary Government	Discretely Presented Component Units
A S S E T S		
Current Assets		
Cash and cash equivalents (Note 3)	\$ 108,055,988	\$ 8,556,585
Restricted cash (Note 3)	7,816,770	36,933,784
Investments (Note 3)	10,029,143	-
Receivables (Note 5)	71,398,822	3,517,992
Other current assets (Note 6)	1,529,333	310,627
Total current assets	198,830,056	49,318,988
Noncurrent assets		
Mortgages receivable (Note 8)	377,168,992	-
Restricted investments (Note 3)	1,602,926	-
Capital assets, net (Note 7)	545,093,402	446,429,299
Equity interest in component units (Note 18)	5,076,632	-
Other assets (Note 6)	8,957,433	1,254,374
Total noncurrent assets	937,899,385	447,683,673
TOTAL ASSETS	1,136,729,441	497,002,661
Deferred outflows of resources (Note 13)	27,299,605	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 1,164,029,046	\$ 497,002,661
LIABILITIES and NET POSITION		
Current Liabilities		
Accounts payable	\$ 5,434,821	\$ 1,216,069
Accrued liabilities	14,523,117	1,968,138
Current portion of long-term debt (Note 10)	5,345,000	18,481,610
Due to other government agencies	448,432	-
Compensated absences (Note 15)	4,353,051	-
Resident security deposits (Note 3)	787,358	511,522
Unearned revenue and other current liabilities (Note 9)	5,085,322	6,463,960
Total current liabilities	35,977,101	28,641,299
Noncurrent Liabilities		
Compensated absences (Note 15)	2,902,027	-
Long-term debt (Note 10)	35,556,084	322,033,853
Net pension liability (Note 13)	90,608,463	-
Other long-term liabilities (Note 11)	5,126,779	81,526,386
Total noncurrent liabilities	134,193,353	403,560,239
TOTAL LIABILITIES	170,170,454	432,201,538
Net Position		
Net investment in capital assets	504,192,318	104,945,393
Restricted for development	3,245,279	-
Unrestricted (deficit)	486,420,995	(40,144,270)
TOTAL NET POSITION	993,858,592	64,801,123
TOTAL LIABILITIES and NET POSITION	\$ 1,164,029,046	\$ 497,002,661

See Notes to Financial Statements.

PHILADELPHIA HOUSING AUTHORITY
STATEMENT OF REVENUES, EXPENSES and CHANGES IN NET POSITION
For the Year Ended March 31, 2017

	Primary Government	Discretely Presented Component Units
Operating Revenue		
Tenant revenue	\$ 26,685,078	\$ 28,616,583
Operating subsidies	351,720,093	-
Other income	15,699,328	1,190,864
Total operating revenue	394,104,499	29,807,447
Operating Expenses		
Administrative	78,709,325	9,154,876
Tenant services	4,050,662	200,437
Utilities	21,045,251	4,355,956
Maintenance	62,359,670	11,284,321
Protective services	10,461,522	-
General	24,744,900	3,476,364
Housing assistance payments	166,940,437	-
Depreciation and amortization	44,156,807	17,956,827
Total operating expenses	412,468,574	46,428,781
OPERATING LOSS	(18,364,075)	(16,621,334)
Nonoperating Revenue (Expenses)		
Interest and investment earnings	6,421,840	71,007
Interest expense	(2,565,618)	(6,229,278)
Forgiveness of mortgage receivable	(1,855,897)	-
Other revenues	562,169	8,818,717
Net nonoperating expense	2,562,494	2,660,446
LOSS BEFORE CAPITAL CONTRIBUTIONS	(15,801,581)	(13,960,888)
Capital Contributions		
HUD capital subsidies	17,059,566	-
Partner distributions	-	(96,372)
Partner contributions	-	28,399,133
	17,059,566	28,302,761
CHANGE IN NET POSITION	1,257,985	14,341,873
Net Position, beginning	992,600,607	50,459,250
Net Position, ending	\$ 993,858,592	\$ 64,801,123

See Notes to Financial Statements.

PHILADELPHIA HOUSING AUTHORITY
STATEMENT OF CASH FLOWS
For the Year Ended March 31, 2017

	Primary Government	Component Units
Cash Flows from Operating Activities		
Receipt from grants and subsidies	\$ 332,044,006	\$ -
Cash received from tenants	25,776,854	28,356,636
Other cash receipts	15,599,882	427,368
Cash payments to landlords	(166,940,437)	-
Cash payments for other operating expenses	(92,114,604)	(23,407,093)
Payments to and on behalf of employees	(111,148,140)	(8,747,527)
Net cash provided by (used in) operating activities	3,217,561	(3,370,616)
Cash Flows from Capital and Related Financing Activities		
Construction costs paid	(28,368,252)	(40,075,993)
Purchases of capital assets	(242,738)	(1,295,136)
Deposit received for subsequent sale of capital assets	550,000	1,019,304
Proceeds from debt	-	26,288,057
Debt principal payments	(5,070,000)	(3,461,504)
Proceeds from partner contributions	-	28,399,133
Fraud recovery	531,734	-
Partner withdrawals	-	(96,372)
Interest payments on debt	(2,651,334)	(34,301)
Capital contributions component units	(20)	-
Advance payment made to acquire property	(10,000,000)	-
Capital subsidies	22,020,909	-
Net cash provided by (used in) capital and related financing activities	(23,229,701)	10,743,188
Cash Flows from Investing Activities		
Purchase of investments	(2,857,392)	-
Sale of investments	15,936,770	-
Mortgage receivable advances	(4,030,029)	-
Proceeds from mortgage receivables	13,415,707	-
Interest income	447,610	71,007
Net cash provided by investing activities	22,912,666	71,007
Net increase in cash and cash equivalents	2,900,526	7,443,579
Cash and Cash Equivalents		
Beginning	112,972,232	38,046,790
Ending	\$ 115,872,758	\$ 45,490,369

(Continued)

PHILADELPHIA HOUSING AUTHORITY
STATEMENT OF CASH FLOWS
For the Year Ended March 31, 2017

	Primary Government	Component Units
Consists of		
Cash and cash equivalents, current	\$ 108,055,988	\$ 8,556,585
Restricted cash - current	7,816,770	36,933,784
	<u>115,872,758</u>	<u>45,490,369</u>
Total unrestricted and restricted, March 31	\$ 115,872,758	\$ 45,490,369
 Cash Flows from Operating Activities		
Net operating loss	\$ (18,364,075)	\$ (16,621,334)
Adjustments made to reconcile net loss to net cash used in operating activities:		.
Depreciation and amortization	44,156,807	17,956,827
(Increase) decrease in assets and deferred outflows:		
Tenant accounts receivable	(760,920)	(96,543)
Accounts receivable – subsidy	(19,769,861)	-
Accounts receivable - general	322,734	(709,519)
Other current assets	852,984	239,361
Deferred outflows of resources	(2,772,234)	-
(Increase) decrease in liabilities:		
Accounts payable and accrued liabilities	(1,808,912)	(540,595)
Unearned revenue and other current and noncurrent liabilities	(5,430,583)	(3,598,813)
Net pension liability	6,791,621	-
	<u>3,217,561</u>	<u>(3,370,616)</u>
Net cash provided by (used in) operating activities	\$ 3,217,561	\$ (3,370,616)
 SUPPLEMENTAL DISCLOSURE OF NONCASH ACTIVITIES		
Loss of disposal of capital assets	\$ 4,862	\$ 32,471,840
Increase in capital assets from advance to acquire properties	\$ 6,902,135	\$ -
Interest income added to mortgages receivable	\$ 5,985,554	\$ -
Interest expense added to accrued interest payable	\$ -	\$ 6,163,037
Forgiveness of mortgage receivable	\$ 1,855,897	\$ -

See Notes to Financial Statements.

ASSETS	
Cash and cash equivalents	\$ 1,650,555
Investment, at fair value	
Pooled separate accounts	49,535,213
Common stocks	45,849,370
Mutual funds	87,948,275
Total Investments	183,332,858
Receivables	
Contributions	8,324
Securities sold	360,852
Interest, dividend and other	28,809
Total Receivables	397,985
TOTAL ASSETS	185,381,398
LIABILITIES	
Securities purchased	88,103
Other Liabilities	1,425
TOTAL LIABILITIES	89,528
NET POSITION HELD IN TRUST FOR PENSION BENEFITS	\$ 185,291,870

25

PHILADELPHIA HOUSING AUTHORITY
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND TYPE - PENSION TRUST FUND
For the Year Ended October 31, 2016

ADDITIONS TO NET POSITION:

Investment Income

Interest	\$ 703,906
Dividends	2,241,475
Net appreciation in fair value of investments	(220,780)
Total investment income	2,724,601
Investment management and custodial fees	(617,536)
Net investment income	2,107,065

Contributions

Employer	7,972,428
Employee	127,250
Total contributions	8,099,678

Other income	1,220,911
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TOTAL ADDITIONS TO NET POSITION	11,427,654
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DEDUCTIONS FROM NET POSITION:

Benefit payments	22,370,128
Administrative costs	517,456

TOTAL DEDUCTIONS FROM NET POSITION	22,887,584
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CHANGE IN NET POSITION	(11,459,930)
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NET POSITION, Beginning	196,751,800
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NET POSITION, Ending	\$ 185,291,870
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PHILADELPHIA HOUSING AUTHORITY
Notes to Financial Statements
March 31, 2017

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 72 developments and/or Asset Management Projects ("AMPs"), and administers nearly 19,000 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. 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 six (6) 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 40 discrete component units which consist of Limited Partnerships, Limited Liability Corporations and Alternate Managed Entities and fully described in Note 18.

Four blended and most of the discrete component units are reported on a three-month time lag as of December 31, 2016.

PHILADELPHIA HOUSING AUTHORITY
Notes to Financial Statements
March 31, 2017

Note 2. Summary of Significant Accounting Policies (Continued)

Reporting Entity (Continued)

The blended component units and discretely presented units are listed in Note 18. The component units also issue stand-alone financial reports. These reports can be obtained from the office of the Senior Executive Vice President/Chief Administrative & 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 discretely presented 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%** of its fiscal 2017 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, 2017 were **\$118,729,859** and are included in operating subsidies in the combined statement of revenues, expenses and changes in net position.

PHILADELPHIA HOUSING AUTHORITY
Notes to Financial Statements
March 31, 2017

Note 2. Summary of Significant Accounting Policies (Continued)

Federal Programs (Continued)

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	\$ 207,583,339
Mainstream	689,354
Moderate Rehabilitation	1,840,907
Single Room Occupancy	1,720,540
	<hr/> \$ 211,834,140 <hr/>

- 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.

PHILADELPHIA HOUSING AUTHORITY
Notes to Financial Statements
March 31, 2017

Note 2. Summary of Significant Accounting Policies (Continued)

Federal Programs (Continued)

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

- Senior Program
- Summer Food Program
- Congregate Housing Services Program
- Summer Youth Program
- Homeownership
- Nursing Home Assistance
- Jobs-Plus Pilot Initiative
- Juvenile Reentry Assistance Program
- Resident Opportunity and Supportive Services

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.

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.

PHILADELPHIA HOUSING AUTHORITY
Notes to Financial Statements
March 31, 2017

Note 2. Summary of Significant Accounting Policies (Continued)

Impairment of long-lived assets

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

Accounts Receivable

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

Compensated Absences

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

Income Taxes

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

Use of Restricted Assets

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

Operating Revenues and Expenses

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

Net Position Classifications

Net position is reported in three components:

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

PHILADELPHIA HOUSING AUTHORITY
Notes to Financial Statements
March 31, 2017

Note 2. Summary of Significant Accounting Policies (Continued)

Subsequent Events

Management has evaluated subsequent events through October 20, 2017, which is the date the financial statements were available to be issued.

Use of Estimates

The preparation of financial statements in conformity with GAAP 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

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. The provisions in GASB 73 are effective for fiscal years beginning after June 15, 2015.

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. 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 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.

GASB Statement No. 79, (“GASB 79”), *Certain External Investment Pool and Pool Participants*, was issued in December 2015 and establishes criteria used to determine whether a qualifying external investment pool may elect to use an amortized cost exception to fair value measurement. The requirements of this Statement are effective for periods beginning after December 15, 2015.

Accounting Standards Issued But Not Yet Adopted

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.

PHILADELPHIA HOUSING AUTHORITY
Notes to Financial Statements
March 31, 2017

Note 2. Summary of Significant Accounting Policies (Continued)

Accounting Standards Issued But Not Yet Adopted (Continued)

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. The provisions of this Statement are effective for periods beginning after June 15, 2017.

GASB Statement No. 80, (“GASB 80”), *Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14*, was issued in January 2016. The objective of this Statement is to improve financial reporting by identifying the financial statement presentation requirements for certain component units. The provisions of this Statement are effective for fiscal periods beginning after June 15, 2016.

GASB Statement No. 82, (“GASB 82”), *Pension Issues – an amendment of GASB Statements No. 67, No. 68, and No. 73*, was issued in March 2016. This Statement addresses certain issues that have been raised with respect to Statements No. 67 and No. 73. The requirements of this Statement are effective for periods beginning after June 15, 2016.

GASB Statement No. 83 (“GASB 83”), *Certain Asset Retirement Obligations*, was issued November 2016 addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018.

GASB Statement No. 84 (“GASB 84”), *Fiduciary Activities*, was issued January 2017 to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018.

GASB Statement No. 85 (“GASB 85”), *Omnibus 2017*, was issued in March 2017 to address issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). The provisions of this Statement are effective for periods beginning after June 15, 2017.

GASB Statement No. 86 (“GASB 86”), *Certain Debt Extinguishment Issues*, was issued in May 2017 to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. The requirements of this Statement are effective for reporting periods beginning after June 15, 2017.

GASB Statement No. 87 (“GASB 87”), *Leases*, was issued in June 2017 to improve accounting and finance reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The requirements of this Statement are effective for periods beginning after December 15, 2019.

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

PHILADELPHIA HOUSING AUTHORITY
Notes to Financial Statements
March 31, 2017

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.

At March 31, 2017, cash and investments consisted of the following:

	Fair Value	Carrying Amount
Primary Government - Cash		
Money market funds - Government Obligations	\$ 102,843,701	\$ 102,843,701
Money market funds - Banks	1,815,784	1,815,784
Demand deposits	5,847,148	5,847,148
Workman's compensation escrow fund held by third party	5,363,475	5,363,475
Petty cash	2,650	2,650
Total cash	115,872,758	115,872,758
Primary Government		
U.S. Government securities	11,632,069	11,632,069
Total cash and investments	\$ 127,504,827	\$ 127,504,827

PHILADELPHIA HOUSING AUTHORITY
Notes to Financial Statements
March 31, 2017

Note 3. Cash and Investments (Continued)

Reconciliation of detail to statement of net position:

	Primary Government	Component Units
Cash and cash equivalents	\$ 108,055,988	\$ 8,556,585
Investments unrestricted	10,029,143	-
Restricted cash	7,816,770	36,933,784
Restricted investments	1,602,926	-
	\$ 127,504,827	\$ 45,490,369

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.

Restricted cash and investments at March 31, 2017 pertain to the following:

	Primary Government	Component Units
Cash		
Resident security deposits	\$ 783,166	\$ 511,522
Affordability reserves	-	2,532,440
Replacement reserves	-	9,682,202
Investment equity reserves	-	329,505
Operating reserve	-	6,753,302
Trustee reserves	-	10,679,847
Workman's compensation escrow fund held by third party	5,363,475	-
Affordability reserves and others	1,645,619	-
Other reserves	24,510	6,444,966
	7,816,770	36,933,784
Investments		
Affordability reserves and others	1,602,926	-
	1,602,926	-
	\$ 9,419,696	\$ 36,933,784

PHILADELPHIA HOUSING AUTHORITY
Notes to Financial Statements
March 31, 2017

Note 3. Cash and Investments (Continued)

Total bank balances for primary government and component units as of March 31, 2017 were \$6.4 million and \$6.9 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>
First American Government Obligations Fund	\$ 102,904,622	\$ 102,904,622	\$ -	N/A	N/A
Wells Fargo - Executive Health Protection Plan	1,815,784	\$ 1,815,784	-	N/A	N/A
	<u>\$ 104,720,406</u>	<u>\$ 104,720,406</u>	<u>\$ -</u>		
Federal Home Loan Bank	\$ 4,052,715	\$ 2,761,347	\$ 1,291,368	AAA	AA+
Federal Farm Credit Bank	399,736	399,736	-	AAA	AA+
Federal Home Loan Mortgage Corporation	6,505,591	5,808,357	697,234	AAA	AA+
Federal National Mortgage Association	674,027	674,027	-	AAA	AA+
	<u>\$ 11,632,069</u>	<u>\$ 9,643,467</u>	<u>\$ 1,988,602</u>		

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.

PHILADELPHIA HOUSING AUTHORITY
Notes to Financial Statements
March 31, 2017

Note 3. Cash and Investments (Continued)

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.

The fair value of the Plan's investments by fund manager, including short-term investments of \$1,650,555 for 2016, included in cash and cash equivalents on the Statement of Fiduciary Net Position are as follows:

Cash and Cash Equivalents	\$ 1,650,555
Equity Fund Managers:	
Morgan Stanley	\$ 27,195,429
Waddell & Reed	13,565,111
Herndon Capital	14,167,417
Grantham Mayo Van Otterloo & Co., LLC (GMO)	15,120,637
Chartwell Investments	9,295,695
Westfield Capital	8,821,147
Total equities	<u>88,165,436</u>
Fixed Income Fund Managers:	
Prudential	49,535,213
City of London	20,527,716
Loomis, Sayles & Co.	25,104,493
Total fixed income	<u>95,167,422</u>
Total investments by fund managers	<u>183,332,858</u>
Total Investments	<u>\$ 184,983,413</u>

PHILADELPHIA HOUSING AUTHORITY
Notes to Financial Statements
March 31, 2017

Note 3. Cash and Investments (Continued)

Deposits and Investments

Accounting Standards require that deposits and investment risks that have a potential for loss be disclosed. These investments and deposits 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 five (5) percent or more of fair value of the Plan's assets available for benefits at October 31, 2016 are as follows:

Morgan Stanley	\$ 27,195,429
Waddell & Reed	13,565,111
Herndon Capital	14,167,417
Grantham Mayo Van Otterloo & Co., LLC (GMO)	15,120,637
Chartwell Investments	9,295,695
Prudential	49,535,213
City of London	20,527,716
Loomis, Sayles & Co.	25,104,493

Note 4. Fair Value Measurements

Investments measured and reported at fair value are classified according to the following hierarchy in which the levels are based on the type of inputs used to measure the fair value of the investment:

- Level 1 – Investments' fair values based on prices quoted in active markets for identical assets.
- Level 2 – Investments' fair values based on observable inputs for the assets either directly or indirectly, other than those considered Level 1 inputs, which may include quoted prices for identical assets in markets that are not considered to be active, and quoted prices of similar assets in active or inactive markets.
- Level 3 – Investments' fair values based upon unobservable inputs.

Investment categories within the hierarchy are based on the objectivity of the inputs used in measuring the fair value of investments. Investments classified in Level 1 of the fair value hierarchy are valued from external pricing vendors or primary dealers who source quoted prices in active markets which are readily attainable exit values of these securities. Investments classified in Level 2 are subject to alternative pricing sources, including a combination of price sources, descriptive data and pricing models based on attributes such as spread data, sector, quality, duration, and prepayment characteristics.

PHILADELPHIA HOUSING AUTHORITY
Notes to Financial Statements
March 31, 2017

Note 4. Fair Value Measurements (Continued)

Investments classified as Level 3 are valued using best available sources such as property appraisals, discounted cash flow models and public market comparable of similar assets where applicable. The values are supplied by advisors or general partners who hold those or similar assets in investments vehicles they oversee.

Fair Value – Authority's Investments

As indicated earlier, the Authority's investments are primarily in obligations of the U. S. Treasury, U.S Government agencies, and their instrumentalities. The investment categories follow:

Cash and cash equivalents: This investment category consists of highly liquid investments such as money market funds and demand deposits having a maturity of 3 months or less, with minimal risk of a change in value due to their frequent pricing and ease of converting to cash. As such, these investments are rendered Level 1 in the fair value hierarchy.

Short-term investments and other securities: These investments are classified in Level 2 of the fair value hierarchy. To determine the estimated fair values of these investment securities, one or more of the following methodologies were used: 1) a market approach using prices from third-party pricing vendor; and 2) an income approach based on a market-observable interest rate curve adjusted for a spread. Market-observable interest rate curves used and the related financial instrument they measure are as follows:

- *Treasury Curve:* U.S. Treasury obligations
- *LIBOR Swap Curve:* Certificates of deposit, promissory notes, and Federal Family Education Loan Program ABS
- *U.S. Government Agency Fair Value Curve:* Government-sponsored enterprises and Tennessee Valley Authority obligations

The Philadelphia Housing Authority's investments and securities have the following fair value measurements as of March 31, 2017:

	March 31, 2017			
	Quoted Prices in Active Markets For Identical Assets	Significant Other Observable Inputs	Significant Other Unobservable Inputs	Fair Value Measurements
	(Level 1)	(Level 2)	(Level 3)	
Cash Equivalents	\$ 110,025,610	\$ -	\$ -	\$ 110,025,610
Short-term Instruments	-	9,643,467	-	9,643,467
U.S Government Agency Obligations	-	697,234	-	697,234
Non-mortgage Backed Securities	-	1,291,368	-	1,291,368
Total Investments by Fair Value Level	<u>\$ 110,025,610</u>	<u>\$ 11,632,069</u>	<u>\$ -</u>	<u>\$ 121,657,679</u>

PHILADELPHIA HOUSING AUTHORITY
Notes to Financial Statements
March 31, 2017

Note 4. Fair Value Measurements (Continued)

Fair Value - Fiduciary Fund

The Pension Trust Fund (the "Plan") applies the accounting provisions related to fair value measurements. These provisions define fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, establish a hierarchy that prioritizes the information used in developing fair value estimates and require disclosure of fair value measurements by level within the fair value hierarchy. The hierarchy gives the highest priority to quoted prices in active markets (Level 1 measurements) and the lowest priority to unobservable data (Level 3 measurements), such as the reporting entity's own data.

These provisions also provide valuation techniques, such as the market approach (comparable market prices), the income approach (present value of future income or cash flows), and the cost approach (cost to replace the service capacity of an asset or replacement cost). The Plan's investment categories are:

Cash equivalents: This investment category consists of highly liquid investments having a maturity of three months or less, with minimal risk of a change in value due to their frequent pricing and ease of converting to cash. As such, these investments are rendered Level 1 in the fair value hierarchy.

Common stocks and mutual funds, classified in Level 1 of the fair value hierarchy, are valued using automated pricing method from external pricing groups or secondary vendors who obtain quoted prices in active markets/exchanges which provide daily pricing frequencies and values of these securities.

Certain investments that were measured at net asset value per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in the tables are intended to permit reconciliation of the fair value hierarchy to the line items presented in the Statements of Net Assets available for benefits. The following table represents the Plan's investments and securities recognized at fair value on a recurring basis classified under the appropriate level of the fair value hierarchy as of October 31, 2016.

	October 31, 2016			
	Quoted Prices in Active Markets For Identical Assets	Significant Other Observable Inputs	Significant Other Unobservable Inputs	Fair Value Measurements
	(Level 1)	(Level 2)	(Level 3)	
Cash and Cash Equivalents	\$ 1,650,555	\$ -	\$ -	\$ 1,650,555
Common Stocks	45,849,370	-	-	45,849,370
Mutual Funds	87,948,275	-	-	87,948,275
Total Investments by Fair Value Level	\$ 135,448,200	\$ -	\$ -	135,448,200
Investments Measured at Net Asset Value (NAV)				
Dryden S&P 500 Index Fund				18,153,290
Core Bond Enhanced Index/PGIM				18,901,189
Prudential Absolute Return Bond Fund				9,145,968
Prudential Short Term				3,334,766
Total investments measured at NAV				49,535,213
Total				\$ 184,983,413

PHILADELPHIA HOUSING AUTHORITY
Notes to Financial Statements
March 31, 2017

Note 4. Fair Value Measurements (Continued)

Fair Value - Fiduciary Fund

The following table represents the Plan's investments and securities recognized at the Net Asset Value (NAV) as of October 31, 2016:

Investments Measured at the NAV	10/31/2016	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Dryden S&P 500 Index Fund	\$ 18,153,290	\$ -	Daily	60 days
Core Bond Enhanced Index/PGIM	18,901,189	-	Daily	30 days
Prudential Absolute Return Bond Fund	9,145,968	-	Daily	60 days
Prudential Short Term	3,334,766	-	Daily	7 days
Total investments measured at the NAV	<u><u>\$ 49,535,213</u></u>	<u><u>\$ -</u></u>		

Dryden S&P 500 Index primarily invests in domestic equities. The investment is valued at the net asset value of units held at the end of the period based upon the fair value of the underlying investments.

Core Bond Enhanced Index/PGIM primarily invests in domestic fixed income securities. The investment is valued at the net asset value of units held at the end of the period based upon the fair value of the underlying investments.

Prudential Absolute Return Bond Fund invests in a wide range of fixed income sectors and securities. The investment is valued at the net asset value of units held at the end of the period based upon the fair value of the underlying investments.

Prudential Short Term is comprised of short term securities. Securities are valued initially at cost and then adjusted for amortization of any discount or premium.

PHILADELPHIA HOUSING AUTHORITY
Notes to Financial Statements
March 31, 2017

Note 5. 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, 2017 was comprised of the following:

	Primary Government	Component Units
Tenant receivables	\$ 2,195,449	\$ 3,334,717
Due from HUD	67,801,276	-
Accrued interest	76,076	-
Development fees	4,050,519	-
Due from affiliates	2,104,377	316,822
Miscellaneous	470,248	749,245
	<hr/>	<hr/>
	76,697,945	4,400,784
Less allowance for doubtful accounts	(5,299,123)	(882,792)
	<hr/>	<hr/>
	\$ 71,398,822	\$ 3,517,992

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 recognized related revenue because 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 6. Other Current Assets and Other Assets

Other assets at March 31, 2017 were comprised of the following:

	Primary Government	Component Units
Current		
Prepaid expenses	\$ 170,547	\$ 310,627
Materials and supplies, net	1,358,786	-
	<hr/>	<hr/>
	\$ 1,529,333	\$ 310,627
Noncurrent		
Turnkey homes held for resale	\$ 88,011	\$ -
Advances to acquire property	8,869,422	-
Other	-	1,254,374
	<hr/>	<hr/>
	\$ 8,957,433	\$ 1,254,374

PHILADELPHIA HOUSING AUTHORITY
Notes to Financial Statements
March 31, 2017

Note 6. Other Current Assets and Other Assets (Continued)

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 1,000 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 \$20,000,000 to PRA to cover costs associated with the initial property acquisition and condemnation undertakings. As of March 31, 2017, PRA acquired properties amounting to \$11,130,583 included in the Construction in Progress.

Note 7. Capital Assets

Capital assets for the year ended March 31, 2017 were as follows:

Primary Government	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
<i>Capital assets not being depreciated</i>					
Land	\$ 23,584,080	\$ -	\$ -	\$ -	\$ 23,584,080
Construction in progress	56,175,876	29,004,950	-	(15,493,152)	69,687,674
<i>Capital assets being depreciated</i>					
Building and improvements	1,416,194,979	204,948	(5,993)	15,493,152	1,431,887,086
Equipment - dwelling	1,182,282	30,181	(24)		1,212,439
Equipment - administration	26,629,985	335,952	(220,037)		26,745,900
Total Capital Assets	1,523,767,202	29,576,031	(226,054)	-	1,553,117,179
Less: accumulated depreciation	(963,745,110)	(44,305,540)	26,873	-	(1,008,023,777)
Net Capital assets	\$ 560,022,092	\$ (14,729,509)	\$ (199,181)	\$ -	\$ 545,093,402

PHILADELPHIA HOUSING AUTHORITY
Notes to Financial Statements
March 31, 2017

Note 7. Capital Assets (Continued)

Capital assets for the year ended March 31, 2017 were as follows: (Continued)

Discrete Component Units	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
<i>Capital assets not being depreciated</i>					
Land	\$ 5,635,999	\$ 915,218	\$ (5,052,436)	\$ -	\$ 1,498,781
Construction in progress	14,333,674	20,895,041	-	(35,228,715)	-
<i>Capital assets being depreciated</i>					
Building and improvements	598,216,388	19,211,202	(52,651,029)	35,228,715	600,005,276
Equipment - dwelling	593,565	195,893	-	(434,942)	354,516
Equipment - administration	3,349,805	153,785	(115,423)	434,942	3,823,109
Total Capital Assets	622,129,431	41,371,139	(57,818,888)	-	605,681,682
Less: accumulated depreciation	(166,855,203)	(16,289,729)	23,892,549	-	(159,252,383)
Net Capital assets	\$ 455,274,228	\$ 25,081,410	\$ (33,926,339)	\$ -	\$ 446,429,299

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, 2017. Upon transfer to the proper capital asset class, these capital assets will be depreciated over their estimated useful lives.

The Discrete Component Units net capital assets decreased due to the conversion of Southwark Plaza Limited Partnership to Courtyard Preservation, Limited Partnership in a Rental Assistance Demonstration (RAD) transaction. Courtyard Preservation is a separate entity from PHA and is not included in the financial statements of PHA.

Note 8. Mortgages Receivable

Mortgages receivable are summarized as follows:

Mortgage note due from a third party with interest rate of 3.65% and maturity date of December 2061	\$ 21,826,903
Amounts due from PHA component units, at interest rates ranging from -0%- to 5.46% (<i>Note 10</i>)	<u>295,907,026</u>
Mortgage receivable from third party and component units	317,733,929
Accrued interest - Component units	<u>59,435,063</u>
	<u>\$ 377,168,992</u>

PHILADELPHIA HOUSING AUTHORITY
Notes to Financial Statements
March 31, 2017

Note 8. Mortgages Receivable (Continued)

The amount of \$21.8 million due from Courtyard Preservation, LP, is in connection with the sale of the rental housing project "*The Courtyard Apartments at Riverview*," by Southwark Plaza Limited Partnership ("Southwark"), a component unit of PHA, to Courtyard Preservation, LP; a Pennsylvania limited partnership ("Courtyard"), on December 28, 2016.

At closing under the purchase contract, PRA and Southwark as legal and beneficial owner of the property conveyed their interest in land to PHA and transferred the improvements to Courtyard, and PHA leased the land to Courtyard. Southwark paid PHA the sum of \$12 million on account of the PHA mortgages, and Courtyard assumed the outstanding balance of PHA mortgage. At closing, Courtyard executed a replacement promissory note in the remaining principal amount of \$21,826,903. The remaining principal, if unpaid, plus accrued interest shall be due and payable on December 30, 2061, and limited to Courtyard's interest in the land and the property.

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 10). The mortgage and interest receivable and the respective liabilities net to zero with the exception of \$944,896 in advances made to component units and timing differences of interest receivables and payables between December 31, 2016 and March 31, 2017.

The repayment schedule is as follows:

Year Ending March 31	
2018-2037	\$ -
2038-2042	121,830,975
2043-2047	39,804,113
2048-2052	21,349,748
2053-2057	29,118,348
2058-2062	107,182,361
2063-2067	44,491,593
2068-2072	13,391,853
	<u>\$ 377,168,992</u>

PHILADELPHIA HOUSING AUTHORITY
Notes to Financial Statements
March 31, 2017

Note 9. Unearned Revenue and Other Current Liabilities

Unearned revenue and other liabilities at March 31, 2017 consisted of the following:

	Primary Government	Component Units
Accrual for workers' compensation claim (Note 12)	\$ 2,054,641	\$ -
Due to affiliates	-	1,821,607
Unearned revenues	1,476,719	213,531
Escrow accounts	462,197	-
Other payables	1,091,765	4,428,822
	\$ 5,085,322	\$ 6,463,960

Note 10. Long-Term Debt

Long-term debt is summarized as follows:

	Beginning Balance	Additions	Repayments	Amortization	Debt Forgiveness/ Assumption	Ending Balance	Due within 1 year
Primary Government							
Bonds	\$ 45,760,000	\$ -	\$(5,070,000)	\$ -	\$ -	\$ 40,690,000	\$ 5,345,000
Unamortized bond premium	296,800	-	-	(85,716)	-	211,084	-
	\$ 46,056,800	\$ -	\$(5,070,000)	\$ (85,716)	-	\$ 40,901,084	\$ 5,345,000
Discrete Component Units							
Notes due to PHA	\$ 289,565,277	\$ 10,979,552	\$ -	\$ -	\$ (1,623,348)	\$ 298,921,481	\$ -
Other notes	69,363,319	15,308,505	(3,461,494)	-	(38,647,905)	42,562,425	18,481,610
Debt Issuance Costs	(1,018,666)	-	-	50,223	-	(968,443)	-
	\$ 357,909,930	\$ 26,288,057	\$(3,461,494)	\$ 50,223	\$ (40,271,253)	\$ 340,515,463	\$18,481,610

PHILADELPHIA HOUSING AUTHORITY
Notes to Financial Statements
March 31, 2017

Note 10. Long-Term Debt (Continued)

Borrower/Description

Primary Government	Due Third Parties	Due PHA
Tasker Capital Fund Revenue Bonds, Series A of 2002; interest at rates ranging from 5.0% to 5.5% payable each June 1 and December 1; annual principal payments due each December 1 through 2021	\$ 29,690,000	\$ -
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>\$ 40,690,000</u>	<u>\$ -</u>

Discrete Component Units	Due Third Parties	Due PHA
2.0% mortgage note collateralized by <i>1952 Allegheny Associates</i> property; principal and interest; due in 2056	\$ -	\$ 577,851
6.0% mortgage note collateralized by <i>1952 Allegheny Associates</i> property; principal and interest; due in 2056	315,000	-
6.0% mortgage note collateralized by <i>1952 Allegheny Associates</i> property; principal and interest; due in 2056	100,000	-
Non-interest-bearing mortgage note collateralized by <i>1952 Allegheny Associates</i> property; due in 2056	-	500,000
Non-interest-bearing mortgage note collateralized by <i>1952 Allegheny Associates</i> property; due in 2056	-	250,000
0.5% mortgage note collateralized by <i>8 Diamonds</i> property; principal and interest; due in 2040	-	15,968,970
1.0% mortgage note collateralized by <i>Blumberg Apartments I</i> property; principal and interest; due in 2047	-	6,511,834
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</i> <i>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
Applicable federal rate mortgage note collateralized by <i>LEB II</i> property; principal and interest due in 2060	-	4,201,075

PHILADELPHIA HOUSING AUTHORITY
Notes to Financial Statements
March 31, 2017

Note 10. Long-Term Debt (Continued)

Discrete Component Units	Due Third Parties	Due PHA
4.79% mortgage note collateralized by <i>LEB III</i> property; principal and interest due in 2061	\$ -	\$ 2,944,341
1% mortgage note collateralized by <i>Ludlow Scattered Sites</i> property; principal and interest due in 2052	-	6,050,000
5.31% 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	-	9,685,589
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	232,471	-
Non-interest bearing mortgage note collateralized by <i>Neumann North</i> property; due in 2035	1,665,000	-
4.83% mortgage note collateralized by <i>Neumann North</i> property; principal and interest due in 2060	-	2,000,000
Non-interest bearing mortgage note collateralized by <i>Newcourtland Apartment</i> property; due in 2044	2,750,000	-
Non-interest bearing mortgage note collateralized by <i>Newcourtland Apartment</i> property; due in 2045	600,000	-
2.00% mortgage note collateralized by <i>Newcourtland Apartment</i> at Allegheny property; principal and interest due in 2047	378,510	-
2% mortgage note collateralized by the <i>Norris Apartments</i> property; principal and interest due in 2066	-	12,207,241
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

PHILADELPHIA HOUSING AUTHORITY
Notes to Financial Statements
March 31, 2017

Note 10. Long-Term Debt (Continued)

Discrete Component Units	Due Third Parties	Due PHA
Non-interest-bearing note payable collateralized by <i>Queen Lane LP</i> ; due in 2069	\$ -	\$ 12,494,750
LIBOR plus .75% mortgage note collateralized by <i>Queen Lane LP</i> ; due in 2017	10,125,000	-
0.1% mortgage note collateralized by <i>Richard Allen</i> property; Principal and interest due in 2041	-	22,190,978
0.10% mortgage note collateralized by <i>Ridge Avenue Housing</i> property; principal and interest due in 2041	-	18,369,277
Non-interest-bearing mortgage note collateralized by <i>Spring Garden Historic LP</i> ; due in 2039	1,812,625	-
6% mortgage note collateralized by <i>Spring Garden</i> Historic LP 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.</i> <i>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</i> <i>Residences</i> property; due in annual installments from 2030 to 2039	150,000	-
2.499% mortgage payable; <i>St Francis Villa</i> property; principle and unpaid interest due in 2017	8,347,038	-
8.0% note payable; <i>St. Francis Villa</i> property; principal and interest due in 2061	-	1,800,000
Non-interest-bearing mortgage note collateralized by <i>St. Francis Villa</i> property; due in 2031	443,991	-

PHILADELPHIA HOUSING AUTHORITY
Notes to Financial Statements
March 31, 2017

Note 10. Long-Term Debt (Continued)

Discrete Component Units	Due Third Parties	Due PHA
Non-interest-bearing note collateralized by <i>Angela Court/ St. Ignatius</i> Sr. Housing I property; due in 2033	\$ 890,001	\$ -
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	-	32,370,784
Series C 0.1% mortgage note collateralized by <i>Tasker II</i> property; due in 2043 Series C	-	20,983,881
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	-	3,213,383
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
	<u>42,562,425</u>	<u>298,921,481</u>
Total debt for discrete component units	341,483,906	
Less: unamortized debt issuance costs	(968,443)	
	<u>\$ 340,515,463</u>	

PHILADELPHIA HOUSING AUTHORITY
Notes to Financial Statements
March 31, 2017

Note 10. 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
2018	\$ 5,345,000	\$ 2,078,038	\$ 7,423,038	\$ 18,481,610	\$ 307,871	\$ 18,789,481
2019	7,615,000	1,797,475	9,412,475	9,847	15,629	25,476
2020	8,020,000	1,393,650	9,413,650	190,537	373,082	563,619
2021	8,445,000	968,263	9,413,263	11,274	14,202	25,476
2022	11,265,000	665,738	11,930,738	191,241	13,413	204,654
2023-2027	-	-	-	350,000	-	350,000
2028-2032	-	-	-	1,983,391	1,404,244	3,387,635
2033-2037	-	-	-	4,637,425	1,930,562	6,567,987
2038-2042	-	-	-	113,042,243	41,948,540	154,990,783
2043-2047	-	-	-	41,752,972	25,590,499	67,343,471
2048-2052	-	-	-	14,453,752	16,830,595	31,284,347
2053-2057	-	-	-	22,582,355	41,274,816	63,857,171
2058-2062	-	-	-	71,839,535	122,638,351	194,477,886
2063-2067	-	-	-	27,688,614	30,062,499	57,751,113
2068-2072	-	-	-	24,269,110	27,254,524	51,523,634
	40,690,000	6,903,164	47,593,164	341,483,906	309,658,827	651,142,733
Less current portion	5,345,000			18,481,610		
	35,345,000			323,002,296		
Premium on Series A Bonds	211,084		Unamortized Debt Issuance Costs	(968,443)		
	<u>\$ 35,556,084</u>			<u>\$ 322,033,853</u>		

PHILADELPHIA HOUSING AUTHORITY
Notes to Financial Statements
March 31, 2017

Note 11. Changes in Long-Term Liabilities

Changes in other long-term liabilities for the year ended March 31, 2017 are as follows:

Primary Government	Beginning Balance	Increases	Decreases	Reclassification from Current	Ending Balance	Due within 1 year
Other liabilities						
Estimated liability for self insurance and other claims	\$ 2,500,325	\$ 27,614	\$ (1,313)	\$ -	\$ 2,526,624	\$ -
Workers' compensation payable	5,967,094	4,470,506	(7,598,586)	-	2,839,012	2,054,641
Health trust escrow	1,811,833	80,859	(76,917)	-	1,815,784	-
Total long-term liabilities	\$ 10,279,252	\$ 4,578,979	\$ (7,676,816)	\$ -	\$ 7,181,420	\$ 2,054,641

Discrete Component Units	Beginning Balance	Increases	Decreases	Reclass	Ending Balance	Due within 1 year
Other liabilities						
Development fees payable	\$ 4,799,383	\$ 4,717,214	\$ -	\$ -	\$ 9,516,597	\$ -
Interest due PHA	55,558,059	6,160,764	-	-	61,718,823	-
Other liabilities	451,837	1,160,223	(794,847)	-	817,213	-
Due to partners	5,326,979	4,359,574	(212,800)	-	9,473,753	-
Total long-term liabilities	\$ 66,136,258	\$ 16,397,775	\$ (1,007,647)	\$ -	\$ 81,526,386	\$ -

Note 12. Workers' Compensation Insurance

PHA maintains a loss-sensitive Workers' Compensation & Employer's Liability insurance policy whereby PHA has responsibility to pay a significant portion of claims. For the policy periods from October 15, 2008 through October 15, 2015, PHA was insured under a large-deductible Workers Compensation program whereby PHA was responsible to pay the first \$350,000 of Workers Compensation & Employers Liability claims for each and every occurrence. Losses are accrued based on the insurance carrier's estimate of losses attributable to the claims filed in each policy year, and the estimated losses for each policy year are updated periodically by the insurance carrier. For the policy periods from October 15, 2008 through October 15, 2015, PHA was required to fund the estimated losses into an escrow account held by the insurance carrier, and claims incurred prior to October 15, 2015 are paid out of the escrow fund on a recurring basis until all claims from those policy terms are closed. For the October 15, 2016 to October 15, 2017 year, PHA again purchased a large-deductible Workers Compensation policy whereby PHA is responsible for the first \$350,000 of Workers Compensation & Employers Liability claims for each and every occurrence. At March 31, 2017, the balance in the escrow fund related to the loss-sensitive policies in October 15, 2008 through October 15, 2017 was \$5.4 million and is included in restricted cash in the statement of net position. For this same group of policies, estimated future amounts payable against the escrow fund based on predicted development of existing open claims is \$1.8 million.

For the policy period from October 15, 2015 to October 15, 2016, PHA renewed its Workers' Compensation & Employer's Liability insurance under an Incurred Loss Retrospective Program. Under such a Retro program, PHA maintains responsibility to pay for the first \$350,000 of each claim arising out of an occurrence during the policy term, but the calculation of the final Retro program cost is slightly different. Based on claims values as of March 31, 2017 and applying the insurance company program factors, the Incurred Retro Program cost is estimated at \$6.4 million versus a previously paid amount of \$5.4 million.

PHILADELPHIA HOUSING AUTHORITY
Notes to Financial Statements
March 31, 2017

Note 13. 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, 2016 were as follows:

Inactive plan members or beneficiaries currently receiving benefits	1,454
Inactive plan members entitled to but not yet receiving benefits	224
Active plan members	466
Total	2,144

Covered employees As of March 31, 2017, the Plan covered non-represented employees hired before October 1, 2005.

In April 2014, non-represented employees' benefits were frozen.

Current annual covered payroll \$2,442,033

Normal retirement date 65th birthday

Normal retirement benefit 2.5 percent of average earnings, as defined in the Plan, multiplied by the years of service not to exceed 25 years, plus 1.25 percent 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 7.50 percent per year
- b) projected salary increase of 3.00 percent per year
- c) no post-retirement benefit increase

PHILADELPHIA HOUSING AUTHORITY
Notes to Financial Statements
March 31, 2017

Note 13. Employees' Retirement Plans (Continued)

Defined Benefit Pension Plan (Continued)

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 percent of compensation. At a minimum, the employer contributes 5.5 percent of the participant's annual compensation. Additional employer contributions are discretionary and based upon actuarial computations.

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.

Net Pension Liability

At March 31, 2017, PHA reported a net position liability of \$90,608,463. The components of the net pension liability of the Plan were measured at October 31, 2016, and were as follows:

Total Pension Liability	\$ 275,900,333
Plan Fiduciary Net Position	185,291,870
Authority's Net Pension Liability	<u><u>\$ 90,608,463</u></u>
Plan fiduciary net position as a percentage of the total pension liability	<div style="background-color: #808000; color: white; padding: 5px; display: inline-block;">67.2%</div>

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation for the October 31, 2016 measurement period, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation rate	<i>2.50 percent</i>
Salary increases	<i>3.00 percent</i>
Investment rate of return	<i>7.50 percent</i>

There was a change in assumption since the last valuation. The salary increases were decreased from 3.5 percent to 3 percent.

At October 31, 2016 measurement date, the basis for Mortality rates was RP-2000 Mortality Tables for males and females with Scale G for assumed mortality improvement and with blue collar adjustments on pre-retirement only to reflect a more reasonable mortality improvement assumption.

The actuarial assumptions used in the valuation for the October 31, 2016 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.

PHILADELPHIA HOUSING AUTHORITY
Notes to Financial Statements
March 31, 2017

Note 13. Employees' Retirement Plans (Continued)

Defined Benefit Pension Plan (Continued)

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, 2016 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	35.0%	5.4 - 6.4%
International equity	25.0%	5.5 - 6.5%
Fixed income	28.0%	1.3 - 3.3%
Real estate	10.0%	4.5 - 5.5%
Cash	2.0%	0.0 - 1.0%

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% Decrease (6.5%)</u>	<u>Current Discount Rate (7.5%)</u>	<u>1% Increase (8.5%)</u>
Plan's Net Pension Liability	\$116,644,292	\$90,608,463	\$68,415,784

PHILADELPHIA HOUSING AUTHORITY
Notes to Financial Statements
March 31, 2017

Note 13. Employees' Retirement Plans (Continued)

Defined Benefit Pension Plan (Continued)

The following represents the changes in the PHA's net pension liability, components thereof, deferred outflows and inflows of resources. The information is presented as part of the current year reporting under GASB 68, *Accounting and Financial Reporting for Pensions*. Detailed information relating to the plan description, funding policy, actuarial methods and assumptions, expected rate of return on investment rate of return on investments and discount rate are reported above.

The November 1, 2015 actuarial valuation was used to determine the Net Pension Liability. Updated procedures were used to roll-forward the Net Pension Liability to the measurement date of October 31, 2016.

	Increase/(Decrease) For the Fiscal Year Ended October 31, 2016		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
BALANCES, as of October 31, 2015	\$ 280,568,642	\$ 196,751,800	\$ 83,816,842
CHANGES FOR THE YEAR			
Service cost	178,655	-	178,655
Interest	20,043,321	-	20,043,321
Differences between expected and the actual experience	(2,520,157)	-	(2,520,157)
Change of assumptions	-	-	-
Employer contributions	-	7,972,428	(7,972,428)
Employee contributions	-	127,250	(127,250)
Net investment income	-	2,107,065	(2,107,065)
Benefit payments, net	(22,370,128)	(22,370,128)	-
Plan administrative expenses	-	(517,456)	517,456
Other	-	1,220,911	(1,220,911)
NET CHANGES	(4,668,309)	(11,459,930)	6,791,621
BALANCES, as of October 31, 2016	\$ 275,900,333	\$ 185,291,870	\$ 90,608,463

PHILADELPHIA HOUSING AUTHORITY
Notes to Financial Statements
March 31, 2017

Note 13. Employees' Retirement Plans (Continued)

Defined Benefit Pension Plan (Continued)

At March 31, 2017, the deferred outflows of resources and deferred inflows of resources related to the pension are:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Deferred Outflows of Resources as of 4/1/2016	\$ 24,527,371	\$ -
Nov 1 to March 31, 2016 Subsequent Contributions	(2,874,915)	-
Nov 1 to March 31, 2017 Subsequent Contributions	3,720,313	-
Nov 1 to October 31, 2016 Change in Deferred Outflows	1,926,836	-
Ending Deferred Outflows of Resources 3/31/2017	<u><u>\$ 27,299,605</u></u>	<u><u>\$ -</u></u>

Deferred outflows of resources and deferred inflows of resources related to pension will be recognized as a component of pension expense as follows:

Year Ended:

2018	\$ 11,378,117
2019	7,657,805
2020	6,018,549
2021	2,245,134
Thereafter	-

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.

PHILADELPHIA HOUSING AUTHORITY
Notes to Financial Statements
March 31, 2017

Note 13. Employees' Retirement Plans (Continued)

Defined Contribution Plan (Continued)

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 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 \$3.8 million to the Plan for the year ended March 31, 2017.

Note 14. Commitments

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

Year ending March 31	
2018 (<i>Last year of lease</i>)	\$ 1,485,535

Total rent expense for the year ended March 31, 2017 was \$1.5 million

Purchase Commitment

In FY2016, PHA entered into Master Retail Natural Gas and Electricity Supply Agreements for the purchase and sale of natural gas, electricity and related products and services to one or more of PHA's accounts and facilities as agreed to from time to time. The agreements commence for 5 years unless terminated by either party. In accordance with the agreements, PHA executed transaction confirmations to purchase fixed volumes of gas and electricity at fixed prices.

As of March 31, 2017, the total purchase commitments for natural gas and electricity amounted to \$6.2 million and \$8.8 million, respectively.

PHILADELPHIA HOUSING AUTHORITY
Notes to Financial Statements
March 31, 2017

Note 14. Commitments (Continued)

Strawberry Mansion

Construction of 55 rental units commenced on February 7, 2017 and is expected to be completed in February 2018. The contract costs including demolition, design and construction is estimated to be approximately \$19 million.

North Central/Norris Choice Neighborhood Implementation Grant ("North Central")

Estimated cost of project is \$30 million; project entails five phases as follows:

- Phase 1 - 25 homeownership off site to commence February 2018 and completed February 2019
- Phase 2 - 89 rental off site to commence June 2017 and completed August 2018
- Phase 3 - 51 rental on site commence April 2018 and completed April 2019
- Phase 4 - 5 homeownership on site to commence April 2018 and completed April 2019
- Phase 5 - 128 rental on site to commence August 2018 and completed February 2020

Blumberg Senior Tower Rehabilitation

Project completion date is projected to be in October 2017. The estimated amount of the project is for approximately \$800,000.

Note 15. 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	\$ 4,953,243	\$ 1,431,843	\$ 2,032,035	\$ 4,353,051
Long-term portion	3,302,150	954,568	1,354,691	2,902,027
	<u>\$ 8,255,393</u>	<u>\$ 2,386,411</u>	<u>\$ 3,386,726</u>	<u>\$ 7,255,078</u>

PHILADELPHIA HOUSING AUTHORITY
Notes to Financial Statements
March 31, 2017

Note 16. 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.

Eligibility and Termination

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

Contributions

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

Vesting

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

Plan Status

The Plan eligibility was frozen in 2011 and no employees have since been added to the Plan. As of March 31, 2017, PHA had segregated cash of \$1.8 million for the payment of the remaining plan benefits to the 24 previous and current executive employees included in the plan. In fiscal year 2017, additional \$280,000 was funded to cover all eligible executive employees in accordance with the Plan.

PHILADELPHIA HOUSING AUTHORITY
Notes to Financial Statements
March 31, 2017

Note 17. Risk Management

PHA is subject to risk of loss from fire, property damage, personal injury, auto, 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 loss control sessions were held in fiscal year 2017. Training on dealing with Industrial Hazards was held May 3, 2016 and May 17, 2016. Ladder Safety and Slip and Fall training was held on July 27, 2016. A session for Defensive Driving was held on September 28, 2016. A Maintenance Safety Refresher course was provided on November 16, 2016 and November 17, 2016. These trainings were done by Loss Control representatives from Conner Strong & Buckelew (PHA's Broker) and HARRG Insurance Co. (PHA's liability carrier). Risk Management and Human Resources work together to support these efforts.

Fire drills were held at 15 PHA resident locations (mostly high rises). Both Risk Management staff and Fire Alarm staff attended these drills. Fire drills and fire safety training were also held at five after school program sites.

PHA also instituted a new requirement, effective June 15, 2015, that Maintenance Staff and Laborers must wear "safety shoes" while working. Work boots with slip resistant soles should reduce the number of slips and falls and reduce workers compensation insurance costs.

PHA also has its own Safety Committee which met 11 times in FY 2017. 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. Loss Control training is also discussed and planned at these meetings.

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 four meetings of the Committee in fiscal year 2017. 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 18. 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.

PHILADELPHIA HOUSING AUTHORITY
Notes to Financial Statements
March 31, 2017

Note 18. Component Units (Continued)

Blended Component Units

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.

Oakdale Street LLC - a Pennsylvania Limited Liability Corporation which operates 12 residential rental units. It has a 30 year ground lease with PHA at a nominal rent. The project was financed with \$4.7 million in PHA mortgage funds. PHA is sole member of Oakdale Street LLC.

Gordon Street LLC - a Pennsylvania Limited Liability Corporation which operates 21 residential rental units. It has a 30 year ground lease with PHA at a nominal rent. The project was financed with \$8.3 million in PHA mortgage funds. PHA is sole member of Gordon Street LLC.

The blended component units are included in the primary government column in the face of the financial statements. Selected financial data for these blended component units for the years ended as indicated are presented below:

	PHADC 3/31/17	PAPMC 12/31/16	OAKDALE 12/31/16	GORDON 12/31/16	PHAHC 3/31/17	PHILLY SEEDS, INC 12/31/16	Total
Assets	\$ 86,489,940	\$ 1,046,189	\$ 4,690,142	\$ 8,085,530	\$ 58,565	\$ 146,192	\$ 100,516,558
Liabilities	12,170,410	382,970	4,799,091	8,383,859	58,565	-	25,794,895
Net position	\$ 74,319,530	\$ 663,219	\$ (108,949)	\$ (298,329)	\$ -	\$ 146,192	\$ 74,721,663
Revenue	\$ 2,153,894	\$ 1,346,767	\$ 245,462	\$ 285,713	\$ -	\$ 443,184	\$ 4,475,020
Expenses	6,633,930	1,418,387	310,931	566,011	-	627,678	9,556,937
Change in net position	\$ (4,480,036)	\$ (71,620)	\$ (65,469)	\$ (280,298)	\$ -	\$ (184,494)	\$ (5,081,917)
Cash Flow information							
Operating activities	\$ 10,491,949	\$ (122,510)	\$ 63,848	\$ 178,963	\$ (2,395)	\$ (167,297)	\$ 10,442,558
Financing activities	(6,356,310)	-	651,397	488,671	-	-	(5,216,242)
Investing activities	(4,219,351)	-	(533,973)	(473,078)	-	-	(5,226,402)
Change in cash position	\$ (83,712)	\$ (122,510)	\$ 181,272	\$ 194,556	\$ (2,395)	\$ (167,297)	\$ (86)

PHA also formed other Blended Component Units namely, Elderly and Disabled Services, LLC, Philadelphia Urban Revitalization Enterprise, LLC, Reynolds School, LLC, and Walton School, LLC. As of March 31, 2017, these 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.

PHILADELPHIA HOUSING AUTHORITY
Notes to Financial Statements
March 31, 2017

Note 18. Component Units (Continued)

<u>Discrete Component Units:</u>		<u>Number of Housing Units</u>
<u>Limited Partnerships</u>		
1	Blumberg Apartments Phase I L.P.	57
2	Cambridge Plaza LP	44
3	Cambridge Plaza II, L.P.	40
4	Cambridge III, L.P.	40
5	Germantown House, L.P.	133
6	Lucien E. Blackwell Homes Phase II, L.P.	80
7	Lucien E. Blackwell Homes Phase III, L.P.	50
8	Ludlow Scattered Sites Phase III, L.P.	75
9	Mantua Phase I, L.P.	50
10	Mantua Phase II, L.P.	51
11	Marshall Shepard Village, L.P.	80
12	Mill Creek Phase I, L.P.	80
13	Mt. Olivet L.P.	161
14	Nellie Reynolds Gardens, L.P.	64
15	Norris Apartments, L.P.	51
16	Paschall Phase I, L.P.	50
17	Paschall Phase II, L.P.	50
18	Queen Lane Apartments, L.P.	55
19	Richard Allen Phase III, L.P.	178
20	Strawberry Mansion L.P.	55
21	Suffolk Manor Apartments, L.P.	137
22	Tasker I, L.P.	245
23	Tasker II, L.P.	184
24	Uni-Penn Housing Partnership IV	42
25	Warnock Phase I, L.P.	50
26	Warnock Phase II, L.P.	45
<u>Alternate Managed Entities</u>		
27	1952 Allegheny Associates L.P.	18
28	Neuman North, L.P.	67
29	Newcourtland Apartments at Allegheny L.P.	56
30	Raymond Rosen Associates, L.P.	152
31	Ridge Avenue Housing, L.P.	135

PHILADELPHIA HOUSING AUTHORITY
Notes to Financial Statements
March 31, 2017

Note 18. Component Units (Continued)

Discrete Component Units

Alternate Managed Entities (Continued)

32	Southwark Plaza Limited Partnership	470
33	Spring Garden Historic, LP	32
34	Spring Garden Housing Limited Partnership	86
35	St. Anthony's Senior Residences Associates, L.P.	38
36	St. Francis Villa Senior Housing L.P.	40
37	St. Ignatius Senior Housing I, L.P.	67
38	St. Ignatius Senior Housing II, L.P.	54
39	Uni-Penn Housing Partnership I	49
40	Uni-Penn Housing Partnership II	45

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.

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 \$5,076,632 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.

- **Blumberg Apartments Phase I, L.P.** – a Pennsylvania limited partnership formed to develop 57 residential rental units. It has a ninety-nine year ground lease with PHA at a nominal rent. The project was financed by \$10.7 million of investor capital, \$5.5 million in PHA mortgage debt, and \$1.5 million in HOME funds. The project has qualified for federal low income housing credits.
- **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.

PHILADELPHIA HOUSING AUTHORITY
Notes to Financial Statements
March 31, 2017

Note 18. Component Units (Continued)

Discrete Component Units (Continued)

- **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 \$4.8 million of investor capital and \$9.7 million in PHA mortgage debt and \$2.0 million in PHFA TCAP funds. 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. It has a ninety-nine year ground lease with PHA at a nominal rent. The project was financed by \$8.9 million of investor capital and \$14.4 million in PHA mortgage debt. The project has qualified for federal low-income housing credits.
- **Mill Creek Phase I, L.P.** - a Pennsylvania limited partnership which operates 80 residential rental units included in a development known as Lucien Blackwell Homes and has a ninety-nine year ground lease with PHA at a nominal rent. The project was financed by \$12.6 million of investor capital and \$6.1 million in PHA mortgage debt. The project has qualified for federal low-income housing credits.
- **Mt. Olivet, L.P.** - a Pennsylvania limited partnership which operates 161 residential rental units known as Mt. Olivet Apartments and has a ninety-nine year ground lease with PHA at a nominal rent. The project was financed by \$7 million of investor capital and \$9.7 million in PHA mortgage debt. The project has qualified for federal low-income housing credits.
- **Nellie Reynolds Gardens, L.P.** - a Pennsylvania limited partnership which operates 64 residential rental units and has a ninety-nine year ground lease with PHA at a nominal rent. The project was originally financed by \$11.2 million of investor capital and \$7.5 million in PHA mortgage debt. As required by the amended Partnership Agreement, in January 2009 PHA refinanced \$5.1 million of the mortgage principal and \$.4 million of accrued interest by means of capital contributions. The partnership maintains \$2.8 million in PHA debt. The project has qualified for federal low-income housing credits.
- **Norris Apartments, L.P.** - a Pennsylvania limited partnership which operates a 51 residential housing units. The project is being financed by \$9.1 million of investor capital and \$12.4 million in PHA debt. The project has qualified for federal low-income housing credits.

PHILADELPHIA HOUSING AUTHORITY
Notes to Financial Statements
March 31, 2017

Note 18. Component Units (Continued)

Discrete Component Units (Continued)

- **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, 2016), 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, 2016) 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 which operates 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 (\$.4 million paid as of December 31, 2016) 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.
- **Strawberry Mansion, L.P.** - a Pennsylvania limited partnership which operates 55 residential rental units. It has a ninety-nine year ground lease with PHA at a nominal rent. The project was financed by \$11.7 million of investor capital (\$.9 million paid as of March 31, 2017) and \$8.6 million in PHA mortgage debt. The project has qualified for federal low-income housing 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.
- **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.

PHILADELPHIA HOUSING AUTHORITY
Notes to Financial Statements
March 31, 2017

Note 18. Component Units (Continued)

Discrete Component Units (Continued)

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.
- **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.

On December 1, 2016, Southwark Plaza Limited Partnership, Courtyard Preservation, LP, the Philadelphia Redevelopment Authority and the Philadelphia Housing Authority entered into a multi-party agreement for the sale to Courtyard Preservation, LP, of the improvements and other assets associated with Courtyard Apartments at Riverview. The sale was finalized on December 20, 2016 and became effective on December 28, 2016. See Note 8.

- **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.

PHILADELPHIA HOUSING AUTHORITY
Notes to Financial Statements
March 31, 2017

Note 18. Component Units (Continued)

Discrete Component Units (Continued)

ALTERNATIVE MANAGED ENTITIES (AMEs) (Continued)

- **St. Anthony's Senior Residences Associates, L.P.** - a Pennsylvania limited partnership which operates a 38-unit rental housing project. The project was financed by \$1.7 million of mortgages from the PRA, and \$5.0 million of investor capital. The project has qualified for federal low-income housing tax credits.
- **St. Francis Villa Senior Housing, L.P.** - a Pennsylvania limited partnership formed to develop 40 residential units. The project was financed by \$10.6 million of investor capital and \$1.8 million in mortgage debt. The project has qualified for federal low-income housing 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 19. Contingencies

Claims and Litigation

From time to time claims are asserted against the Authority and in some cases lawsuits have been initiated. The Authority is defending and will defend vigorously each of these actions. The Authority may become liable if these claims are reduced to judgment or otherwise settled in a manner requiring payment by the Authority. Claims against the Authority are paid out of (1) insurance and, in the event that judgments or settlements exceed insurance limits, (2) General Revenues of the Authority.

The Authority's estimates for Fiscal Year 2017 for payment of judgments, claims, fees and costs for litigation and claims from General Revenue is \$2,512,218. As an Agency of the Commonwealth, the Authority is covered by the Sovereign Immunity Act, 42 Pa. C.S. sec. 8521, et seq., (the "Immunity Act"), which provides that the Commonwealth and its agencies are immune from suit except where expressly permitted by one of nine exceptions. The exception most frequently applicable to the Authority generally permits suits against the Authority arising out of a dangerous condition of real estate owned by the Authority. The Immunity Act limits recovery against the Authority to a maximum of \$250,000 in favor of any plaintiff (including suits against the Authority described in the prior sentence). The damages cap applies to negligence, personal injury and other tort claims against the Authority, which comprise the vast majority of claims against the Authority. The liability insurance limit for the Authority's policy is \$15,000,000 per occurrence. A \$50,000 deductible applies to claims under that policy alleging wrongful acts after March 31, 2014.

PHILADELPHIA HOUSING AUTHORITY
Notes to Financial Statements
March 31, 2017

Note 19. Contingencies (Continued)

PHA, through its insurance carrier, is defending against multiple claims. As of March 31, 2017, there are two claims where the exposure to PHA is expected to exceed \$250,000, and another which was settled for \$115,000 but that amount has not yet been paid. Although PHA is vigorously defending each of the other pending claims, the parties' respective liability at this time remains uncertain. Of the other pending claims, PHA's liability cannot be determined with any certainty, although any damages will likely be well below \$250,000 in each individual case and cumulatively represent potential liability within the budgeted amount.

Note 20. Subsequent Events

The following subsequent events occurred after March 31, 2017.

Vehicle Lease

On April 7, 2017, PHA and Enterprise Fleet Management, Inc. ("Enterprise") executed a contract whereby Enterprise will lease 72 vehicles to PHA and also provide fleet management services. PHA will pay Enterprise \$544,372 per year over a term of up to five years.

Sale of Land at 4401 Megargee Street

On May 10, 2017, PHA and NewCourtyard Properties, as agent, executed an agreement whereby PHA sold a piece of land located at 4401 Megargee Street to NewCourtland Properties, as agent for \$5.5 million.

Sharswood/Blumberg Roberts Vaux School – Phase 1

On May 19, 2017, PHADC completed the purchase of the historic Vaux High School building in North Philadelphia from the School District of Philadelphia for \$2 million. The transaction clears the way for construction to begin immediately to make a portion of the school ready for the first class of at least 100 9th grade students in September 2017. Total costs including design and construction cost for phase 1 was approximately \$5.7 million and was completed in August 2017. The school opened to students in September 2017.

General Revenue Bonds (PHA Headquarters Project) Series 2017 (the "Bonds")

On June 1, 2017, PHA on behalf of the Philadelphia Housing Authority Development Corporation ("PHADC") issued a General Revenue Bonds with an aggregate principal amount of \$28,870,000 to finance costs of acquisition, construction, renovation, improvement, furnishing and equipping its new corporate headquarters in the Sharswood/Blumberg neighborhood. The Bonds are limited obligations of PHA payable solely from (i) amounts to be paid by PHADC, which amounts consist of project revenues which include payments of base rent to be paid by PHA under the lease and (ii) other funds available to the Trustee under the Indenture. The obligation to pay the base rent is a general obligation of PHA secured by a pledge of its general revenues under the lease. PHA approved the appointment of U.S. Bank National Association as the Trustee under the Indenture.

Bonds maturing on or after May 1, 2028 are subject to optional redemption by PHA, as a whole or in part at any time on or after May 1, 2027 at a redemption price equal to the principal amount plus accrued interest to the redemption date. The bonds maturing in 2030, 2033, 2035, 2037, 2039, 2042, and 2047 are subject to mandatory sinking fund redemption on the dates and in the amounts specified in the Official Statement.

PHA Headquarters

On June 21, 2017, PHA broke ground at the site of its new, modern, energy efficient headquarters in North Philadelphia, part of the agency's plan to help rejuvenate the Sharswood/Blumberg neighborhood (Ridge Avenue commercial corridor.) Once complete, the \$45 million complex will consolidate several of PHA's operations and administrative functions at one site. The projected completion date is in 2018.

PHILADELPHIA HOUSING AUTHORITY
Notes to Financial Statements
March 31, 2017

Note 20. Subsequent Events (Continued)

Lucien E. Blackwell ("LEB") Community Center

Groundbreaking was on May 5, 2017 and is projected to be completed around April 2018. The total costs are estimated at approximately \$6 million.

Required Supplementary Information

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Philadelphia Housing Authority
Schedule of Changes in Net Pension Liability and Related Ratios

	October 31,		
	2016	2015	2014
TOTAL PENSION LIABILITY			
Service cost	\$ 178,655	\$ 184,493	\$ 181,629
Interest	20,043,321	19,513,695	19,859,213
Differences between expected and actual experience	(2,520,157)	5,599,939	(2,850,405)
Changes of assumptions	-	6,421,293	-
Benefit payments	(22,370,128)	(21,901,820)	(21,702,198)
Net change in total pension liability	(4,668,309)	9,817,600	(4,511,761)
Total pension liability, beginning of year	280,568,642	270,751,042	275,262,803
Total pension liability, end of year	\$ 275,900,333	\$ 280,568,642	\$ 270,751,042
PLAN FIDUCIARY NET POSITION			
Employer contributions	\$ 7,972,428	\$ 6,776,109	\$ 7,899,144
Employee contributions	127,250	142,957	284,685
Net investment income	2,107,065	(90,357)	14,139,940
Benefit payments	(22,370,128)	(21,901,820)	(21,702,198)
Administrative expense	(517,456)	(842,624)	(591,445)
Other	1,220,911	47,292	(47,745)
Net change in plan fiduciary net position	(11,459,930)	(15,868,443)	(17,619)
Plan fiduciary net position, beginning of year	196,751,800	212,620,243	212,766,085
Plan fiduciary net position, end of year	185,291,870	196,751,800	212,748,466
NET PENSION LIABILITY	\$ 90,608,463	\$ 83,816,842	\$ 58,002,576
Plan fiduciary net position as a percentage of total pension liability	67.16%	70.13%	78.58%
Covered employee payroll	\$ 2,442,033	\$ 2,357,230	\$ 2,135,544
Net pension liability as a percentage of covered employee payroll	3710.37%	3555.73%	2716.06%

Note: GASB 68 was implemented in FY2016. This schedule is being prepared prospectively. Ultimately, 10 years of data will be presented.

**Philadelphia Housing Authority
Schedule of Plan Contributions**

	October 31,		
	2016	2015	2014
Actuarially Determined Contribution	\$ 13,068,032	\$ 11,731,727	\$ 10,954,466
Contributions in relation to the actuarially determined contribution	7,972,428	6,776,109	8,055,604
Contributions deficiency (excess)	<u>\$ 5,095,604</u>	<u>\$ 4,955,618</u>	<u>\$ 2,898,862</u>
Covered employee payroll	<u>\$ 2,442,033</u>	<u>\$ 2,357,230</u>	<u>\$ 2,135,544</u>
Contributions as a percentage of covered employee payroll	326.47%	287.46%	377.22%

ACTUARIAL ASSUMPTIONS

Valuation Date	11/1/2015	11/1/2014	11/1/2013
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Actuarially determined contribution rates are calculated as of November 1, one year prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level dollar
Remaining amortization period	20 years
Asset valuation method	Market value
Inflation	2.50%
Salary increases	3.00% average, including inflation
Investment rate of return	7.50%, including inflation and expenses
Retirement age	Age 55 with 10 years' service
Mortality	RP-2000 Mortality Tables with Scale G for males and females

Note: GASB 68 was implemented in FY2016. This schedule is being prepared prospectively. Ultimately, 10 years of data will be presented.

Supplementary Information

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2017

	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	\$12,646,026	\$5,201,966	\$0	\$21,043	\$0
112 Cash - Restricted - Modernization and Development	\$0	\$0	\$0	\$0	\$0
113 Cash - Other Restricted	\$0	\$5,363,474	\$0	\$0	\$0
114 Cash - Tenant Security Deposits	\$783,166	\$0	\$0	\$0	\$0
115 Cash - Restricted for Payment of Current Liabilities	\$0	\$0	\$0	\$0	\$0
100 Total Cash	\$13,429,192	\$10,565,440	\$0	\$21,043	\$0
121 Accounts Receivable - PHA Projects	\$0	\$1,341,191	\$0	\$0	\$0
122 Accounts Receivable - HUD Other Projects	\$2,165,500	\$63,566,179	\$115,351	\$0	\$133,059
124 Accounts Receivable - Other Government	\$0	\$46,758	\$0	\$0	\$0
125 Accounts Receivable - Miscellaneous	\$1,702,372	\$12,631,380	\$0	\$0	\$0
126 Accounts Receivable - Tenants	\$2,186,975	\$0	\$0	\$0	\$0
126.1 Allowance for Doubtful Accounts -Tenants	-\$1,043,031	\$0	\$0	\$0	\$0
126.2 Allowance for Doubtful Accounts - Other	\$0	-\$1,269,540	\$0	\$0	\$0
127 Notes, Loans, & Mortgages Receivable - Current	\$0	\$0	\$0	\$0	\$0
128 Fraud Recovery	\$0	\$0	\$0	\$0	\$0
128.1 Allowance for Doubtful Accounts - Fraud	\$0	\$0	\$0	\$0	\$0
129 Accrued Interest Receivable	\$0	\$32,749	\$0	\$0	\$0
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$5,011,816	\$76,348,717	\$115,351	\$0	\$133,059
131 Investments - Unrestricted	\$0	\$10,029,143	\$0	\$0	\$0
132 Investments - Restricted	\$0		\$0	\$0	\$0
135 Investments - Restricted for Payment of Current Liability	\$0	\$0	\$0	\$0	\$0
142 Prepaid Expenses and Other Assets	\$0	\$130,112	\$0	\$0	\$0
143 Inventories	\$1,333,273	\$158,945	\$0	\$0	\$0

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2017

	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	-\$133,431	\$0	\$0	\$0	\$0
144 Inter Program Due From	\$0	\$0	\$0	\$0	\$0
145 Assets Held for Sale	\$0	\$0	\$0	\$0	\$0
150 Total Current Assets	\$19,640,850	\$97,232,357	\$115,351	\$21,043	\$133,059
161 Land	\$23,394,334	\$149,460	\$0	\$0	\$0
162 Buildings	\$1,124,129,504	\$288,130,999	\$0	\$0	\$0
163 Furniture, Equipment & Machinery - Dwellings	\$167,899	\$1,043,222	\$0	\$0	\$0
164 Furniture, Equipment & Machinery - Administration	\$167,868	\$25,891,093	\$110,058	\$0	\$792
165 Leasehold Improvements	\$0	\$0	\$0	\$0	\$0
166 Accumulated Depreciation	-\$846,823,602	-\$159,311,712	-\$110,058	\$0	-\$409
167 Construction in Progress	\$42,819,194	\$18,004,054	\$0	\$0	\$0
168 Infrastructure	\$0	\$0	\$0	\$0	\$0
160 Total Capital Assets, Net of Accumulated Depreciation	\$343,855,197	\$173,907,116	\$0	\$0	\$383
171 Notes, Loans and Mortgages Receivable - Non-Current	\$0	\$0	\$0	\$0	\$0
172 Notes, Loans, & Mortgages Receivable - Non Current - Past	\$0	\$0	\$0	\$0	\$0
173 Grants Receivable - Non Current		\$0	\$0	\$0	\$0
174 Other Assets	\$0	\$8,869,422	\$0	\$0	\$0
176 Investments in Joint Ventures	\$530	\$840	\$0	\$0	\$0
180 Total Non-Current Assets	\$343,855,727	\$182,777,378	\$0	\$0	\$383
200 Deferred Outflow of Resources		\$27,299,605	\$0	\$0	\$0
290 Total Assets and Deferred Outflow of Resources	\$363,496,577	\$307,309,340	\$115,351	\$21,043	\$133,442

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2017

	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 Neighborhood Implementation Grants
311 Bank Overdraft	\$0	\$0	\$0	\$0	\$0
312 Accounts Payable <= 90 Days	\$3,528,414	\$957,186	\$0	\$7,658	\$50,280
313 Accounts Payable >90 Days Past Due	\$0	\$0	\$0	\$0	\$0
321 Accrued Wage/Payroll Taxes Payable	\$875,408	\$2,343,367	\$0	\$0	\$0
322 Accrued Compensated Absences - Current Portion	\$2,962,268	\$1,340,761	\$0	\$0	\$0
324 Accrued Contingency Liability	\$0	\$0	\$0	\$0	\$0
325 Accrued Interest Payable	\$0	\$0	\$0	\$0	\$0
331 Accounts Payable - HUD PHA Programs	\$0	\$0	\$0	\$0	\$0
332 Account Payable - PHA Projects	\$0	\$0	\$0	\$0	\$0
333 Accounts Payable - Other Government	\$441,384	\$7,048	\$0	\$0	\$0
341 Tenant Security Deposits	\$783,166	\$0	\$0	\$0	\$0
342 Unearned Revenue	\$553,488	\$0	\$6,901	\$4,898	\$0
343 Current Portion of Long-term Debt - Capital	\$0	\$0	\$0	\$0	\$0
344 Current Portion of Long-term Debt - Operating Borrowings	\$0	\$0	\$0	\$0	\$0
345 Other Current Liabilities	\$0	\$2,484,251	\$0	\$0	\$0
346 Accrued Liabilities - Other	\$6,307,850	\$3,452,815	\$0	\$0	\$0
347 Inter Program - Due To	\$787,882	\$6,300,244	\$108,450	\$8,487	\$82,779
348 Loan Liability - Current	\$0	\$0	\$0	\$0	\$0
310 Total Current Liabilities	\$16,239,860	\$16,885,672	\$115,351	\$21,043	\$133,059
351 Long-term Debt, Net of Current - Capital Projects/Mortgage	\$0	\$0	\$0	\$0	\$0
352 Long-term Debt, Net of Current - Operating Borrowings	\$0	\$0	\$0	\$0	\$0
353 Non-current Liabilities - Other	\$163,428	\$3,147,568	\$0	\$0	\$0
354 Accrued Compensated Absences - Non Current	\$1,974,838	\$893,841	\$0	\$0	\$0
355 Loan Liability - Non Current	\$0	\$0	\$0	\$0	\$0
356 FASB 5 Liabilities	\$0	\$0	\$0	\$0	\$0

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2017

	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 Neighborhood Implementation Grants
357 Accrued Pension and OPEB Liabilities	\$1,815,783	\$90,608,463	\$0	\$0	\$0
350 Total Non-Current Liabilities	\$3,954,049	\$94,649,872	\$0	\$0	\$0
300 Total Liabilities	\$20,193,909	\$111,535,544	\$115,351	\$21,043	\$133,059
400 Deferred Inflow of Resources					
508.3 Nonspendable Fund Balance					
508.4 Net Investment in Capital Assets	\$343,855,197	\$173,907,116	\$0	\$0	\$383
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	-\$552,529	\$21,866,680	\$0	\$0	\$0
513 Total Equity - Net Assets / Position	\$343,302,668	\$195,773,796	\$0	\$0	\$383
600 Total Liabilities, Deferred Inflows of Resources and Equity -	\$363,496,577	\$307,309,340	\$115,351	\$21,043	\$133,442

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2017

	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	10.559 Summer Food Service Program for Children	97.109 Disaster Housing Assistance Grant	14.879 Mainstream Vouchers	6.2 Component Unit - Blended
111 Cash - Unrestricted	\$0	\$0	\$0	\$0	\$83,555,890
112 Cash - Restricted - Modernization and Development	\$0	\$0	\$0	\$0	\$0
113 Cash - Other Restricted	\$0	\$0	\$0	\$0	\$1,642,353
114 Cash - Tenant Security Deposits	\$0	\$0	\$0	\$0	\$3,267
115 Cash - Restricted for Payment of Current Liabilities	\$0	\$0	\$0	\$0	\$0
100 Total Cash	\$0	\$0	\$0	\$0	\$85,201,510
121 Accounts Receivable - PHA Projects	\$0	\$0	\$0	\$0	\$0
122 Accounts Receivable - HUD Other Projects	\$0	\$0	\$0	\$71,682	\$0
124 Accounts Receivable - Other Government	\$0	\$0	\$0	\$0	\$0
125 Accounts Receivable - Miscellaneous	\$0	\$0	\$0	\$0	\$4,452,524
126 Accounts Receivable - Tenants	\$0	\$0	\$0	\$0	\$8,474
126.1 Allowance for Doubtful Accounts -Tenants	\$0	\$0	\$0	\$0	\$0
126.2 Allowance for Doubtful Accounts - Other	\$0	\$0	\$0	\$0	-\$2,986,552
127 Notes, Loans, & Mortgages Receivable - Current	\$0	\$0	\$0	\$0	\$0
128 Fraud Recovery	\$0	\$0	\$0	\$0	\$0
128.1 Allowance for Doubtful Accounts - Fraud	\$0	\$0	\$0	\$0	\$0
129 Accrued Interest Receivable	\$0	\$0	\$0	\$0	\$41,212
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$0	\$0	\$0	\$71,682	\$1,515,658
131 Investments - Unrestricted	\$0	\$0	\$0	\$0	\$0
132 Investments - Restricted	\$0	\$0	\$0	\$0	\$1,602,926
135 Investments - Restricted for Payment of Current Liability	\$0	\$0	\$0	\$0	\$0
142 Prepaid Expenses and Other Assets	\$0	\$0	\$0	\$0	\$40,434
143 Inventories	\$0	\$0	\$0	\$0	\$0
143.1 Allowance for Obsolete Inventories	\$0	\$0	\$0	\$0	\$0

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2017

	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	10.559 Summer Food Service Program for Children	97.109 Disaster Housing Assistance Grant	14.879 Mainstream Vouchers	6.2 Component Unit - Blended
144 Inter Program Due From	\$2,397,906	\$0	\$95,807	\$402,162	\$0
145 Assets Held for Sale	\$0	\$0	\$0	\$0	\$0
150 Total Current Assets	\$2,397,906	\$0	\$95,807	\$473,844	\$88,360,528
161 Land	\$0	\$0	\$0	\$0	\$0
162 Buildings	\$0	\$0	\$0	\$0	\$12,685,320
163 Furniture, Equipment & Machinery - Dwellings	\$0	\$0	\$0	\$0	\$0
164 Furniture, Equipment & Machinery - Administration	\$0	\$0	\$0	\$0	\$81,780
165 Leasehold Improvements	\$0	\$0	\$0	\$0	\$0
166 Accumulated Depreciation	\$0	\$0	\$0	\$0	-\$611,070
167 Construction in Progress	\$0	\$0	\$0	\$0	\$0
168 Infrastructure	\$0	\$0	\$0	\$0	\$0
160 Total Capital Assets, Net of Accumulated Depreciation	\$0	\$0	\$0	\$0	\$12,156,030
171 Notes, Loans and Mortgages Receivable - Non-Current	\$0	\$0	\$0	\$0	\$0
172 Notes, Loans, & Mortgages Receivable - Non Current - Past	\$0	\$0	\$0	\$0	\$0
173 Grants Receivable - Non Current	\$0	\$0	\$0	\$0	\$0
174 Other Assets	\$0	\$0	\$0	\$0	\$0
176 Investments in Joint Ventures	\$0	\$0	\$0	\$0	\$0
180 Total Non-Current Assets	\$0	\$0	\$0	\$0	\$12,156,030
200 Deferred Outflow of Resources	\$0	\$0	\$0	\$0	
290 Total Assets and Deferred Outflow of Resources	\$2,397,906	\$0	\$95,807	\$473,844	\$100,516,558
311 Bank Overdraft	\$0	\$0	\$0	\$0	\$0

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2017

	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	10.559 Summer Food Service Program for Children	97.109 Disaster Housing Assistance Grant	14.879 Mainstream Vouchers	6.2 Component Unit - Blended
312 Accounts Payable <= 90 Days	\$0	\$0	\$0	\$0	\$74,852
313 Accounts Payable >90 Days Past Due	\$0	\$0	\$0	\$0	\$0
321 Accrued Wage/Payroll Taxes Payable	\$0	\$0	\$0	\$0	\$8,789
322 Accrued Compensated Absences - Current Portion	\$0	\$0	\$0	\$0	\$50,022
324 Accrued Contingency Liability	\$0	\$0	\$0	\$0	\$0
325 Accrued Interest Payable	\$0	\$0	\$0	\$0	\$0
331 Accounts Payable - HUD PHA Programs	\$0	\$0	\$0	\$0	\$0
332 Account Payable - PHA Projects	\$0	\$0	\$0	\$0	\$0
333 Accounts Payable - Other Government	\$0	\$0	\$0	\$0	\$0
341 Tenant Security Deposits	\$0	\$0	\$0	\$0	\$3,267
342 Unearned Revenue	\$527,463	\$0	\$0	\$0	\$8,703
343 Current Portion of Long-term Debt - Capital	\$0	\$0	\$0	\$0	\$0
344 Current Portion of Long-term Debt - Operating Borrowings	\$0	\$0	\$0	\$0	\$0
345 Other Current Liabilities	\$0	\$0	\$0	\$0	\$4,093
346 Accrued Liabilities - Other	\$0	\$0	\$0	\$0	\$12,531,394
347 Inter Program - Due To	\$0	\$0	\$0	\$0	\$0
348 Loan Liability - Current	\$0	\$0	\$0	\$0	\$0
310 Total Current Liabilities	\$527,463	\$0	\$0	\$0	\$12,681,120
351 Long-term Debt, Net of Current - Capital Projects/Mortgage	\$0	\$0	\$0	\$0	\$0
352 Long-term Debt, Net of Current - Operating Borrowings	\$0	\$0	\$0	\$0	\$0
353 Non-current Liabilities - Other	\$0	\$0	\$0	\$0	\$13,080,427
354 Accrued Compensated Absences - Non Current	\$0	\$0	\$0	\$0	\$33,348
355 Loan Liability - Non Current	\$0	\$0	\$0	\$0	\$0
356 FASB 5 Liabilities	\$0	\$0	\$0	\$0	\$0
357 Accrued Pension and OPEB Liabilities	\$0	\$0	\$0	\$0	\$0

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2017

	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	10.559 Summer Food Service Program for Children	97.109 Disaster Housing Assistance Grant	14.879 Mainstream Vouchers	6.2 Component Unit - Blended
350 Total Non-Current Liabilities	\$0	\$0	\$0	\$0	\$13,113,775
300 Total Liabilities	\$527,463	\$0	\$0	\$0	\$25,794,895
400 Deferred Inflow of Resources					
508.3 Nonspendable Fund Balance					
508.4 Net Investment in Capital Assets	\$0	\$0	\$0	\$0	\$12,156,030
509.3 Restricted Fund Balance					
510.3 Committed Fund Balance					
511.3 Assigned Fund Balance					
511.4 Restricted Net Position					\$3,245,279
512.3 Unassigned Fund Balance					
512.4 Unrestricted Net Position	\$1,870,443	\$0	\$95,807	\$473,844	\$59,320,354
513 Total Equity - Net Assets / Position	\$1,870,443	\$0	\$95,807	\$473,844	\$74,721,663
600 Total Liabilities, Deferred Inflows of Resources and Equity -	\$2,397,906	\$0	\$95,807	\$473,844	\$100,516,558

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2017

	93.602 New Assets for Independence Demonstration Program	2 State/Local	1 Business Activities	6.1 Component Unit - Discretely Presented	93.044 Special Programs for the Aging_ Title III, Part B_ Grants for Supportive
111 Cash - Unrestricted	\$200,616	\$1,891,143	\$3,457,106	\$8,556,585	\$0
112 Cash - Restricted - Modernization and Development	\$0	\$0	\$0	\$0	\$0
113 Cash - Other Restricted	\$0	\$0	\$0	\$36,422,262	\$0
114 Cash - Tenant Security Deposits	\$0	\$0	\$0	\$511,522	\$0
115 Cash - Restricted for Payment of Current Liabilities	\$0	\$0	\$24,510	\$0	\$0
100 Total Cash	\$200,616	\$1,891,143	\$3,481,616	\$45,490,369	\$0
121 Accounts Receivable - PHA Projects	\$0	\$0	\$0	\$0	\$0
122 Accounts Receivable - HUD Other Projects	\$0	\$0	\$0	\$0	\$0
124 Accounts Receivable - Other Government	\$0	\$0	\$0	\$316,822	\$0
125 Accounts Receivable - Miscellaneous	\$0	\$5,183	\$172,314	\$749,245	\$0
126 Accounts Receivable - Tenants	\$0	\$0	\$0	\$3,334,717	\$0
126.1 Allowance for Doubtful Accounts - Tenants	\$0	\$0	\$0	-\$882,792	\$0
126.2 Allowance for Doubtful Accounts - Other	\$0	\$0	\$0	\$0	\$0
127 Notes, Loans, & Mortgages Receivable - Current	\$0	\$0	\$0	\$0	\$0
128 Fraud Recovery	\$0	\$0	\$0	\$0	\$0
128.1 Allowance for Doubtful Accounts - Fraud	\$0	\$0	\$0	\$0	\$0
129 Accrued Interest Receivable	\$90	\$18	\$1,521	\$0	\$0
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$90	\$5,201	\$173,835	\$3,517,992	\$0
131 Investments - Unrestricted	\$0	\$0	\$0	\$0	\$0
132 Investments - Restricted	\$0	\$0	\$0	\$0	\$0
135 Investments - Restricted for Payment of Current Liability	\$0	\$0	\$0	\$0	\$0
142 Prepaid Expenses and Other Assets	\$0	\$0	\$0	\$310,627	\$0
143 Inventories	\$0	\$0	\$0	\$0	\$0
143.1 Allowance for Obsolete Inventories	\$0	\$0	\$0	\$0	\$0

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2017

	93.602 New Assets for Independence Demonstration Program	2 State/Local	1 Business Activities	6.1 Component Unit - Discretely Presented	93.044 Special Programs for the Aging Title III, Part B Grants for Supportive
144 Inter Program Due From	\$0	\$0	\$5,852,897	\$0	\$0
145 Assets Held for Sale	\$0	\$0	\$0	\$0	\$0
150 Total Current Assets	\$200,706	\$1,896,344	\$9,508,348	\$49,318,988	\$0
161 Land	\$0	\$0	\$40,286	\$1,498,781	\$0
162 Buildings	\$0	\$250,000	\$6,057,511	\$577,028,668	\$0
163 Furniture, Equipment & Machinery - Dwellings	\$0	\$1,319	\$0	\$354,516	\$0
164 Furniture, Equipment & Machinery - Administration	\$0	\$380,455	\$33,559	\$3,823,109	\$2,489
165 Leasehold Improvements	\$0	\$0	\$0	\$0	\$0
166 Accumulated Depreciation	\$0	-\$296,448	-\$725,294	-\$159,252,383	-\$2,489
167 Construction in Progress	\$0	\$0	\$8,864,428	\$22,976,608	\$0
168 Infrastructure	\$0	\$0	\$0	\$0	\$0
160 Total Capital Assets, Net of Accumulated Depreciation	\$0	\$335,326	\$14,270,490	\$446,429,299	\$0
171 Notes, Loans and Mortgages Receivable - Non-Current	\$0	\$0	\$390,249,419	\$0	\$0
172 Notes, Loans, & Mortgages Receivable - Non Current - Past	\$0	\$0	\$0	\$0	\$0
173 Grants Receivable - Non Current	\$0	\$0	\$0	\$0	\$0
174 Other Assets	\$0	\$0	\$88,011	\$1,254,374	\$0
176 Investments in Joint Ventures	\$0	\$0	\$5,075,262	\$0	\$0
180 Total Non-Current Assets	\$0	\$335,326	\$409,683,182	\$447,683,673	\$0
200 Deferred Outflow of Resources	\$0	\$0	\$0	\$0	\$0
290 Total Assets and Deferred Outflow of Resources	\$200,706	\$2,231,670	\$419,191,530	\$497,002,661	\$0
311 Bank Overdraft	\$0	\$0	\$0	\$0	\$0

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2017

	93.602 New Assets for Independence Demonstration Program	2 State/Local	1 Business Activities	6.1 Component Unit - Discretely Presented	93.044 Special Programs for the Aging Title III, Part B Grants for Supportive
312 Accounts Payable <= 90 Days	\$0	\$47,556	\$764,861	\$1,216,069	\$0
313 Accounts Payable >90 Days Past Due	\$0	\$0	\$0	\$0	\$0
321 Accrued Wage/Payroll Taxes Payable	\$0	\$0	\$0	\$0	\$0
322 Accrued Compensated Absences - Current Portion	\$0	\$0	\$0	\$0	\$0
324 Accrued Contingency Liability	\$0	\$0	\$0	\$0	\$0
325 Accrued Interest Payable	\$0	\$0	\$0	\$0	\$0
331 Accounts Payable - HUD PHA Programs	\$0	\$0	\$0	\$0	\$0
332 Account Payable - PHA Projects	\$0	\$0	\$0	\$0	\$0
333 Accounts Payable - Other Government	\$0	\$0	\$0	\$0	\$0
341 Tenant Security Deposits	\$0	\$0	\$925	\$511,522	\$0
342 Unearned Revenue	\$0	\$0	\$0	\$213,531	\$0
343 Current Portion of Long-term Debt - Capital	\$0	\$0	\$5,345,000	\$18,481,610	\$0
344 Current Portion of Long-term Debt - Operating Borrowings	\$0	\$0	\$0	\$0	\$0
345 Other Current Liabilities	\$0	\$609,583	\$362,083	\$6,250,429	\$0
346 Accrued Liabilities - Other	\$0	\$254	\$1,333,491	\$1,968,138	\$0
347 Inter Program - Due To	\$83,528	\$1,002,519	\$0	\$0	\$0
348 Loan Liability - Current	\$0	\$0	\$0	\$0	\$0
310 Total Current Liabilities	\$83,528	\$1,659,912	\$7,806,360	\$28,641,299	\$0
351 Long-term Debt, Net of Current - Capital Projects/Mortgage	\$0	\$0	\$35,556,084	\$322,033,853	\$0
352 Long-term Debt, Net of Current - Operating Borrowings	\$0	\$0	\$0	\$0	\$0
353 Non-current Liabilities - Other	\$0	\$0	\$0	\$81,526,386	\$0
354 Accrued Compensated Absences - Non Current	\$0	\$0	\$0	\$0	\$0
355 Loan Liability - Non Current	\$0	\$0	\$0	\$0	\$0
356 FASB 5 Liabilities	\$0	\$0	\$0	\$0	\$0
357 Accrued Pension and OPEB Liabilities	\$0	\$0	\$0	\$0	\$0

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2017

	93.602 New Assets for Independence Demonstration Program	2 State/Local	1 Business Activities	6.1 Component Unit - Discretely Presented	93.044 Special Programs for the Aging Title III, Part B Grants for Supportive
350 Total Non-Current Liabilities	\$0	\$0	\$35,556,084	\$403,560,239	\$0
300 Total Liabilities	\$83,528	\$1,659,912	\$43,362,444	\$432,201,538	\$0
400 Deferred Inflow of Resources					
508.3 Nonspendable Fund Balance					
508.4 Net Investment in Capital Assets	\$0	\$335,326	-\$26,630,594	\$104,945,393	\$0
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	\$117,178	\$236,432	\$402,459,680	-\$40,144,270	\$0
513 Total Equity - Net Assets / Position	\$117,178	\$571,758	\$375,829,086	\$64,801,123	\$0
600 Total Liabilities, Deferred Inflows of Resources and Equity -	\$200,706	\$2,231,670	\$419,191,530	\$497,002,661	\$0

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2017

	5 Fiduciary	14.182 N/C S/R Section 8 Programs	14.CFP MTW Demonstration Program for Capital Fund	14.OPS MTW Demonstration Program for Low Rent	14.HCV MTW Demonstration Program for HCV program
111 Cash - Unrestricted		\$0			
112 Cash - Restricted - Modernization and Development		\$0			
113 Cash - Other Restricted	\$1,650,555	\$0			
114 Cash - Tenant Security Deposits		\$0			
115 Cash - Restricted for Payment of Current Liabilities		\$0			
100 Total Cash	\$1,650,555	\$0	\$0	\$0	\$0
121 Accounts Receivable - PHA Projects		\$0			
122 Accounts Receivable - HUD Other Projects		\$0			
124 Accounts Receivable - Other Government		\$0			
125 Accounts Receivable - Miscellaneous	\$369,176	\$0			
126 Accounts Receivable - Tenants		\$0			
126.1 Allowance for Doubtful Accounts -Tenants		\$0			
126.2 Allowance for Doubtful Accounts - Other	\$0	\$0			
127 Notes, Loans, & Mortgages Receivable - Current		\$0			
128 Fraud Recovery		\$0			
128.1 Allowance for Doubtful Accounts - Fraud		\$0			
129 Accrued Interest Receivable	\$28,809	\$0			
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$397,985	\$0	\$0	\$0	\$0
131 Investments - Unrestricted		\$0			
132 Investments - Restricted	\$183,332,858	\$0			
135 Investments - Restricted for Payment of Current Liability		\$0			
142 Prepaid Expenses and Other Assets		\$0			
143 Inventories		\$0			
143.1 Allowance for Obsolete Inventories		\$0			

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2017

	5 Fiduciary	14.182 N/C S/R Section 8 Programs	14.CFP MTW Demonstration Program for Capital Fund	14.OPS MTW Demonstration Program for Low Rent	14.HCV MTW Demonstration Program for HCV program
144 Inter Program Due From		\$22,872			
145 Assets Held for Sale		\$0			
150 Total Current Assets	\$185,381,398	\$22,872	\$0	\$0	\$0
161 Land		\$0			
162 Buildings		\$0			
163 Furniture, Equipment & Machinery - Dwellings		\$0			
164 Furniture, Equipment & Machinery - Administration		\$0			
165 Leasehold Improvements		\$0			
166 Accumulated Depreciation		\$0			
167 Construction in Progress		\$0			
168 Infrastructure		\$0			
160 Total Capital Assets, Net of Accumulated Depreciation	\$0	\$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		\$0			
176 Investments in Joint Ventures		\$0			
180 Total Non-Current Assets	\$0	\$0	\$0	\$0	\$0
200 Deferred Outflow of Resources		\$0			
290 Total Assets and Deferred Outflow of Resources	\$185,381,398	\$22,872	\$0	\$0	\$0
311 Bank Overdraft		\$0			

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2017

	5 Fiduciary	14.182 N/C S/R Section 8 Programs	14.CFP MTW Demonstration Program for Capital Fund	14.OPS MTW Demonstration Program for Low Rent	14.HCV MTW Demonstration Program for HCV program
312 Accounts Payable <= 90 Days		\$0			
313 Accounts Payable >90 Days Past Due		\$0			
321 Accrued Wage/Payroll Taxes Payable		\$0			
322 Accrued Compensated Absences - Current Portion		\$0			
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		\$0			
342 Unearned Revenue		\$0			
343 Current Portion of Long-term Debt - Capital		\$0			
344 Current Portion of Long-term Debt - Operating Borrowings		\$0			
345 Other Current Liabilities	\$89,528	\$0			
346 Accrued Liabilities - Other		\$0			
347 Inter Program - Due To		\$0			
348 Loan Liability - Current		\$0			
310 Total Current Liabilities	\$89,528	\$0	\$0	\$0	\$0
351 Long-term Debt, Net of Current - Capital Projects/Mortgage		\$0			
352 Long-term Debt, Net of Current - Operating Borrowings		\$0			
353 Non-current Liabilities - Other		\$0			
354 Accrued Compensated Absences - Non Current		\$0			
355 Loan Liability - Non Current		\$0			
356 FASB 5 Liabilities		\$0			
357 Accrued Pension and OPEB Liabilities	\$0	\$0			

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2017

	5 Fiduciary	14.182 N/C S/R Section 8 Programs	14.CFP MTW Demonstration Program for Capital Fund	14.OPS MTW Demonstration Program for Low Rent	14.HCV MTW Demonstration Program for HCV program
350 Total Non-Current Liabilities	\$0	\$0	\$0	\$0	\$0
300 Total Liabilities	\$89,528	\$0	\$0	\$0	\$0
400 Deferred Inflow of Resources					
508.3 Nonspendable Fund Balance					
508.4 Net Investment in Capital Assets	\$0	\$0			
509.3 Restricted Fund Balance					
510.3 Committed Fund Balance					
511.3 Assigned Fund Balance					
511.4 Restricted Net Position	\$185,291,870				
512.3 Unassigned Fund Balance					
512.4 Unrestricted Net Position	\$0	\$22,872	\$0	\$0	\$0
513 Total Equity - Net Assets / Position	\$185,291,870	\$22,872	\$0	\$0	\$0
600 Total Liabilities, Deferred Inflows of Resources and Equity -	\$185,381,398	\$22,872	\$0	\$0	\$0

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2017

	14.895 Jobs-Plus Pilot Initiative	8 Other Federal Program 1	14.856 Lower Income Housing Assistance Program_Section 8 Moderate	Subtotal	ELIM
111 Cash - Unrestricted			\$1,082,198	\$116,612,573	
112 Cash - Restricted - Modernization and Development			\$0	\$0	
113 Cash - Other Restricted			\$0	\$45,078,644	
114 Cash - Tenant Security Deposits			\$0	\$1,297,955	
115 Cash - Restricted for Payment of Current Liabilities			\$0	\$24,510	
100 Total Cash	\$0	\$0	\$1,082,198	\$163,013,682	\$0
121 Accounts Receivable - PHA Projects			\$0	\$1,341,191	
122 Accounts Receivable - HUD Other Projects	\$328,056	\$33,500	\$0	\$66,413,327	
124 Accounts Receivable - Other Government			\$0	\$363,580	
125 Accounts Receivable - Miscellaneous			\$0	\$20,082,194	-\$12,338,629
126 Accounts Receivable - Tenants			\$0	\$5,530,166	
126.1 Allowance for Doubtful Accounts -Tenants			\$0	-\$1,925,823	
126.2 Allowance for Doubtful Accounts - Other	\$0	\$0	\$0	-\$4,256,092	
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			\$486	\$104,885	
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$328,056	\$33,500	\$486	\$87,653,428	-\$12,338,629
131 Investments - Unrestricted			\$0	\$10,029,143	
132 Investments - Restricted			\$0	\$184,935,784	
135 Investments - Restricted for Payment of Current Liability			\$0	\$0	
142 Prepaid Expenses and Other Assets			\$0	\$481,173	
143 Inventories			\$0	\$1,492,218	
143.1 Allowance for Obsolete Inventories			\$0	-\$133,431	

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2017

	14.895 Jobs-Plus Pilot Initiative	8 Other Federal Program 1	14.856 Lower Income Housing Assistance Program_Section 8 Moderate	Subtotal	ELIM
144 Inter Program Due From			\$2,453,269	\$11,224,913	-\$11,224,913
145 Assets Held for Sale			\$0	\$0	
150 Total Current Assets	\$328,056	\$33,500	\$3,535,953	\$458,696,910	-\$23,563,542
161 Land			\$0	\$25,082,861	
162 Buildings			\$633,750	\$2,008,915,752	
163 Furniture, Equipment & Machinery - Dwellings			\$0	\$1,566,956	
164 Furniture, Equipment & Machinery - Administration	\$74,045		\$0	\$30,565,248	
165 Leasehold Improvements			\$0	\$0	
166 Accumulated Depreciation	-\$12,185		-\$126,750	-\$1,167,272,400	
167 Construction in Progress			\$0	\$92,664,284	
168 Infrastructure			\$0	\$0	
160 Total Capital Assets, Net of Accumulated Depreciation	\$61,860	\$0	\$507,000	\$991,522,701	\$0
171 Notes, Loans and Mortgages Receivable - Non-Current			\$0	\$390,249,419	-\$13,080,427
172 Notes, Loans, & Mortgages Receivable - Non Current - Past			\$0	\$0	
173 Grants Receivable - Non Current			\$0	\$0	
174 Other Assets			\$0	\$10,211,807	
176 Investments in Joint Ventures			\$0	\$5,076,632	
180 Total Non-Current Assets	\$61,860	\$0	\$507,000	\$1,397,060,559	-\$13,080,427
200 Deferred Outflow of Resources			\$0	\$27,299,605	\$0
290 Total Assets and Deferred Outflow of Resources	\$389,916	\$33,500	\$4,042,953	\$1,883,057,074	-\$36,643,969
311 Bank Overdraft			\$0	\$0	

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2017

	14.895 Jobs-Plus Pilot Initiative	8 Other Federal Program 1	14.856 Lower Income Housing Assistance Program_Section 8 Moderate	Subtotal	ELIM
312 Accounts Payable <= 90 Days	\$4,014		\$0	\$6,650,890	
313 Accounts Payable >90 Days Past Due			\$0	\$0	
321 Accrued Wage/Payroll Taxes Payable			\$0	\$3,227,564	
322 Accrued Compensated Absences - Current Portion			\$0	\$4,353,051	
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			\$0	\$448,432	
341 Tenant Security Deposits			\$0	\$1,298,880	
342 Unearned Revenue			\$523,859	\$1,838,843	
343 Current Portion of Long-term Debt - Capital			\$0	\$23,826,610	
344 Current Portion of Long-term Debt - Operating Borrowings			\$0	\$0	
345 Other Current Liabilities			\$0	\$9,799,967	
346 Accrued Liabilities - Other			\$8,378	\$25,602,320	-\$12,338,629
347 Inter Program - Due To	\$324,042	\$33,500	\$2,493,482	\$11,224,913	-\$11,224,913
348 Loan Liability - Current			\$0	\$0	
310 Total Current Liabilities	\$328,056	\$33,500	\$3,025,719	\$88,271,470	-\$23,563,542
351 Long-term Debt, Net of Current - Capital Projects/Mortgage			\$0	\$357,589,937	
352 Long-term Debt, Net of Current - Operating Borrowings			\$0	\$0	
353 Non-current Liabilities - Other			\$0	\$97,917,809	-\$13,080,427
354 Accrued Compensated Absences - Non Current			\$0	\$2,902,027	
355 Loan Liability - Non Current			\$0	\$0	
356 FASB 5 Liabilities			\$0	\$0	
357 Accrued Pension and OPEB Liabilities			\$0	\$92,424,246	

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2017

	14.895 Jobs-Plus Pilot Initiative	8 Other Federal Program 1	14.856 Lower Income Housing Assistance Program_Section 8 Moderate	Subtotal	ELIM
350 Total Non-Current Liabilities	\$0	\$0	\$0	\$550,834,019	-\$13,080,427
300 Total Liabilities	\$328,056	\$33,500	\$3,025,719	\$639,105,489	-\$36,643,969
400 Deferred Inflow of Resources			\$0	\$0	\$0
508.3 Nonspendable Fund Balance			\$0		
508.4 Net Investment in Capital Assets	\$61,860		\$507,000	\$609,137,711	
509.3 Restricted Fund Balance			\$0		
510.3 Committed Fund Balance			\$0		
511.3 Assigned Fund Balance			\$0		
511.4 Restricted Net Position			\$0	\$188,537,149	
512.3 Unassigned Fund Balance			\$0		
512.4 Unrestricted Net Position	\$0	\$0	\$510,234	\$446,276,725	
513 Total Equity - Net Assets / Position	\$61,860	\$0	\$1,017,234	\$1,243,951,585	\$0
600 Total Liabilities, Deferred Inflows of Resources and Equity -	\$389,916	\$33,500	\$4,042,953	\$1,883,057,074	-\$36,643,969

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2017

	Total
111 Cash - Unrestricted	\$116,612,573
112 Cash - Restricted - Modernization and Development	\$0
113 Cash - Other Restricted	\$45,078,644
114 Cash - Tenant Security Deposits	\$1,297,955
115 Cash - Restricted for Payment of Current Liabilities	\$24,510
100 Total Cash	\$163,013,682
121 Accounts Receivable - PHA Projects	\$1,341,191
122 Accounts Receivable - HUD Other Projects	\$66,413,327
124 Accounts Receivable - Other Government	\$363,580
125 Accounts Receivable - Miscellaneous	\$7,743,565
126 Accounts Receivable - Tenants	\$5,530,166
126.1 Allowance for Doubtful Accounts -Tenants	-\$1,925,823
126.2 Allowance for Doubtful Accounts - Other	-\$4,256,092
127 Notes, Loans, & Mortgages Receivable - Current	\$0
128 Fraud Recovery	\$0
128.1 Allowance for Doubtful Accounts - Fraud	\$0
129 Accrued Interest Receivable	\$104,885
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$75,314,799
131 Investments - Unrestricted	\$10,029,143
132 Investments - Restricted	\$184,935,784
135 Investments - Restricted for Payment of Current Liability	\$0
142 Prepaid Expenses and Other Assets	\$481,173
143 Inventories	\$1,492,218
143.1 Allowance for Obsolete Inventories	-\$133,431

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2017

	Total
144 Inter Program Due From	\$0
145 Assets Held for Sale	\$0
150 Total Current Assets	\$435,133,368
161 Land	\$25,082,861
162 Buildings	\$2,008,915,752
163 Furniture, Equipment & Machinery - Dwellings	\$1,566,956
164 Furniture, Equipment & Machinery - Administration	\$30,565,248
165 Leasehold Improvements	\$0
166 Accumulated Depreciation	-\$1,167,272,400
167 Construction in Progress	\$92,664,284
168 Infrastructure	\$0
160 Total Capital Assets, Net of Accumulated Depreciation	\$991,522,701
171 Notes, Loans and Mortgages Receivable - Non-Current	\$377,168,992
172 Notes, Loans, & Mortgages Receivable - Non Current - Past	\$0
173 Grants Receivable - Non Current	\$0
174 Other Assets	\$10,211,807
176 Investments in Joint Ventures	\$5,076,632
180 Total Non-Current Assets	\$1,383,980,132
200 Deferred Outflow of Resources	\$27,299,605
290 Total Assets and Deferred Outflow of Resources	\$1,846,413,105
311 Bank Overdraft	\$0

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2017

	Total
312 Accounts Payable <= 90 Days	\$6,650,890
313 Accounts Payable >90 Days Past Due	\$0
321 Accrued Wage/Payroll Taxes Payable	\$3,227,564
322 Accrued Compensated Absences - Current Portion	\$4,353,051
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	\$448,432
341 Tenant Security Deposits	\$1,298,880
342 Unearned Revenue	\$1,838,843
343 Current Portion of Long-term Debt - Capital	\$23,826,610
344 Current Portion of Long-term Debt - Operating Borrowings	\$0
345 Other Current Liabilities	\$9,799,967
346 Accrued Liabilities - Other	\$13,263,691
347 Inter Program - Due To	\$0
348 Loan Liability - Current	\$0
310 Total Current Liabilities	\$64,707,928
351 Long-term Debt, Net of Current - Capital Projects/Mortgage	\$357,589,937
352 Long-term Debt, Net of Current - Operating Borrowings	\$0
353 Non-current Liabilities - Other	\$84,837,382
354 Accrued Compensated Absences - Non Current	\$2,902,027
355 Loan Liability - Non Current	\$0
356 FASB 5 Liabilities	\$0
357 Accrued Pension and OPEB Liabilities	\$92,424,246

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2017

	Total
350 Total Non-Current Liabilities	\$537,753,592
300 Total Liabilities	\$602,461,520
400 Deferred Inflow of Resources	\$0
508.3 Nonspendable Fund Balance	
508.4 Net Investment in Capital Assets	\$609,137,711
509.3 Restricted Fund Balance	
510.3 Committed Fund Balance	
511.3 Assigned Fund Balance	
511.4 Restricted Net Position	\$188,537,149
512.3 Unassigned Fund Balance	
512.4 Unrestricted Net Position	\$446,276,725
513 Total Equity - Net Assets / Position	\$1,243,951,585
600 Total Liabilities, Deferred Inflows of Resources and Equity -	\$1,846,413,105

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2017

	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	\$25,671,043		\$0	\$0	\$0
70400 Tenant Revenue - Other	\$552,077		\$0	\$0	\$0
70500 Total Tenant Revenue	\$26,223,120	\$0	\$0	\$0	\$0
70600 HUD PHA Operating Grants		\$0	\$430,856	\$56,393	\$204,789
70610 Capital Grants		\$0			
70710 Management Fee					
70720 Asset Management Fee					
70730 Book Keeping Fee					
70740 Front Line Service Fee					
70750 Other Fees					
70700 Total Fee Revenue					
70800 Other Government Grants		\$0	\$0	\$0	\$0
71100 Investment Income - Unrestricted	\$75,491	\$109,105	\$0	\$0	\$0
71200 Mortgage Interest Income		\$0	\$0	\$0	\$0
71300 Proceeds from Disposition of Assets Held for Sale		\$0	\$0	\$0	\$0
71310 Cost of Sale of Assets		\$0	\$0	\$0	\$0
71400 Fraud Recovery	\$161,385	\$370,349	\$0	\$0	\$0
71500 Other Revenue	\$1,144,003	\$5,829,110	\$0	\$14,098	\$0
71600 Gain or Loss on Sale of Capital Assets	\$74,939	-\$44,504	\$0	\$0	\$0
72000 Investment Income - Restricted		\$0	\$0	\$0	\$0
70000 Total Revenue	\$27,678,938	\$6,264,060	\$430,856	\$70,491	\$204,789
91100 Administrative Salaries	\$7,241,927	\$21,645,669	\$0	\$0	\$0

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2017

	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	\$395,286	\$0	\$0	\$0
91300 Management Fee	\$0	\$0	\$0	\$0	\$0
91310 Book-keeping Fee					
91400 Advertising and Marketing		\$36,364	\$0	\$0	\$0
91500 Employee Benefit contributions - Administrative	\$3,214,841	\$22,920,851	\$7,808	\$0	\$0
91600 Office Expenses	\$1,063,101	\$3,366,975	\$266	\$8,246	\$0
91700 Legal Expense	\$3,219,722	\$5,283	\$0	\$0	\$0
91800 Travel	\$41,723	\$115,556	\$0	\$0	\$0
91810 Allocated Overhead	\$19,574,083	-\$19,574,083	\$0	\$0	\$0
91900 Other	\$543,419	\$10,075,224	\$0	\$0	\$204,789
91000 Total Operating - Administrative	\$34,898,816	\$38,987,125	\$8,074	\$8,246	\$204,789
92000 Asset Management Fee					
92100 Tenant Services - Salaries	\$40,862	\$302,344	\$415,463	\$21,957	\$0
92200 Relocation Costs	\$395,388	\$0	\$0	\$0	\$0
92300 Employee Benefit Contributions - Tenant Services	\$17,998	\$255,704	\$0	\$0	\$0
92400 Tenant Services - Other	\$142,637	\$1,069,805	\$44	\$40,068	\$0
92500 Total Tenant Services	\$596,885	\$1,627,853	\$415,507	\$62,025	\$0
93100 Water	\$10,754,737	-\$38,303	\$0	\$0	\$0
93200 Electricity	\$4,144,093	\$202,402	\$0	\$0	\$0
93300 Gas	\$5,697,038	\$17,324	\$0	\$0	\$0
93400 Fuel	\$0	\$0	\$0	\$0	\$0
93500 Labor	\$58,900	\$0	\$0	\$0	\$0
93600 Sewer	\$0	\$0	\$0	\$0	\$0
93700 Employee Benefit Contributions - Utilities	\$25,881	\$0	\$0	\$0	\$0

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2017

	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	\$149,583	\$0	\$0	\$0	\$0
93000 Total Utilities	\$20,830,232	\$181,423	\$0	\$0	\$0
94100 Ordinary Maintenance and Operations - Labor	\$32,308,675	\$778,943	\$0	\$0	\$0
94200 Ordinary Maintenance and Operations - Materials and	\$5,260,703	\$83,910	\$0	\$0	\$0
94300 Ordinary Maintenance and Operations Contracts	\$5,754,343	\$397,194	\$0	\$0	\$0
94500 Employee Benefit Contributions - Ordinary Maintenance	\$14,419,696	\$940,164	\$0	\$0	\$0
94000 Total Maintenance	\$57,743,417	\$2,200,211	\$0	\$0	\$0
95100 Protective Services - Labor	\$5,803,952	\$42,809	\$0	\$0	\$0
95200 Protective Services - Other Contract Costs	\$1,640,092	\$341,195	\$0	\$0	\$0
95300 Protective Services - Other	\$30,074	\$1,054	\$0	\$0	\$0
95500 Employee Benefit Contributions - Protective Services	\$2,556,396	\$45,950	\$0	\$0	\$0
95000 Total Protective Services	\$10,030,514	\$431,008	\$0	\$0	\$0
96110 Property Insurance	\$3,422,107	\$27,554	\$0	\$0	\$0
96120 Liability Insurance	\$480,724	\$0	\$0	\$0	\$0
96130 Workmen's Compensation	\$580,890	\$462,566	\$193	\$220	\$0
96140 All Other Insurance	\$89,221	\$38,456	\$0	\$0	\$0
96100 Total insurance Premiums	\$4,572,942	\$528,576	\$193	\$220	\$0
96200 Other General Expenses	\$18,499,534	\$443,216	\$0	\$0	\$0
96210 Compensated Absences	\$0	-\$984,357	\$0	\$0	\$0
96300 Payments in Lieu of Taxes	\$0	\$0	\$0	\$0	\$0
96400 Bad debt - Tenant Rents	\$146,879	\$0	\$0	\$0	\$0
96500 Bad debt - Mortgages	\$0	\$0	\$0	\$0	\$0

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2017

	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	\$0	\$0	\$0
96800 Severance Expense	\$642,887	\$372,981	\$7,082	\$0	\$0
96000 Total Other General Expenses	\$19,289,300	-\$168,160	\$7,082	\$0	\$0
96710 Interest of Mortgage (or Bonds) Payable		\$0	\$0	\$0	\$0
96720 Interest on Notes Payable (Short and Long Term)	\$0	\$0	\$0	\$0	\$0
96730 Amortization of Bond Issue Costs		\$0	\$0	\$0	\$0
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$0	\$0
96900 Total Operating Expenses	\$147,962,106	\$43,788,036	\$430,856	\$70,491	\$204,789
97000 Excess of Operating Revenue over Operating Expenses	-\$120,283,168	-\$37,523,976	\$0	\$0	\$0
97100 Extraordinary Maintenance	\$1,619,220	\$156,140	\$0	\$0	\$0
97200 Casualty Losses - Non-capitalized	\$0	\$0	\$0	\$0	\$0
97300 Housing Assistance Payments	\$0	\$163,544,430	\$0	\$0	\$0
97350 HAP Portability-In	\$0	\$0	\$0	\$0	\$0
97400 Depreciation Expense	\$30,837,753	\$12,651,718	\$0	\$0	\$158
97500 Fraud Losses	\$0	\$0	\$0	\$0	\$0
97600 Capital Outlays - Governmental Funds					
97700 Debt Principal Payment - Governmental Funds					
97800 Dwelling Units Rent Expense	\$0				
90000 Total Expenses	\$180,419,079	\$220,140,324	\$430,856	\$70,491	\$204,947
10010 Operating Transfer In	\$146,719,692	\$380,847,731	\$0	\$0	\$0
10020 Operating transfer Out	-\$7,797,450	-\$157,350,390	\$0	\$0	\$0

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2017

	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	-\$1,002,430	\$0	\$0	\$0
10040 Operating Transfers from/to Component Unit	\$0	\$0	\$0	\$0	\$0
10050 Proceeds from Notes, Loans and Bonds					
10060 Proceeds from Property Sales					
10070 Extraordinary Items, Net Gain/Loss	\$0	\$0	\$0	\$0	\$0
10080 Special Items (Net Gain/Loss)	\$0	\$0	\$0	\$0	\$0
10091 Inter Project Excess Cash Transfer In	\$0				
10092 Inter Project Excess Cash Transfer Out	\$0				
10093 Transfers between Program and Project - In	\$0				
10094 Transfers between Project and Program - Out	\$0				
10100 Total Other financing Sources (Uses)	\$138,922,242	\$222,494,911	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total	-\$13,817,899	\$8,618,647	\$0	\$0	-\$158
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0	\$0
11030 Beginning Equity	\$335,870,309	\$187,155,149	\$0	\$0	\$541
11040 Prior Period Adjustments, Equity Transfers and Correction	\$21,250,258	\$0	\$0	\$0	\$0
11050 Changes in Compensated Absence Balance					
11060 Changes in Contingent Liability Balance					
11070 Changes in Unrecognized Pension Transition Liability					
11080 Changes in Special Term/Severance Benefits Liability					
11090 Changes in Allowance for Doubtful Accounts - Dwelling					
11100 Changes in Allowance for Doubtful Accounts - Other					
11170 Administrative Fee Equity					
11180 Housing Assistance Payments Equity					
11190 Unit Months Available	128513	219670			

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2017

	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	114113	219670			
11270 Excess Cash	-\$7,626,126				
11610 Land Purchases	\$0				
11620 Building Purchases	\$20,758,705				
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	\$11,848,839				

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2017

	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	10.559 Summer Food Service Program for Children	97.109 Disaster Housing Assistance Grant	14.879 Mainstream Vouchers	6.2 Component Unit - Blended
70300 Net Tenant Rental Revenue	\$0	\$0	\$0	\$0	\$421,543
70400 Tenant Revenue - Other	\$0	\$0	\$0	\$0	\$2,290
70500 Total Tenant Revenue	\$0	\$0	\$0	\$0	\$423,833
70600 HUD PHA Operating Grants	\$1,720,540	\$0	\$0	\$689,354	\$0
70610 Capital Grants					\$0
70710 Management Fee					
70720 Asset Management Fee					
70730 Book Keeping Fee					
70740 Front Line Service Fee					
70750 Other Fees					
70700 Total Fee Revenue					
70800 Other Government Grants	\$0	\$173,805	\$0	\$0	\$0
71100 Investment Income - Unrestricted	\$0	\$0	\$0	\$0	\$220,574
71200 Mortgage Interest Income	\$0	\$0	\$0	\$0	\$0
71300 Proceeds from Disposition of Assets Held for Sale	\$0	\$0	\$0	\$0	\$0
71310 Cost of Sale of Assets	\$0	\$0	\$0	\$0	\$0
71400 Fraud Recovery	\$0	\$0	\$0	\$0	\$0
71500 Other Revenue	\$0	\$382,536	\$0	\$0	\$3,813,911
71600 Gain or Loss on Sale of Capital Assets	\$0	\$0	\$0	\$0	\$0
72000 Investment Income - Restricted	\$0	\$0	\$0	\$0	\$16,702
70000 Total Revenue	\$1,720,540	\$556,341	\$0	\$689,354	\$4,475,020
91100 Administrative Salaries	\$1,209	\$0	\$0	\$0	\$644,978
91200 Auditing Fees	\$0	\$0	\$0	\$0	\$53,500

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2017

	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	10.559 Summer Food Service Program for Children	97.109 Disaster Housing Assistance Grant	14.879 Mainstream Vouchers	6.2 Component Unit - Blended
91300 Management Fee	\$0	\$0	\$0	\$0	\$0
91310 Book-keeping Fee					
91400 Advertising and Marketing	\$0	\$0	\$0	\$0	\$0
91500 Employee Benefit contributions - Administrative	\$467	\$0	\$0	\$0	\$229,088
91600 Office Expenses	\$0	\$919	\$0	\$0	\$37,565
91700 Legal Expense	\$0	\$0	\$0	\$0	\$3,313
91800 Travel	\$0	\$2,270	\$0	\$0	\$1,241
91810 Allocated Overhead	\$0	\$0	\$0	\$0	\$0
91900 Other	\$0	\$0	\$0	\$0	\$170,719
91000 Total Operating - Administrative	\$1,676	\$3,189	\$0	\$0	\$1,140,404
92000 Asset Management Fee					
92100 Tenant Services - Salaries	\$0	\$129,904	\$0	\$0	\$0
92200 Relocation Costs	\$0	\$0	\$0	\$0	\$0
92300 Employee Benefit Contributions - Tenant Services	\$0	\$0	\$0	\$0	\$0
92400 Tenant Services - Other	\$0	\$423,248	\$0	\$0	\$558,027
92500 Total Tenant Services	\$0	\$553,152	\$0	\$0	\$558,027
93100 Water	\$0	\$0	\$0	\$0	\$30,342
93200 Electricity	\$0	\$0	\$0	\$0	\$447
93300 Gas	\$0	\$0	\$0	\$0	\$0
93400 Fuel	\$0	\$0	\$0	\$0	\$0
93500 Labor	\$0	\$0	\$0	\$0	\$0
93600 Sewer	\$0	\$0	\$0	\$0	\$0
93700 Employee Benefit Contributions - Utilities	\$0	\$0	\$0	\$0	\$0
93800 Other Utilities Expense	\$0	\$0	\$0	\$0	\$0

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2017

	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	10.559 Summer Food Service Program for Children	97.109 Disaster Housing Assistance Grant	14.879 Mainstream Vouchers	6.2 Component Unit - Blended
93000 Total Utilities	\$0	\$0	\$0	\$0	\$30,789
94100 Ordinary Maintenance and Operations - Labor	\$0	\$0	\$0	\$0	\$109,878
94200 Ordinary Maintenance and Operations - Materials and	\$0	\$0	\$0	\$0	\$108
94300 Ordinary Maintenance and Operations Contracts	\$0	\$0	\$0	\$0	\$214,921
94500 Employee Benefit Contributions - Ordinary Maintenance	\$0	\$0	\$0	\$0	\$39,164
94000 Total Maintenance	\$0	\$0	\$0	\$0	\$364,071
95100 Protective Services - Labor	\$0	\$0	\$0	\$0	\$0
95200 Protective Services - Other Contract Costs	\$0	\$0	\$0	\$0	\$0
95300 Protective Services - Other	\$0	\$0	\$0	\$0	\$0
95500 Employee Benefit Contributions - Protective Services	\$0	\$0	\$0	\$0	\$0
95000 Total Protective Services	\$0	\$0	\$0	\$0	\$0
96110 Property Insurance	\$0	\$0	\$0	\$0	\$44,573
96120 Liability Insurance	\$0	\$0	\$0	\$0	\$0
96130 Workmen's Compensation	\$12	\$0	\$0	\$0	\$8,949
96140 All Other Insurance	\$0	\$0	\$0	\$0	\$54,444
96100 Total insurance Premiums	\$12	\$0	\$0	\$0	\$107,966
96200 Other General Expenses	\$0	\$0	\$0	\$619	\$318,975
96210 Compensated Absences	\$0	\$0	\$0	\$0	-\$15,968
96300 Payments in Lieu of Taxes	\$0	\$0	\$0	\$0	\$0
96400 Bad debt - Tenant Rents	\$0	\$0	\$0	\$0	\$184
96500 Bad debt - Mortgages	\$0	\$0	\$0	\$0	\$0
96600 Bad debt - Other	\$0	\$0	\$0	\$0	\$0

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2017

	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	10.559 Summer Food Service Program for Children	97.109 Disaster Housing Assistance Grant	14.879 Mainstream Vouchers	6.2 Component Unit - Blended
96800 Severance Expense	\$0	\$0	\$0	\$0	\$13,774
96000 Total Other General Expenses	\$0	\$0	\$0	\$619	\$316,965
96710 Interest of Mortgage (or Bonds) Payable	\$0	\$0	\$0	\$0	\$289,106
96720 Interest on Notes Payable (Short and Long Term)	\$0	\$0	\$0	\$0	\$0
96730 Amortization of Bond Issue Costs	\$0	\$0	\$0	\$0	\$1,208
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$0	\$290,314
96900 Total Operating Expenses	\$1,688	\$556,341	\$0	\$619	\$2,808,536
97000 Excess of Operating Revenue over Operating Expenses	\$1,718,852	\$0	\$0	\$688,735	\$1,666,484
97100 Extraordinary Maintenance	\$0	\$0	\$0	\$0	\$0
97200 Casualty Losses - Non-capitalized	\$0	\$0	\$0	\$0	\$0
97300 Housing Assistance Payments	\$1,274,791	\$0	\$0	\$518,541	\$0
97350 HAP Portability-In	\$0	\$0	\$0	\$0	\$0
97400 Depreciation Expense	\$0	\$0	\$0	\$0	\$425,963
97500 Fraud Losses	\$0	\$0	\$0	\$0	\$0
97600 Capital Outlays - Governmental Funds					
97700 Debt Principal Payment - Governmental Funds					
97800 Dwelling Units Rent Expense					
90000 Total Expenses	\$1,276,479	\$556,341	\$0	\$519,160	\$3,234,499
10010 Operating Transfer In	\$0	\$0	\$0	\$0	\$0
10020 Operating transfer Out	\$0	\$0	\$0	\$0	\$0
10030 Operating Transfers from/to Primary Government	\$0	\$0	\$0	\$0	\$0

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2017

	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	10.559 Summer Food Service Program for Children	97.109 Disaster Housing Assistance Grant	14.879 Mainstream Vouchers	6.2 Component Unit - Blended
10040 Operating Transfers from/to Component Unit	\$0	\$0	\$0	\$0	-\$6,322,438
10050 Proceeds from Notes, Loans and Bonds					
10060 Proceeds from Property Sales					
10070 Extraordinary Items, Net Gain/Loss	\$0	\$0	\$0	\$0	\$0
10080 Special Items (Net Gain/Loss)	\$0	\$0	\$0	\$0	\$0
10091 Inter Project Excess Cash Transfer In					
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)	\$0	\$0	\$0	\$0	-\$6,322,438
10000 Excess (Deficiency) of Total Revenue Over (Under) Total	\$444,061	\$0	\$0	\$170,194	-\$5,081,917
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0	\$0
11030 Beginning Equity	\$1,426,382	\$0	\$95,807	\$303,650	\$79,803,580
11040 Prior Period Adjustments, Equity Transfers and Correction	\$0	\$0	\$0	\$0	\$0
11050 Changes in Compensated Absence Balance					
11060 Changes in Contingent Liability Balance					
11070 Changes in Unrecognized Pension Transition Liability					
11080 Changes in Special Term/Severance Benefits Liability					
11090 Changes in Allowance for Doubtful Accounts - Dwelling					
11100 Changes in Allowance for Doubtful Accounts - Other					
11170 Administrative Fee Equity					
11180 Housing Assistance Payments Equity					
11190 Unit Months Available	3984			790	
11210 Number of Unit Months Leased	3984			778	

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2017

	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	10.559 Summer Food Service Program for Children	97.109 Disaster Housing Assistance Grant	14.879 Mainstream Vouchers	6.2 Component Unit - Blended
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/Single Audit

Fiscal Year End: 03/31/2017

	93.602 New Assets for Independence Demonstration Program	2 State/Local	1 Business Activities	6.1 Component Unit - Discretely Presented	93.044 Special Programs for the Aging Title III, Part B Grants for Supportive
70300 Net Tenant Rental Revenue	\$0	\$0	\$38,125	\$28,616,583	\$0
70400 Tenant Revenue - Other	\$0	\$0	\$0	\$0	\$0
70500 Total Tenant Revenue	\$0	\$0	\$38,125	\$28,616,583	\$0
70600 HUD PHA Operating Grants	\$0	\$0	\$0		\$0
70610 Capital Grants					
70710 Management Fee					
70720 Asset Management Fee					
70730 Book Keeping Fee					
70740 Front Line Service Fee					
70750 Other Fees					
70700 Total Fee Revenue					
70800 Other Government Grants	\$0	\$395,569	\$0	\$0	\$0
71100 Investment Income - Unrestricted	\$610	\$358	\$10,158	\$64,216	\$0
71200 Mortgage Interest Income	\$0	\$0	\$5,985,554	\$0	\$0
71300 Proceeds from Disposition of Assets Held for Sale	\$0	\$0	\$0	\$0	\$0
71310 Cost of Sale of Assets	\$0	\$0	\$0	\$0	\$0
71400 Fraud Recovery	\$0	\$0	\$0	\$0	\$0
71500 Other Revenue	\$0	\$21,220	\$4,494,450	\$32,221,286	\$0
71600 Gain or Loss on Sale of Capital Assets	\$0	\$0	\$0	\$6,187,428	\$0
72000 Investment Income - Restricted	\$0	\$0	\$0	\$6,791	\$0
70000 Total Revenue	\$610	\$417,147	\$10,528,287	\$67,096,304	\$0
91100 Administrative Salaries	\$0	\$25,469	\$0	\$4,922,033	\$0
91200 Auditing Fees	\$0	\$0	\$0	\$610,347	\$0

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2017

	93.602 New Assets for Independence Demonstration Program	2 State/Local	1 Business Activities	6.1 Component Unit - Discretely Presented	93.044 Special Programs for the Aging Title III, Part B Grants for Supportive
91300 Management Fee	\$0	\$0	\$0	\$1,951,508	\$0
91310 Book-keeping Fee					
91400 Advertising and Marketing	\$0	\$0	\$0	\$31,040	\$0
91500 Employee Benefit contributions - Administrative	\$0	\$13,020	\$0	\$317,746	\$0
91600 Office Expenses	\$0	\$10,000	\$0	\$419,481	\$0
91700 Legal Expense	\$0	\$0	\$220,388	\$344,821	\$0
91800 Travel	\$0	\$0	\$0	\$0	\$0
91810 Allocated Overhead	\$0	\$0	\$0	\$0	\$0
91900 Other	\$0	\$477	\$3,084,252	\$557,900	\$0
91000 Total Operating - Administrative	\$0	\$48,966	\$3,304,640	\$9,154,876	\$0
92000 Asset Management Fee					
92100 Tenant Services - Salaries	\$0	\$0	\$0	\$42,760	\$0
92200 Relocation Costs	\$0	\$0	\$0	\$0	\$0
92300 Employee Benefit Contributions - Tenant Services	\$0	\$0	\$0	\$0	\$0
92400 Tenant Services - Other	\$51,528	\$0	\$0	\$157,677	\$0
92500 Total Tenant Services	\$51,528	\$0	\$0	\$200,437	\$0
93100 Water	\$0	\$0	\$662	\$2,636,674	\$0
93200 Electricity	\$0	\$0	\$542	\$1,121,725	\$0
93300 Gas	\$0	\$0	\$1,603	\$467,276	\$0
93400 Fuel	\$0	\$0	\$0	\$0	\$0
93500 Labor	\$0	\$0	\$0	\$0	\$0
93600 Sewer	\$0	\$0	\$0	\$130,281	\$0
93700 Employee Benefit Contributions - Utilities	\$0	\$0	\$0	\$0	\$0
93800 Other Utilities Expense	\$0	\$0	\$0	\$0	\$0

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2017

	93.602 New Assets for Independence Demonstration Program	2 State/Local	1 Business Activities	6.1 Component Unit - Discretely Presented	93.044 Special Programs for the Aging Title III, Part B Grants for Supportive
93000 Total Utilities	\$0	\$0	\$2,807	\$4,355,956	\$0
94100 Ordinary Maintenance and Operations - Labor	\$0	\$0	\$0	\$3,125,401	\$0
94200 Ordinary Maintenance and Operations - Materials and	\$0	\$0	\$0	\$1,644	\$0
94300 Ordinary Maintenance and Operations Contracts	\$0	\$0	\$7,040	\$7,817,689	\$0
94500 Employee Benefit Contributions - Ordinary Maintenance	\$0	\$0	\$0	\$339,587	\$0
94000 Total Maintenance	\$0	\$0	\$7,040	\$11,284,321	\$0
95100 Protective Services - Labor	\$0	\$0	\$0	\$0	\$0
95200 Protective Services - Other Contract Costs	\$0	\$0	\$0	\$0	\$0
95300 Protective Services - Other	\$0	\$0	\$0	\$0	\$0
95500 Employee Benefit Contributions - Protective Services	\$0	\$0	\$0	\$0	\$0
95000 Total Protective Services	\$0	\$0	\$0	\$0	\$0
96110 Property Insurance	\$0	\$0	\$87,611	\$2,205,538	\$0
96120 Liability Insurance	\$0	\$0	\$0	\$0	\$0
96130 Workmen's Compensation	\$0	\$1,564	\$0	\$0	\$0
96140 All Other Insurance	\$0	\$0	\$0	\$25,121	\$0
96100 Total insurance Premiums	\$0	\$1,564	\$87,611	\$2,230,659	\$0
96200 Other General Expenses	\$0	\$0	\$0	\$1,199,142	\$0
96210 Compensated Absences	\$0	\$0	\$0	\$0	\$0
96300 Payments in Lieu of Taxes	\$0	\$0	\$0	\$0	\$0
96400 Bad debt - Tenant Rents	\$0	\$0	\$0	\$142,935	\$0
96500 Bad debt - Mortgages	\$0	\$0	\$1,855,897	\$0	\$0
96600 Bad debt - Other	\$0	\$0	\$0	\$0	\$0

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2017

	93.602 New Assets for Independence Demonstration Program	2 State/Local	1 Business Activities	6.1 Component Unit - Discretely Presented	93.044 Special Programs for the Aging Title III, Part B Grants for Supportive
96800 Severance Expense	\$0	\$0	\$0	\$0	\$0
96000 Total Other General Expenses	\$0	\$0	\$1,855,897	\$1,342,077	\$0
96710 Interest of Mortgage (or Bonds) Payable	\$0	\$0	\$2,275,304	\$6,229,278	\$0
96720 Interest on Notes Payable (Short and Long Term)	\$0	\$0	\$0	\$0	\$0
96730 Amortization of Bond Issue Costs	\$0	\$0	\$0	\$0	\$0
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$2,275,304	\$6,229,278	\$0
96900 Total Operating Expenses	\$51,528	\$50,530	\$7,533,299	\$34,797,604	\$0
97000 Excess of Operating Revenue over Operating Expenses	-\$50,918	\$366,617	\$2,994,988	\$32,298,700	\$0
97100 Extraordinary Maintenance	\$0	\$56,230	\$213,341	\$0	\$0
97200 Casualty Losses - Non-capitalized	\$0	\$0	\$0	\$0	\$0
97300 Housing Assistance Payments	\$0	\$0	\$0	\$0	\$0
97350 HAP Portability-In	\$0	\$0	\$0	\$0	\$0
97400 Depreciation Expense	\$0	\$62,979	\$123,801	\$17,956,827	\$0
97500 Fraud Losses	\$0	\$0	\$0	\$0	\$0
97600 Capital Outlays - Governmental Funds					
97700 Debt Principal Payment - Governmental Funds					
97800 Dwelling Units Rent Expense					
90000 Total Expenses	\$51,528	\$169,739	\$7,870,441	\$52,754,431	\$0
10010 Operating Transfer In	\$0	\$0	\$486,307	\$0	\$0
10020 Operating transfer Out	\$0	\$0	\$0	\$0	\$0
10030 Operating Transfers from/to Primary Government	\$0	\$0	\$7,324,868	\$0	\$0

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2017

	93.602 New Assets for Independence Demonstration Program	2 State/Local	1 Business Activities	6.1 Component Unit - Discretely Presented	93.044 Special Programs for the Aging Title III, Part B Grants for Supportive
10040 Operating Transfers from/to Component Unit	\$0	\$0	\$0	\$0	\$0
10050 Proceeds from Notes, Loans and Bonds					
10060 Proceeds from Property Sales					
10070 Extraordinary Items, Net Gain/Loss	\$0	\$0	\$0	\$0	\$0
10080 Special Items (Net Gain/Loss)	\$0	\$0	\$0	\$0	\$0
10091 Inter Project Excess Cash Transfer In					
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)	\$0	\$0	\$7,811,175	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total	-\$50,918	\$247,408	\$10,469,021	\$14,341,873	\$0
11020 Required Annual Debt Principal Payments	\$0	\$0	\$5,070,000	\$11,132,719	\$0
11030 Beginning Equity	\$0	\$492,446	\$386,610,323	\$50,145,332	\$0
11040 Prior Period Adjustments, Equity Transfers and Correction	\$168,096	-\$168,096	-\$21,250,258	\$313,918	\$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			60	40128	
11210 Number of Unit Months Leased			55	38875	

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2017

	93.602 New Assets for Independence Demonstration Program	2 State/Local	1 Business Activities	6.1 Component Unit - Discretely Presented	93.044 Special Programs for the Aging Title III, Part B Grants for Supportive
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/Single Audit

Fiscal Year End: 03/31/2017

	5 Fiduciary	14.182 N/C S/R Section 8 Programs	14.CFP MTW Demonstration Program for Capital Fund	14.OPS MTW Demonstration Program for Low Rent	14.HCV MTW Demonstration Program for HCV program
70300 Net Tenant Rental Revenue		\$0			
70400 Tenant Revenue - Other		\$0			
70500 Total Tenant Revenue	\$0	\$0	\$0	\$0	\$0
70600 HUD PHA Operating Grants		\$0	\$19,533,126	\$118,729,859	\$207,583,339
70610 Capital Grants			\$17,059,566		
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		\$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			
71500 Other Revenue	\$9,320,589	\$0			
71600 Gain or Loss on Sale of Capital Assets		\$0			
72000 Investment Income - Restricted	\$2,107,065	\$0			
70000 Total Revenue	\$11,427,654	\$0	\$36,592,692	\$118,729,859	\$207,583,339
91100 Administrative Salaries		\$0			
91200 Auditing Fees		\$0			

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2017

	5 Fiduciary	14.182 N/C S/R Section 8 Programs	14.CFP MTW Demonstration Program for Capital Fund	14.OPS MTW Demonstration Program for Low Rent	14.HCV MTW Demonstration Program for HCV program
91300 Management Fee	\$0	\$0	\$0	\$0	\$0
91310 Book-keeping Fee					
91400 Advertising and Marketing		\$0			
91500 Employee Benefit contributions - Administrative		\$0			
91600 Office Expenses		\$0			
91700 Legal Expense		\$0			
91800 Travel		\$0			
91810 Allocated Overhead		\$0			
91900 Other	\$517,456	\$0			
91000 Total Operating - Administrative	\$517,456	\$0	\$0	\$0	\$0
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		\$0			
93200 Electricity		\$0			
93300 Gas		\$0			
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/Single Audit

Fiscal Year End: 03/31/2017

	5 Fiduciary	14.182 N/C S/R Section 8 Programs	14.CFP MTW Demonstration Program for Capital Fund	14.OPS MTW Demonstration Program for Low Rent	14.HCV MTW Demonstration Program for HCV program
93000 Total Utilities	\$0	\$0	\$0	\$0	\$0
94100 Ordinary Maintenance and Operations - Labor		\$0			
94200 Ordinary Maintenance and Operations - Materials and		\$0			
94300 Ordinary Maintenance and Operations Contracts	\$0	\$0			
94500 Employee Benefit Contributions - Ordinary Maintenance		\$0			
94000 Total Maintenance	\$0	\$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		\$0			
96120 Liability Insurance		\$0			
96130 Workmen's Compensation		\$0			
96140 All Other Insurance		\$0			
96100 Total insurance Premiums	\$0	\$0	\$0	\$0	\$0
96200 Other General Expenses	\$22,370,128	\$0			
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		\$0			

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2017

	5 Fiduciary	14.182 N/C S/R Section 8 Programs	14.CFP MTW Demonstration Program for Capital Fund	14.OPS MTW Demonstration Program for Low Rent	14.HCV MTW Demonstration Program for HCV program
96800 Severance Expense		\$0			
96000 Total Other General Expenses	\$22,370,128	\$0	\$0	\$0	\$0
96710 Interest of Mortgage (or Bonds) Payable		\$0			
96720 Interest on Notes Payable (Short and Long Term)	\$0	\$0			
96730 Amortization of Bond Issue Costs		\$0			
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$0	\$0
96900 Total Operating Expenses	\$22,887,584	\$0	\$0	\$0	\$0
97000 Excess of Operating Revenue over Operating Expenses	-\$11,459,930	\$0	\$36,592,692	\$118,729,859	\$207,583,339
97100 Extraordinary Maintenance		\$0			
97200 Casualty Losses - Non-capitalized		\$0			
97300 Housing Assistance Payments		\$0			
97350 HAP Portability-In		\$0			
97400 Depreciation Expense		\$0			
97500 Fraud Losses		\$0			
97600 Capital Outlays - Governmental Funds					
97700 Debt Principal Payment - Governmental Funds					
97800 Dwelling Units Rent Expense					
90000 Total Expenses	\$22,887,584	\$0	\$0	\$0	\$0
10010 Operating Transfer In		\$0			
10020 Operating transfer Out		\$0	-\$36,592,692	-\$118,729,859	-\$207,583,339
10030 Operating Transfers from/to Primary Government		\$0			

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2017

	5 Fiduciary	14.182 N/C S/R Section 8 Programs	14.CFP MTW Demonstration Program for Capital Fund	14.OPS MTW Demonstration Program for Low Rent	14.HCV MTW Demonstration Program for HCV program
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					
10100 Total Other financing Sources (Uses)	\$0	\$0	-\$36,592,692	-\$118,729,859	-\$207,583,339
10000 Excess (Deficiency) of Total Revenue Over (Under) Total	-\$11,459,930	\$0	\$0	\$0	\$0
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0	\$0
11030 Beginning Equity	\$196,751,800	\$22,872	\$0	\$0	\$0
11040 Prior Period Adjustments, Equity Transfers and Correction	\$0	\$0	\$0	\$0	\$0
11050 Changes in Compensated Absence Balance					
11060 Changes in Contingent Liability Balance					
11070 Changes in Unrecognized Pension Transition Liability					
11080 Changes in Special Term/Severance Benefits Liability					
11090 Changes in Allowance for Doubtful Accounts - Dwelling					
11100 Changes in Allowance for Doubtful Accounts - Other					
11170 Administrative Fee Equity					
11180 Housing Assistance Payments Equity					
11190 Unit Months Available				0	
11210 Number of Unit Months Leased				0	

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2017

	5 Fiduciary	14.182 N/C S/R Section 8 Programs	14.CFP MTW Demonstration Program for Capital Fund	14.OPS MTW Demonstration Program for Low Rent	14.HCV MTW Demonstration Program for HCV program
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/Single Audit

Fiscal Year End: 03/31/2017

	14.895 Jobs-Plus Pilot Initiative	8 Other Federal Program 1	14.856 Lower Income Housing Assistance Program_Section 8 Moderate	Subtotal	ELIM
70300 Net Tenant Rental Revenue			\$0	\$54,747,294	
70400 Tenant Revenue - Other			\$0	\$554,367	
70500 Total Tenant Revenue	\$0	\$0	\$0	\$55,301,661	\$0
70600 HUD PHA Operating Grants	\$328,056	\$33,500	\$1,840,907	\$351,150,719	
70610 Capital Grants			\$0	\$17,059,566	
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
70800 Other Government Grants			\$0	\$569,374	
71100 Investment Income - Unrestricted			\$3,288	\$483,800	
71200 Mortgage Interest Income			\$0	\$5,985,554	
71300 Proceeds from Disposition of Assets Held for Sale			\$0	\$0	
71310 Cost of Sale of Assets			\$0	\$0	
71400 Fraud Recovery			\$0	\$531,734	
71500 Other Revenue			\$0	\$57,241,203	
71600 Gain or Loss on Sale of Capital Assets			\$0	\$6,217,863	
72000 Investment Income - Restricted			\$0	\$2,130,558	
70000 Total Revenue	\$328,056	\$33,500	\$1,844,195	\$496,672,032	\$0
91100 Administrative Salaries	\$33,710	\$3,500	\$1,134	\$34,519,629	
91200 Auditing Fees			\$0	\$1,059,133	

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2017

	14.895 Jobs-Plus Pilot Initiative	8 Other Federal Program 1	14.856 Lower Income Housing Assistance Program_Section 8 Moderate	Subtotal	ELIM
91300 Management Fee			\$0	\$1,951,508	
91310 Book-keeping Fee			\$0		
91400 Advertising and Marketing			\$0	\$67,404	
91500 Employee Benefit contributions - Administrative			\$440	\$26,704,261	
91600 Office Expenses	\$26,564		\$0	\$4,933,117	
91700 Legal Expense			\$0	\$3,793,527	
91800 Travel	\$1,800		\$0	\$162,590	
91810 Allocated Overhead			\$0	\$0	
91900 Other	\$6,252	\$30,000	\$0	\$15,190,488	
91000 Total Operating - Administrative	\$68,326	\$33,500	\$1,574	\$88,381,657	\$0
92000 Asset Management Fee			\$0		
92100 Tenant Services - Salaries	\$179,492		\$0	\$1,132,782	
92200 Relocation Costs			\$0	\$395,388	
92300 Employee Benefit Contributions - Tenant Services			\$0	\$273,702	
92400 Tenant Services - Other	\$6,193		\$0	\$2,449,227	
92500 Total Tenant Services	\$185,685	\$0	\$0	\$4,251,099	\$0
93100 Water			\$0	\$13,384,112	
93200 Electricity			\$0	\$5,469,209	
93300 Gas			\$0	\$6,183,241	
93400 Fuel			\$0	\$0	
93500 Labor			\$0	\$58,900	
93600 Sewer			\$0	\$130,281	
93700 Employee Benefit Contributions - Utilities			\$0	\$25,881	
93800 Other Utilities Expense			\$0	\$149,583	

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2017

	14.895 Jobs-Plus Pilot Initiative	8 Other Federal Program 1	14.856 Lower Income Housing Assistance Program_Section 8 Moderate	Subtotal	ELIM
93000 Total Utilities	\$0	\$0	\$0	\$25,401,207	\$0
94100 Ordinary Maintenance and Operations - Labor			\$0	\$36,322,897	
94200 Ordinary Maintenance and Operations - Materials and			\$0	\$5,346,365	
94300 Ordinary Maintenance and Operations Contracts			\$0	\$14,191,187	
94500 Employee Benefit Contributions - Ordinary Maintenance			\$0	\$15,738,611	
94000 Total Maintenance	\$0	\$0	\$0	\$71,599,060	\$0
95100 Protective Services - Labor			\$0	\$5,846,761	
95200 Protective Services - Other Contract Costs			\$0	\$1,981,287	
95300 Protective Services - Other			\$0	\$31,128	
95500 Employee Benefit Contributions - Protective Services			\$0	\$2,602,346	
95000 Total Protective Services	\$0	\$0	\$0	\$10,461,522	\$0
96110 Property Insurance			\$0	\$5,787,383	
96120 Liability Insurance			\$0	\$480,724	
96130 Workmen's Compensation			\$10	\$1,054,404	
96140 All Other Insurance			\$0	\$207,242	
96100 Total insurance Premiums	\$0	\$0	\$10	\$7,529,753	\$0
96200 Other General Expenses			\$0	\$42,831,614	
96210 Compensated Absences			\$0	-\$1,000,325	
96300 Payments in Lieu of Taxes			\$0	\$0	
96400 Bad debt - Tenant Rents			\$0	\$289,998	
96500 Bad debt - Mortgages			\$0	\$1,855,897	
96600 Bad debt - Other			\$0	\$0	

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2017

	14.895 Jobs-Plus Pilot Initiative	8 Other Federal Program 1	14.856 Lower Income Housing Assistance Program_Section 8 Moderate	Subtotal	ELIM
96800 Severance Expense			\$0	\$1,036,724	
96000 Total Other General Expenses	\$0	\$0	\$0	\$45,013,908	\$0
96710 Interest of Mortgage (or Bonds) Payable			\$0	\$8,793,688	
96720 Interest on Notes Payable (Short and Long Term)			\$0	\$0	
96730 Amortization of Bond Issue Costs			\$0	\$1,208	
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$8,794,896	\$0
96900 Total Operating Expenses	\$254,011	\$33,500	\$1,584	\$261,433,102	\$0
97000 Excess of Operating Revenue over Operating Expenses	\$74,045	\$0	\$1,842,611	\$235,238,930	\$0
97100 Extraordinary Maintenance			\$0	\$2,044,931	
97200 Casualty Losses - Non-capitalized			\$0	\$0	
97300 Housing Assistance Payments			\$1,602,675	\$166,940,437	
97350 HAP Portability-In			\$0	\$0	
97400 Depreciation Expense	\$12,185		\$42,250	\$62,113,634	
97500 Fraud Losses			\$0	\$0	
97600 Capital Outlays - Governmental Funds			\$0		
97700 Debt Principal Payment - Governmental Funds			\$0		
97800 Dwelling Units Rent Expense			\$0	\$0	
90000 Total Expenses	\$266,196	\$33,500	\$1,646,509	\$492,532,104	\$0
10010 Operating Transfer In			\$0	\$528,053,730	-\$528,053,730
10020 Operating transfer Out			\$0	-\$528,053,730	\$528,053,730
10030 Operating Transfers from/to Primary Government			\$0	\$6,322,438	-\$6,322,438

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2017

	14.895 Jobs-Plus Pilot Initiative	8 Other Federal Program 1	14.856 Lower Income Housing Assistance Program_Section 8 Moderate	Subtotal	ELIM
10040 Operating Transfers from/to Component Unit			\$0	-\$6,322,438	\$6,322,438
10050 Proceeds from Notes, Loans and Bonds			\$0		
10060 Proceeds from Property Sales			\$0		
10070 Extraordinary Items, Net Gain/Loss			\$0	\$0	
10080 Special Items (Net Gain/Loss)			\$0	\$0	
10091 Inter Project Excess Cash Transfer In			\$0	\$0	
10092 Inter Project Excess Cash Transfer Out			\$0	\$0	
10093 Transfers between Program and Project - In			\$0	\$0	
10094 Transfers between Project and Program - Out			\$0	\$0	
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total	\$61,860	\$0	\$197,686	\$4,139,928	\$0
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$16,202,719	
11030 Beginning Equity	\$0	\$0	\$819,548	\$1,239,497,739	
11040 Prior Period Adjustments, Equity Transfers and Correction			\$0	\$313,918	
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		
11180 Housing Assistance Payments Equity			\$0		
11190 Unit Months Available			2964	396109	
11210 Number of Unit Months Leased			2964	380439	

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2017

	14.895 Jobs-Plus Pilot Initiative	8 Other Federal Program 1	14.856 Lower Income Housing Assistance Program_Section 8 Moderate	Subtotal	ELIM
11270 Excess Cash			\$0	-\$7,626,126	
11610 Land Purchases			\$0	\$0	
11620 Building Purchases			\$0	\$20,758,705	
11630 Furniture & Equipment - Dwelling Purchases			\$0	\$0	
11640 Furniture & Equipment - Administrative Purchases			\$0	\$0	
11650 Leasehold Improvements Purchases			\$0	\$0	
11660 Infrastructure Purchases			\$0	\$0	
13510 CFFP Debt Service Payments			\$0	\$0	
13901 Replacement Housing Factor Funds			\$0	\$11,848,839	

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2017

	Total
70300 Net Tenant Rental Revenue	\$54,747,294
70400 Tenant Revenue - Other	\$554,367
70500 Total Tenant Revenue	\$55,301,661
70600 HUD PHA Operating Grants	\$351,150,719
70610 Capital Grants	\$17,059,566
70710 Management Fee	
70720 Asset Management Fee	
70730 Book Keeping Fee	
70740 Front Line Service Fee	
70750 Other Fees	
70700 Total Fee Revenue	\$0
70800 Other Government Grants	\$569,374
71100 Investment Income - Unrestricted	\$483,800
71200 Mortgage Interest Income	\$5,985,554
71300 Proceeds from Disposition of Assets Held for Sale	\$0
71310 Cost of Sale of Assets	\$0
71400 Fraud Recovery	\$531,734
71500 Other Revenue	\$57,241,203
71600 Gain or Loss on Sale of Capital Assets	\$6,217,863
72000 Investment Income - Restricted	\$2,130,558
70000 Total Revenue	\$496,672,032
91100 Administrative Salaries	\$34,519,629
91200 Auditing Fees	\$1,059,133

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2017

	Total
91300 Management Fee	\$1,951,508
91310 Book-keeping Fee	
91400 Advertising and Marketing	\$67,404
91500 Employee Benefit contributions - Administrative	\$26,704,261
91600 Office Expenses	\$4,933,117
91700 Legal Expense	\$3,793,527
91800 Travel	\$162,590
91810 Allocated Overhead	\$0
91900 Other	\$15,190,488
91000 Total Operating - Administrative	\$88,381,657
92000 Asset Management Fee	
92100 Tenant Services - Salaries	\$1,132,782
92200 Relocation Costs	\$395,388
92300 Employee Benefit Contributions - Tenant Services	\$273,702
92400 Tenant Services - Other	\$2,449,227
92500 Total Tenant Services	\$4,251,099
93100 Water	\$13,384,112
93200 Electricity	\$5,469,209
93300 Gas	\$6,183,241
93400 Fuel	\$0
93500 Labor	\$58,900
93600 Sewer	\$130,281
93700 Employee Benefit Contributions - Utilities	\$25,881
93800 Other Utilities Expense	\$149,583

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2017

	Total
93000 Total Utilities	\$25,401,207
94100 Ordinary Maintenance and Operations - Labor	\$36,322,897
94200 Ordinary Maintenance and Operations - Materials and	\$5,346,365
94300 Ordinary Maintenance and Operations Contracts	\$14,191,187
94500 Employee Benefit Contributions - Ordinary Maintenance	\$15,738,611
94000 Total Maintenance	\$71,599,060
95100 Protective Services - Labor	\$5,846,761
95200 Protective Services - Other Contract Costs	\$1,981,287
95300 Protective Services - Other	\$31,128
95500 Employee Benefit Contributions - Protective Services	\$2,602,346
95000 Total Protective Services	\$10,461,522
96110 Property Insurance	\$5,787,383
96120 Liability Insurance	\$480,724
96130 Workmen's Compensation	\$1,054,404
96140 All Other Insurance	\$207,242
96100 Total insurance Premiums	\$7,529,753
96200 Other General Expenses	\$42,831,614
96210 Compensated Absences	-\$1,000,325
96300 Payments in Lieu of Taxes	\$0
96400 Bad debt - Tenant Rents	\$289,998
96500 Bad debt - Mortgages	\$1,855,897
96600 Bad debt - Other	\$0

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2017

	Total
96800 Severance Expense	\$1,036,724
96000 Total Other General Expenses	\$45,013,908
96710 Interest of Mortgage (or Bonds) Payable	\$8,793,688
96720 Interest on Notes Payable (Short and Long Term)	\$0
96730 Amortization of Bond Issue Costs	\$1,208
96700 Total Interest Expense and Amortization Cost	\$8,794,896
96900 Total Operating Expenses	\$261,433,102
97000 Excess of Operating Revenue over Operating Expenses	\$235,238,930
97100 Extraordinary Maintenance	\$2,044,931
97200 Casualty Losses - Non-capitalized	\$0
97300 Housing Assistance Payments	\$166,940,437
97350 HAP Portability-In	\$0
97400 Depreciation Expense	\$62,113,634
97500 Fraud Losses	\$0
97600 Capital Outlays - Governmental Funds	
97700 Debt Principal Payment - Governmental Funds	
97800 Dwelling Units Rent Expense	\$0
90000 Total Expenses	\$492,532,104
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/Single Audit

Fiscal Year End: 03/31/2017

	Total
10040 Operating Transfers from/to Component Unit	\$0
10050 Proceeds from Notes, Loans and Bonds	
10060 Proceeds from Property Sales	
10070 Extraordinary Items, Net Gain/Loss	\$0
10080 Special Items (Net Gain/Loss)	\$0
10091 Inter Project Excess Cash Transfer In	\$0
10092 Inter Project Excess Cash Transfer Out	\$0
10093 Transfers between Program and Project - In	\$0
10094 Transfers between Project and Program - Out	\$0
10100 Total Other financing Sources (Uses)	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total	\$4,139,928
11020 Required Annual Debt Principal Payments	\$16,202,719
11030 Beginning Equity	\$1,239,497,739
11040 Prior Period Adjustments, Equity Transfers and Correction	\$313,918
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	396109
11210 Number of Unit Months Leased	380439

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2017

	Total
11270 Excess Cash	-\$7,626,126
11610 Land Purchases	\$0
11620 Building Purchases	\$20,758,705
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	\$11,848,839

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Other Supplementary Information

Philadelphia Housing Authority
Combining Statement of Net Position
March 31, 2017

	State and Local Grants	Jobs Plus	Juvenile Reentry	Assets for Independence Program	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
Assets									
Current Assets									
Cash and cash equivalents	\$ 1,891,143	\$ -	\$ -	\$ 200,616	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted cash	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-
Receivables, net	5,201	328,056	33,500	90	-	71,682	-	-	-
Due from other governments	-	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	402,162	295,623	709,906	727,332
Other assets	-	-	-	-	-	-	-	-	-
Total current assets	1,896,344	328,056	33,500	200,706	-	473,844	295,623	709,906	727,332
Noncurrent Assets									
Mortgage receivable	-	-	-	-	-	-	-	-	-
Restricted cash	-	-	-	-	-	-	-	-	-
Restricted investments	-	-	-	-	-	-	-	-	-
Capital assets, net of depreciation	335,326	61,860	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-
Total noncurrent assets	335,326	61,860	-	-	-	-	-	-	-
Deferred outflows of resources	-	-	-	-	-	-	-	-	-
Total assets and deferred outflows	\$ 2,231,670	\$ 389,916	\$ 33,500	\$ 200,706	\$ -	\$ 473,844	\$ 295,623	\$ 709,906	\$ 727,332
Liabilities and Net Position									
Current Liabilities									
Accounts payable	\$ 47,556	\$ 4,014	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	254	-	-	-	-	-	-	-	-
Current portion of long-term debt	-	-	-	-	-	-	-	-	-
Due to other government agencies	-	-	-	-	-	-	-	-	-
Due to other funds	1,002,519	324,042	33,500	83,528	-	-	-	-	-
Compensated absences	-	-	-	-	-	-	-	-	-
Trust and deposits	-	-	-	-	-	-	-	-	-
Unearned revenues and other current liabilities	609,583	-	-	-	-	-	80,404	139,809	172,959
Total current liabilities	1,659,912	328,056	33,500	83,528	-	-	80,404	139,809	172,959
Noncurrent liabilities									
Compensated absences	-	-	-	-	-	-	-	-	-
Bonds, notes and loans payable	-	-	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-	-	-	-
Total noncurrent liabilities	-	-	-	-	-	-	-	-	-
Total liabilities	1,659,912	328,056	33,500	83,528	-	-	80,404	139,809	172,959
Deferred Inflows of Resources									
Net Position									
Net investment in capital assets	335,326	61,860	-	-	-	-	-	-	-
Restricted for Section 8	-	-	-	-	-	-	-	-	-
Restricted for development	-	-	-	-	-	-	-	-	-
Unrestricted (deficit)	236,432	-	-	117,178	-	473,844	215,219	570,097	554,373
Total net position	571,758	61,860	-	117,178	-	473,844	215,219	570,097	554,373
Total liabilities and net position	\$ 2,231,670	\$ 389,916	\$ 33,500	\$ 200,706	\$ -	\$ 473,844	\$ 295,623	\$ 709,906	\$ 727,332

Philadelphia Housing Authority
Combining Statement of Net Position (Continued)
March 31, 2017

	Section 8 Modern Rehab Prg No. 4	Section 8 Modern Rehab Prg No. 5	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
Assets									
Current Assets									
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,082,198	\$ -	\$ -
Restricted cash	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-
Receivables, net	-	-	-	-	-	-	486	-	-
Due from other governments	-	-	-	-	-	-	-	-	-
Due from other funds	31,663	11,991	21,217	129,459	172,931	353,147	-	-	-
Other assets	-	-	-	-	-	-	-	-	-
Total current assets	31,663	11,991	21,217	129,459	172,931	353,147	1,082,684	-	-
Noncurrent Assets									
Mortgage receivable	-	-	-	-	-	-	-	-	-
Restricted cash	-	-	-	-	-	-	-	-	-
Restricted investments	-	-	-	-	-	-	-	-	-
Capital assets, net of depreciation	-	-	-	-	-	-	507,000	-	-
Other assets	-	-	-	-	-	-	-	-	-
Total noncurrent assets	-	-	-	-	-	-	507,000	-	-
Deferred outflows of resources	-	-	-	-	-	-	-	-	-
Total assets and deferred outflows	\$ 31,663	\$ 11,991	\$ 21,217	\$ 129,459	\$ 172,931	\$ 353,147	\$ 1,589,684	\$ -	\$ -
Liabilities and Net Position									
Current Liabilities									
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-	-	-	8,378	-	-
Current portion of long-term debt	-	-	-	-	-	-	-	-	-
Due to other government agencies	-	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	2,493,482	-	-
Compensated absences	-	-	-	-	-	-	-	-	-
Trust and deposits	-	-	-	-	-	-	-	-	-
Unearned revenues and other current liabilities	-	-	-	14,025	39,457	77,205	-	-	-
Total current liabilities	-	-	-	14,025	39,457	77,205	2,501,860	-	-
Noncurrent liabilities									
Compensated absences	-	-	-	-	-	-	-	-	-
Bonds, notes and loans payable	-	-	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-	-	-	-
Total noncurrent liabilities	-	-	-	-	-	-	-	-	-
Total liabilities	-	-	-	14,025	39,457	77,205	2,501,860	-	-
Deferred Inflows of Resources									
Net Position									
Net investment in capital assets	-	-	-	-	-	-	507,000	-	-
Restricted for Section 8	-	-	-	-	-	-	-	-	-
Restricted for development	-	-	-	-	-	-	-	-	-
Unrestricted (deficit)	31,663	11,991	21,217	115,434	133,474	275,942	(1,419,176)	-	-
Total net position	31,663	11,991	21,217	115,434	133,474	275,942	(912,176)	-	-
Total liabilities and net position	\$ 31,663	\$ 11,991	\$ 21,217	\$ 129,459	\$ 172,931	\$ 353,147	\$ 1,589,684	\$ -	\$ -

Philadelphia Housing Authority
Combining Statement of Net Position (Continued)
March 31, 2017

	Section 8 Modern Rehab Prg Rehab Prg	Section 8 Single Room Occupancy Program	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
Assets									
Current Assets									
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 21,043	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted cash	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-
Receivables, net	-	-	-	-	115,351	-	133,059	-	-
Due from other governments	-	-	-	-	-	-	-	-	-
Due from other funds	-	2,397,906	22,872	-	-	95,807	-	-	-
Other assets	-	-	-	-	-	-	-	-	-
Total current assets	-	2,397,906	22,872	21,043	115,351	95,807	133,059	-	-
Noncurrent Assets									
Mortgage receivable	-	-	-	-	-	-	-	-	-
Restricted cash	-	-	-	-	-	-	-	-	-
Restricted investments	-	-	-	-	-	-	-	-	-
Capital assets, net of depreciation	-	-	-	-	-	-	383	-	-
Other assets	-	-	-	-	-	-	-	-	-
Total noncurrent assets	-	-	-	-	-	-	383	-	-
Deferred outflows of resources									
	-	-	-	-	-	-	-	-	-
Total assets and deferred outflows	\$ -	\$ 2,397,906	\$ 22,872	\$ 21,043	\$ 115,351	\$ 95,807	\$ 133,442	\$ -	\$ -
Liabilities and Net Position									
Current Liabilities									
Accounts payable	\$ -	\$ -	\$ -	\$ 7,658	\$ -	\$ -	\$ 50,280	\$ -	\$ -
Accrued liabilities	-	-	-	-	-	-	-	-	-
Current portion of long-term debt	-	-	-	-	-	-	-	-	-
Due to other government agencies	-	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	8,487	108,450	-	82,779	-	-
Compensated absences	-	-	-	-	-	-	-	-	-
Trust and deposits	-	-	-	-	-	-	-	-	-
Unearned revenues and other current liabilities	-	527,463	-	4,898	6,901	-	-	-	-
Total current liabilities	-	527,463	-	21,043	115,351	-	133,059	-	-
Noncurrent liabilities									
Compensated absences	-	-	-	-	-	-	-	-	-
Bonds, notes and loans payable	-	-	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-	-	-	-
Total noncurrent liabilities	-	-	-	-	-	-	-	-	-
Total liabilities	-	527,463	-	21,043	115,351	-	133,059	-	-
Deferred inflows of resources									
Net Position									
Net investment in capital assets	-	-	-	-	-	-	383	-	-
Restricted for Section 8	-	-	-	-	-	-	-	-	-
Restricted for development	-	-	-	-	-	-	-	-	-
Unrestricted (deficit)	-	1,870,443	22,872	-	-	95,807	-	-	-
Total net position	-	1,870,443	22,872	-	-	95,807	383	-	-
Total liabilities and net position	\$ -	\$ 2,397,906	\$ 22,872	\$ 21,043	\$ 115,351	\$ 95,807	\$ 133,442	\$ -	\$ -

Philadelphia Housing Authority
Combining Statement of Net Position (Continued)
March 31, 2017

	ARRA Competitive Programs	Healthy Homes Program	Moving to Work Program	Project Totals	Other Business Activities	Long Term Notes Receivable	Debt Service Fund	General Purpose Bonds	Blended Component Units
Assets									
Current Assets									
Cash and cash equivalents	\$ -	\$ -	\$ 5,201,966	\$ 12,646,026	\$ 3,303,835	\$ -	\$ 148,099	\$ 5,172	\$ 83,555,890
Restricted cash	-	-	5,363,474	783,166	24,510	-	-	-	1,645,620
Investments	-	-	10,029,143	-	-	-	-	-	-
Receivables, net	-	-	76,348,717	5,011,816	173,771	-	64	-	1,515,658
Due from other governments	-	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	5,841,104	-	11,792	-	-
Other assets	-	-	289,057	1,199,842	-	-	-	-	40,434
Total current assets	-	-	97,232,357	19,640,850	9,343,220	-	159,955	5,172	86,757,602
Noncurrent Assets									
Mortgage receivable	-	-	-	-	-	390,249,419	-	-	-
Restricted cash	-	-	-	-	-	-	-	-	-
Restricted investments	-	-	-	-	-	-	-	-	1,602,926
Capital assets, net of depreciation	-	-	173,907,114	343,855,199	14,270,490	-	-	-	12,156,030
Other assets	-	-	8,870,262	530	88,012	5,075,262	-	-	-
Total noncurrent assets	-	-	182,777,376	343,855,729	14,358,502	395,324,681	-	-	13,758,956
Deferred outflows of resources	-	-	27,299,605	-	-	-	-	-	-
Total assets and deferred outflows	\$ -	\$ -	\$ 307,309,338	\$ 363,496,579	\$ 23,701,722	\$ 395,324,681	\$ 159,955	\$ 5,172	\$ 100,516,558
Liabilities and Net Position									
Current Liabilities									
Accounts payable	\$ -	\$ -	\$ 957,186	\$ 3,528,414	\$ 764,861	\$ -	\$ -	\$ -	\$ 74,852
Accrued liabilities	-	-	5,796,182	7,183,258	387,761	-	771,563	174,167	12,540,183
Current portion of long-term debt	-	-	-	-	-	-	5,345,000	-	-
Due to other government agencies	-	-	7,048	441,384	-	-	-	-	-
Due to other funds	-	-	6,300,244	787,882	-	-	-	-	-
Compensated absences	-	-	1,340,761	2,962,268	-	-	-	-	50,022
Trust and deposits	-	-	-	783,166	925	-	-	-	3,267
Unearned revenues and other current liabilities	-	-	2,484,251	553,488	362,083	-	-	-	12,796
Total current liabilities	-	-	16,885,672	16,239,860	1,515,630	-	6,116,563	174,167	12,681,120
Noncurrent liabilities									
Compensated absences	-	-	893,841	1,974,838	-	-	-	-	33,348
Bonds, notes and loans payable	-	-	-	-	-	-	24,556,084	11,000,000	-
Other liabilities	-	-	93,756,031	1,979,211	-	-	-	-	13,080,427
Total noncurrent liabilities	-	-	94,649,872	3,954,049	-	-	24,556,084	11,000,000	13,113,775
Total liabilities	-	-	111,535,544	20,193,909	1,515,630	-	30,672,647	11,174,167	25,794,895
Deferred inflows of resources	-	-	-	-	-	-	-	-	-
Net Position									
Net investment in capital assets	-	-	173,907,114	343,855,199	14,270,490	-	(29,901,084)	(11,000,000)	12,156,030
Restricted for Section 8	-	-	-	-	-	-	-	-	-
Restricted for development	-	-	-	-	-	-	-	-	3,245,279
Unrestricted (deficit)	-	-	21,866,680	(552,529)	7,915,602	395,324,681	(611,608)	(168,995)	59,320,354
Total net position	-	-	195,773,794	343,302,670	22,186,092	395,324,681	(30,512,692)	(11,168,995)	74,721,663
Total liabilities, deferred inflows and net position	\$ -	\$ -	\$ 307,309,338	\$ 363,496,579	\$ 23,701,722	\$ 395,324,681	\$ 159,955	\$ 5,172	\$ 100,516,558

Philadelphia Housing Authority
Combining Statement of Net Position (Continued)
March 31, 2017

	Total PHA Programs	Reclassification	Elimination	Totals
Assets				
Current Assets				
Cash and cash equivalents	\$ 108,055,988	\$ -	\$ -	\$ 108,055,988
Restricted cash	7,816,770	-	-	7,816,770
Investments	10,029,143	-	-	10,029,143
Receivables, net	83,737,451	-	(12,338,629)	71,398,822
Due from other governments	-	-	-	-
Due from other funds	11,224,913	-	(11,224,913)	-
Other assets	1,529,333	-	-	1,529,333
Total current assets	222,393,598	-	(23,563,542)	198,830,056
Noncurrent Assets				
Mortgage receivable	390,249,419	-	(13,080,427)	377,168,992
Restricted cash	-	-	-	-
Restricted investments	1,602,926	-	-	1,602,926
Capital assets, net of depreciation	545,093,402	-	-	545,093,402
Other assets	14,034,065	-	-	14,034,065
Total noncurrent assets	950,979,812	-	(13,080,427)	937,899,385
Deferred outflows of resources	27,299,605	-	-	27,299,605
Total assets and deferred outflows	\$ 1,200,673,015	\$ -	\$ (36,643,969)	\$ 1,164,029,046
Liabilities and Net Position				
Current Liabilities				
Accounts payable	\$ 5,434,821	\$ -	\$ -	\$ 5,434,821
Accrued liabilities	26,861,746	-	(12,338,629)	14,523,117
Current portion of long-term debt	5,345,000	-	-	5,345,000
Due to other government agencies	448,432	-	-	448,432
Due to other funds	11,224,913	-	(11,224,913)	-
Compensated absences	4,353,051	-	-	4,353,051
Trust and deposits	787,358	-	-	787,358
Unearned revenues and other current liabilities	5,085,322	-	-	5,085,322
Total current liabilities	59,540,643	-	(23,563,542)	35,977,101
Noncurrent liabilities				
Compensated absences	2,902,027	-	-	2,902,027
Bonds, notes and loans payable	35,556,084	-	-	35,556,084
Other liabilities	108,815,669	-	(13,080,427)	95,735,242
Total noncurrent liabilities	147,273,780	-	(13,080,427)	134,193,353
Total liabilities	206,814,423	-	(36,643,969)	170,170,454
Deferred inflows of resources				-
Net Position				
Net investment in capital assets	504,192,318	-	-	504,192,318
Restricted for Section 8	-	-	-	-
Restricted for development	3,245,279	-	-	3,245,279
Unrestricted (deficit)	486,420,995	-	-	486,420,995
Total net position	993,858,592	-	-	993,858,592
Total liabilities, deferred inflows and net position	\$ 1,200,673,015	\$ -	\$ (36,643,969)	\$ 1,164,029,046

Philadelphia Housing Authority
Combining Statement of Revenues, Expenses and Changes in Net Position
March 31, 2017

	State and Local Grants	Jobs Plus	Juvenile Reentry	Assets for Independence Program	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
Operating Revenue										
Total tenant revenue	\$ -			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating subsidies	395,569	328,056	33,500	-	-	689,354	397,780	547,207	376,032	-
Other income	21,220			-	-	-	-	-	-	-
Total operating revenue	416,789	328,056	33,500	-	-	689,354	397,780	547,207	376,032	-
Operating Expenses										
Administrative	48,966	68,326	33,500	-	-	-	238	353	336	-
Tenant services	-	185,685	-	51,528	-	-	-	-	-	-
Utilities	-			-	-	-	-	-	-	-
Maintenance	56,230			-	-	-	-	-	-	-
Protective services	-			-	-	-	-	-	-	-
General	1,564			-	-	619	2	2	2	-
Housing assistance programs	-			-	-	518,541	352,961	480,997	312,876	-
Depreciation and amortization	62,979	12,185		-	-	-	-	-	-	-
Total operating expenses	169,739	266,196	33,500	51,528	-	519,160	353,201	481,352	313,214	-
Operating income (loss)	247,050	61,860	-	(51,528)	-	170,194	44,579	65,855	62,818	-
Nonoperating Revenue and (Expenses)										
Interest and investment earnings	358			610	-	-	-	-	-	-
Other revenue/charges	-			-	-	-	-	-	-	-
Forgiveness of mortgage receivable	-			-	-	-	-	-	-	-
Interest expense	-			-	-	-	-	-	-	-
Net nonoperating revenue	358	-	-	610	-	-	-	-	-	-
Income (loss) before capital contributions	247,408	61,860	-	(50,918)	-	170,194	44,579	65,855	62,818	-
Capital contributions										
HUD capital subsidies	-			-	-	-	-	-	-	-
Other nonoperating contributions	-			-	-	-	-	-	-	-
Partners contributions	-			-	-	-	-	-	-	-
Change in net position	247,408	61,860	-	(50,918)	-	170,194	44,579	65,855	62,818	-
Net position, beginning										
As previously reported	492,446	-		-	-	303,650	170,640	504,242	491,555	31,663
Prior period adjustments and equity transfers	(168,096)			168,096	-	-	-	-	-	-
As restated	324,350	-	-	168,096	-	303,650	170,640	504,242	491,555	31,663
Net position, ending	\$ 571,758	\$ 61,860	\$ -	\$ 117,178	\$ -	\$ 473,844	\$ 215,219	\$ 570,097	\$ 554,373	\$ 31,663

Philadelphia Housing Authority
Combining Statement of Revenues, Expenses and Changes in Net Position (Continued)
March 31, 2017

	Section 8 Modern Rehab Prg No. 5	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	-	-	67,700	208,014	244,174	-	-	-	1,720,540	-
Other income	-	-	-	-	-	-	-	-	-	-
Total operating revenue	-	-	67,700	208,014	244,174	-	-	-	1,720,540	-
Operating Expenses										
Administrative	-	-	50	109	488	-	-	-	1,676	-
Tenant services	-	-	-	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-	-	-	-
Maintenance	-	-	-	-	-	-	-	-	-	-
Protective services	-	-	-	-	-	-	-	-	-	-
General	-	-	-	1	3	-	-	-	12	-
Housing assistance programs	-	-	64,943	191,543	199,355	-	-	-	1,274,791	-
Depreciation and amortization	-	-	-	-	-	42,250	-	-	-	-
Total operating expenses	-	-	64,993	191,653	199,846	42,250	-	-	1,276,479	-
Operating income (loss)	-	-	2,707	16,361	44,328	(42,250)	-	-	444,061	-
Nonoperating Revenue and (Expenses)										
Interest and investment earnings	-	-	-	-	-	3,288	-	-	-	-
Other revenue/charges	-	-	-	-	-	-	-	-	-	-
Forgiveness of mortgage receivable	-	-	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-	-	-
Net nonoperating revenue	-	-	-	-	-	3,288	-	-	-	-
Income (loss) before capital contributions	-	-	2,707	16,361	44,328	(38,962)	-	-	444,061	-
Capital contributions										
HUD capital subsidies	-	-	-	-	-	-	-	-	-	-
Other nonoperating contributions	-	-	-	-	-	-	-	-	-	-
Partners contributions	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-	2,707	16,361	44,328	(38,962)	-	-	444,061	-
Net position, beginning										
As previously reported	11,991	21,217	112,727	117,113	231,614	(873,214)	-	-	1,426,382	22,872
Prior period adjustments and equity transfers	-	-	-	-	-	-	-	-	-	-
As restated	11,991	21,217	112,727	117,113	231,614	(873,214)	-	-	1,426,382	22,872
Net position, ending	<u>\$ 11,991</u>	<u>\$ 21,217</u>	<u>\$ 115,434</u>	<u>\$ 133,474</u>	<u>\$ 275,942</u>	<u>\$ (912,176)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,870,443</u>	<u>\$ 22,872</u>

Philadelphia Housing Authority
Combining Statement of Revenues, Expenses and Changes in Net Position (Continued)
March 31, 2017

	SR Community	Congregate Housing Program	Summer Feeding Program	Resident Opportunity and Self-Sufficiency Program	Disaster Funding Program	Choice Neighborhood	Veterans Affairs Program	ARRA Competitive Programs	ARRA Formula Program	Healthy Homes Program
Operating Revenue										
Total tenant revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating subsidies	-	56,393	173,805	430,856	-	204,789	-	-	-	-
Other income	-	14,098	382,536	-	-	-	-	-	-	-
Total operating revenue	-	70,491	556,341	430,856	-	204,789	-	-	-	-
Operating Expenses										
Administrative	-	8,246	3,189	8,074	-	204,789	-	-	-	-
Tenant services	-	62,025	553,152	415,507	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-	-	-	-
Maintenance	-	-	-	-	-	-	-	-	-	-
Protective services	-	-	-	-	-	-	-	-	-	-
General	-	220	-	7,275	-	-	-	-	-	-
Housing assistance programs	-	-	-	-	-	-	-	-	-	-
Depreciation and amortization	-	-	-	-	-	158	-	-	-	-
Total operating expenses	-	70,491	556,341	430,856	-	204,947	-	-	-	-
Operating income (loss)	-	-	-	-	-	(158)	-	-	-	-
Nonoperating Revenue and (Expenses)										
Interest and investment earnings	-	-	-	-	-	-	-	-	-	-
Other revenue/charges	-	-	-	-	-	-	-	-	-	-
Forgiveness of mortgage receivable	-	-	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-	-	-
Net nonoperating revenue	-	-	-	-	-	-	-	-	-	-
Income (loss) before capital contributions	-	-	-	-	-	(158)	-	-	-	-
Capital contributions										
HUD capital subsidies	-	-	-	-	-	-	-	-	-	-
Other nonoperating contributions	-	-	-	-	-	-	-	-	-	-
Partners contributions	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-	-	-	-	(158)	-	-	-	-
Net position, beginning										
As previously reported	-	-	-	-	95,807	541	-	-	-	-
Prior period adjustments and equity transfers	-	-	-	-	-	-	-	-	-	-
As restated	-	-	-	-	95,807	541	-	-	-	-
Net position, ending	\$ -	\$ -	\$ -	\$ -	\$ 95,807	\$ 383	\$ -	\$ -	\$ -	\$ -

Philadelphia Housing Authority
Combining Statement of Revenues, Expenses and Changes in Net Position (Continued)
March 31, 2017

	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	\$ -	\$ 26,223,120	\$ 38,125	\$ -	\$ -	\$ -	\$ 423,833	\$ 26,685,078
Operating subsidies	345,846,324	-	-	-	-	-	-	351,720,093
Other income	5,829,110	1,144,003	4,494,450	-	-	-	3,813,911	15,699,328
Total operating revenue	351,675,434	27,367,123	4,532,575	-	-	-	4,237,744	394,104,499
Operating Expenses								
Administrative	38,987,125	34,898,816	3,304,640	-	-	-	1,140,404	78,709,325
Tenant services	1,627,853	596,885	-	-	-	-	558,027	4,050,662
Utilities	181,423	20,830,232	2,807	-	-	-	30,789	21,045,251
Maintenance	2,356,351	59,362,637	220,381	-	-	-	364,071	62,359,670
Protective services	431,008	10,030,514	-	-	-	-	-	10,461,522
General	360,416	23,862,242	87,611	-	-	-	424,931	24,744,900
Housing assistance programs	163,544,430	-	-	-	-	-	-	166,940,437
Depreciation and amortization	12,651,718	30,837,753	123,801	-	-	-	425,963	44,156,807
Total operating expenses	220,140,324	180,419,079	3,739,240	-	-	-	2,944,185	412,468,574
Operating income (loss)	131,535,110	(153,051,956)	793,335	-	-	-	1,293,559	(18,364,075)
Nonoperating Revenue and (Expenses)								
Interest and investment earnings	109,105	75,491	9,728	5,985,554	430	-	237,276	6,421,840
Other revenue/charges	325,843	236,326	-	(1,855,897)	-	-	-	(1,293,728)
Forgiveness of mortgage receivable	-	-	-	-	(1,747,416)	(527,888)	(290,314)	(2,565,618)
Interest expense	-	-	-	-	(1,746,986)	(527,888)	(53,038)	2,562,494
Net nonoperating revenue	434,948	311,817	9,728	4,129,657	(1,746,986)	(527,888)	(53,038)	2,562,494
Income (loss) before capital contributions	131,970,058	(152,740,139)	803,063	4,129,657	(1,746,986)	(527,888)	1,240,521	(15,801,581)
Capital contributions								
HUD capital subsidies	17,059,566	-	-	-	-	-	-	17,059,566
Other nonoperating contributions	(140,410,979)	138,922,242	8,497,827	(8,117,674)	6,903,134	527,888	(6,322,438)	-
Partners contributions	-	-	-	-	-	-	-	-
	(123,351,413)	138,922,242	8,497,827	(8,117,674)	6,903,134	527,888	(6,322,438)	17,059,566
Change in net position	8,618,645	(13,817,897)	9,300,890	(3,988,017)	5,156,148	-	(5,081,917)	1,257,985
Net position, beginning								
As previously reported	187,155,149	335,870,309	12,885,202	399,312,698	(15,178,627)	(10,408,950)	79,803,580	992,600,607
Prior period adjustments and equity transfers	-	21,250,258	-	-	(20,490,213)	(760,045)	-	-
As restated	187,155,149	357,120,567	12,885,202	399,312,698	(35,668,840)	(11,168,995)	79,803,580	992,600,607
Net position, ending	\$ 195,773,794	\$ 343,302,670	\$ 22,186,092	\$ 395,324,681	\$ (30,512,692)	\$ (11,168,995)	\$ 74,721,663	\$ 993,858,592

Philadelphia Housing Authority
Component Units
Combining Statement of Net Position
March 31, 2017

	Neumann North	New Courtland Apartments at Allegheny	1952 Allegheny Impact Veterans	St. Francis Villa Senior Housing	Raymond Rosen Assoc. t/a 8 Diamonds Townhouses	Ridge Avenue Housing	St. Anthony's Senior Residences	St. Ignatius Senior Housing I
Assets								
Current Assets								
Cash	\$ 37,706	\$ 15,683	\$ 81,422	\$ 111,513	\$ 32,036	\$ 137,326	\$ 73,107	\$ 611,507
Restricted cash	372,222	607,732	285,837	474,373	1,629,594	335,742	162,935	513,643
Investments	-	-	-	-	-	-	-	-
Receivables, net	1,026	5,993	587,409	297	18,490	24,641	5,267	1,524
Due from other governments	-	276,423	36,639	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-
Other assets	6,173	3,633	6,326	4,200	21,727	38,222	11,105	7,672
Total current assets	417,127	909,464	997,633	590,383	1,701,847	535,931	252,414	1,134,346
Noncurrent Assets								
Mortgage receivable	-	-	-	-	-	-	-	-
Restricted cash	-	-	-	-	-	-	-	-
Restricted investments	-	-	-	-	-	-	-	-
Capital assets, net of depreciation	7,259,294	14,678,862	8,464,667	11,637,610	10,579,451	1,549,658	2,226,293	5,135,137
Other assets	188	113,423	146,570	124,514	4,054	7,200	-	-
Total noncurrent assets	7,259,482	14,792,285	8,611,237	11,762,124	10,583,505	1,556,858	2,226,293	5,135,137
Total assets	\$ 7,676,609	\$ 15,701,749	\$ 9,608,870	\$ 12,352,507	\$ 12,285,352	\$ 2,092,789	\$ 2,478,707	\$ 6,269,483
Liabilities and Net Position								
Current Liabilities								
Accounts payable	\$ 4,631	\$ 294,970	\$ 4,090	\$ 4,374	\$ 7,950	\$ 25,638	\$ 7,765	\$ 5,676
Bank overdraft	-	-	-	-	-	-	-	-
Accrued liabilities	35,396	20,327	13,695	22,643	11,341	29,498	14,302	46,440
Current portion of long-term debt	9,572	-	-	8,347,038	-	-	-	-
Due to other government agencies	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-
Compensated absences	-	-	-	-	-	-	-	-
Trust and deposits	34,693	19,642	3,782	10,867	79,192	38,364	17,640	21,420
Unearned revenues and other current liabilities	41,226	2,491	22,525	-	15,240	1,481,657	11,609	18
Total current liabilities	125,518	337,430	44,092	8,384,922	113,723	1,575,157	51,316	73,554
Noncurrent liabilities								
Compensated absences	-	-	-	-	-	-	-	-
Bonds, notes and loans payable	3,887,899	3,670,414	1,742,851	2,243,991	15,944,909	18,148,091	1,650,000	2,417,756
Other liabilities	1,948,653	1,259,273	878,060	1,265,653	1,378,691	729,671	208,886	1,036,471
Total noncurrent liabilities	5,836,552	4,929,687	2,620,911	3,509,644	17,323,600	18,877,762	1,858,886	3,454,227
Total liabilities	5,962,070	5,267,117	2,665,003	11,894,566	17,437,323	20,452,919	1,910,202	3,527,781
Net Position								
Net investment in capital assets	3,361,823	10,950,352	6,721,816	1,046,581	(5,389,519)	(16,819,619)	576,293	2,717,381
Restricted	-	-	-	-	-	-	-	-
Unrestricted (deficit)	(1,647,284)	(515,720)	222,051	(588,640)	237,548	(1,540,511)	(7,788)	24,321
Total net position	1,714,539	10,434,632	6,943,867	457,941	(5,151,971)	(18,360,130)	568,505	2,741,702
Total liabilities and net position	\$ 7,676,609	\$ 15,701,749	\$ 9,608,870	\$ 12,352,507	\$ 12,285,352	\$ 2,092,789	\$ 2,478,707	\$ 6,269,483

Philadelphia Housing Authority
Component Units
Combining Statement of Net Position (Continued)
March 31, 2017

	St. Ignatius Senior Housing II	Southwark Plaza	Spring Garden Housing I	Spring Garden Historic	Uni-Penn Housing Partnership I	Uni-Penn Housing Partnership II	Cambridge Plaza I	Cambridge Plaza II
Assets								
Current Assets								
Cash	\$ 585,729	\$ 543,565	\$ 79,230	\$ 16,601	\$ 66,628	\$ 4,752	\$ 62,797	\$ 81,016
Restricted cash	1,119,585	-	75,587	366,704	67,354	310,014	309,642	612,754
Investments	-	-	-	-	-	-	-	-
Receivables, net	472	132,764	186	30,301	2,634	1,662	51,463	5,313
Due from other governments	-	-	-	3,760	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-
Other assets	6,765	43,009	12,910	13,870	10,873	11,960	-	-
Total current assets	1,712,551	719,338	167,913	431,236	147,489	328,388	423,902	699,083
Noncurrent Assets								
Mortgage receivable	-	-	-	-	-	-	-	-
Restricted cash	-	-	-	-	-	-	-	-
Restricted investments	-	-	-	-	-	-	-	-
Capital assets, net of depreciation	6,319,058	-	8,593,162	14,142,924	128,247	412,199	4,381,789	5,665,121
Other assets	4,228	11,500	3,329	76,964	-	1,631	1,948	7,346
Total noncurrent assets	6,323,286	11,500	8,596,491	14,219,888	128,247	413,830	4,383,737	5,672,467
Total assets	\$ 8,035,837	\$ 730,838	\$ 8,764,404	\$ 14,651,124	\$ 275,736	\$ 742,218	\$ 4,807,639	\$ 6,371,550
Liabilities and Net Position								
Current Liabilities								
Accounts payable	\$ 3,261	\$ 569,533	\$ 24,184	\$ 69,784	\$ 20,755	\$ 14,190	\$ 3,894	\$ 6,125
Bank overdraft	-	-	-	-	-	-	-	-
Accrued liabilities	37,675	18,439	59,188	63,813	11,984	-	25,386	27,006
Current portion of long-term debt	-	-	-	-	-	-	-	-
Due to other government agencies	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-
Compensated absences	-	-	-	-	-	-	-	-
Trust and deposits	5,263	-	17,795	33,964	12,916	13,003	4,368	4,554
Unearned revenues and other current liabilities	453	-	2,957	13,254	3,930	4,273	7,272	2,166
Total current liabilities	46,652	587,972	104,124	180,815	49,585	31,466	40,920	39,851
Noncurrent liabilities								
Compensated absences	-	-	-	-	-	-	-	-
Bonds, notes and loans payable	1,150,000	-	7,046,317	8,842,425	2,453,437	3,207,712	2,562,635	3,567,165
Other liabilities	528,524	-	7,113,749	1,604,208	2,414,363	3,627,703	2,099,581	2,420,106
Total noncurrent liabilities	1,678,524	-	14,160,066	10,446,633	4,867,800	6,835,415	4,662,216	5,987,271
Total liabilities	1,725,176	587,972	14,264,190	10,627,448	4,917,385	6,866,881	4,703,136	6,027,122
Net Position								
Net investment in capital assets	5,169,058	-	1,546,845	5,300,499	(2,331,192)	(2,801,184)	1,802,760	2,072,028
Restricted	-	-	-	-	-	-	-	-
Unrestricted (deficit)	1,141,603	142,866	(7,046,631)	(1,276,823)	(2,310,457)	(3,323,479)	(1,698,257)	(1,727,600)
Total net position	6,310,661	142,866	(5,499,786)	4,023,676	(4,641,649)	(6,124,663)	104,503	344,428
Total liabilities and net position	\$ 8,035,837	\$ 730,838	\$ 8,764,404	\$ 14,651,124	\$ 275,736	\$ 742,218	\$ 4,807,639	\$ 6,371,550

Philadelphia Housing Authority
Component Units
Combining Statement of Net Position (Continued)
March 31, 2017

	Cambridge Plaza III	Germantown House	Lucien E. Blackwell Homes Phase II	Lucien E. Blackwell Homes Phase III	Ludlow Scattered	Mantua I	Mantua II	Marshall Shepard
Assets								
Current Assets								
Cash	\$ 92,562	\$ 276,260	\$ 305,136	\$ 172,019	\$ 74,590	\$ 69,517	\$ 186,834	\$ 151,566
Restricted cash	582,835	1,463,726	1,022,032	577,650	896,979	797,795	774,341	913,001
Investments	-	-	-	-	-	-	-	-
Receivables, net	54,357	202,099	62,374	102,441	243,227	122,323	7,699	63,674
Due from other governments	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-
Total current assets	729,754	1,942,085	1,389,542	852,110	1,214,796	989,635	968,874	1,128,241
Noncurrent Assets								
Mortgage receivable	-	-	-	-	-	-	-	-
Restricted cash	-	-	-	-	-	-	-	-
Restricted investments	-	-	-	-	-	-	-	-
Capital assets, net of depreciation	5,819,736	14,036,558	11,443,070	10,018,681	18,115,285	13,873,372	12,644,068	15,383,611
Other assets	14,858	34,749	28,383	30,770	34,321	58,040	64,507	28,656
Total noncurrent assets	5,834,594	14,071,307	11,471,453	10,049,451	18,149,606	13,931,412	12,708,575	15,412,267
Total assets	\$ 6,564,348	\$ 16,013,392	\$ 12,860,995	\$ 10,901,561	\$ 19,364,402	\$ 14,921,047	\$ 13,677,449	\$ 16,540,508
Liabilities and Net Position								
Current Liabilities								
Accounts payable	\$ 1,331	\$ 18,230	\$ 451	\$ 2,443	\$ 8,561	\$ 4,550	\$ 3,939	\$ 1,207
Bank overdraft	-	-	-	-	-	-	-	-
Accrued liabilities	33,189	111,128	58,738	33,379	42,757	80,206	26,379	36,361
Current portion of long-term debt	-	-	-	-	-	-	-	-
Due to other government agencies	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-
Compensated absences	-	-	-	-	-	-	-	-
Trust and deposits	4,159	13,708	7,029	4,356	6,435	4,851	5,049	7,623
Unearned revenues and other current liabilities	3,824	7,920	6,850	3,456	8,060	1,444	7,271	4,551
Total current liabilities	42,503	150,986	73,068	43,634	65,813	91,051	42,638	49,742
Noncurrent liabilities								
Compensated absences	-	-	-	-	-	-	-	-
Bonds, notes and loans payable	3,041,325	8,187,912	4,201,075	2,906,130	11,545,499	8,375,059	11,631,756	14,034,810
Other liabilities	1,818,934	2,278,856	1,749,640	1,293,765	3,567,571	1,421,155	30,605	3,773,260
Total noncurrent liabilities	4,860,259	10,466,768	5,950,715	4,199,895	15,113,070	9,796,214	11,662,361	17,808,070
Total liabilities	4,902,762	10,617,754	6,023,783	4,243,529	15,178,883	9,887,265	11,704,999	17,857,812
Net Position								
Net investment in capital assets	2,778,411	5,848,646	7,241,995	7,074,340	6,569,786	5,474,192	958,479	987,906
Restricted	-	-	-	-	-	-	-	-
Unrestricted (deficit)	(1,116,825)	(453,008)	(404,783)	(416,308)	(2,384,267)	(440,410)	1,013,971	(2,305,210)
Total net position	1,661,586	5,395,638	6,837,212	6,658,032	4,185,519	5,033,782	1,972,450	(1,317,304)
Total liabilities and net position	\$ 6,564,348	\$ 16,013,392	\$ 12,860,995	\$ 10,901,561	\$ 19,364,402	\$ 14,921,047	\$ 13,677,449	\$ 16,540,508

Philadelphia Housing Authority
Component Units
Combining Statement of Net Position (Continued)
March 31, 2017

	Mill Creek Phase I	Mt. Olivet	Nellie Reynolds	Norris Apartments LP	Paschall I	Paschall II	Richard Allen Phase III	Suffolk Manor
Assets								
Current Assets								
Cash	\$ 227,106	\$ 204,392	\$ 222,201	\$ 94,439	\$ 61,774	\$ 590,511	\$ 173,884	\$ 542,886
Restricted cash	1,130,251	1,938,082	568,064	520,177	587,089	586,969	1,750,767	518,583
Investments	-	-	-	-	-	-	-	-
Receivables, net	111,822	162,000	20,190	37,075	46,028	44,431	36,097	222,743
Due from other governments	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-
Other assets	-	-	74,878	-	-	-	-	-
Total current assets	1,469,179	2,304,474	885,333	651,691	694,891	1,221,911	1,960,748	1,284,212
Noncurrent Assets								
Mortgage receivable	-	-	-	-	-	-	-	-
Restricted cash	-	-	-	-	-	-	-	-
Restricted investments	-	-	-	-	-	-	-	-
Capital assets, net of depreciation	11,477,642	10,146,264	14,345,136	17,766,202	15,681,736	15,625,371	20,858,098	16,084,152
Other assets	17,788	18,656	21,170	78,382	61,803	37,078	24,900	7,309
Total noncurrent assets	11,495,430	10,164,920	14,366,306	17,844,584	15,743,539	15,662,449	20,882,998	16,091,461
Total assets	\$ 12,964,609	\$ 12,469,394	\$ 15,251,639	\$ 18,496,275	\$ 16,438,430	\$ 16,884,360	\$ 22,843,746	\$ 17,375,673
Liabilities and Net Position								
Current Liabilities								
Accounts payable	\$ 9,965	\$ 1,909	\$ 6,173	\$ 297	\$ 983	\$ 409	\$ 18,915	\$ 11,198
Bank overdraft	-	-	-	-	-	-	-	-
Accrued liabilities	36,687	217,534	101,086	28,409	25,474	26,168	65,072	144,645
Current portion of long-term debt	-	-	-	-	-	-	-	-
Due to other government agencies	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-
Compensated absences	-	-	-	-	-	-	-	-
Trust and deposits	7,821	15,543	6,138	5,049	4,851	4,752	19,159	13,914
Unearned revenues and other current liabilities	1,530	10,745	6,662	12,462	74,167	74,700	9,693	5,233
Total current liabilities	56,003	245,731	120,059	46,217	105,475	106,029	112,839	174,990
Noncurrent liabilities								
Compensated absences	-	-	-	-	-	-	-	-
Bonds, notes and loans payable	6,103,752	9,618,138	2,848,291	12,207,241	10,645,368	14,698,348	22,190,978	10,453,027
Other liabilities	3,742,565	4,452,143	1,203,327	1,471,705	1,824,180	2,771,964	566,744	7,254,103
Total noncurrent liabilities	9,846,317	14,070,281	4,051,618	13,678,946	12,469,548	17,470,312	22,757,722	17,707,130
Total liabilities	9,902,320	14,316,012	4,171,677	13,725,163	12,575,023	17,576,341	22,870,561	17,882,120
Net Position								
Net investment in capital assets	5,373,890	406,098	11,496,845	5,558,961	5,024,351	927,023	(1,332,880)	5,631,125
Restricted	-	-	-	-	-	-	-	-
Unrestricted (deficit)	(2,311,601)	(2,252,716)	(416,883)	(787,849)	(1,160,944)	(1,619,004)	1,306,065	(6,137,572)
Total net position	3,062,289	(1,846,618)	11,079,962	4,771,112	3,863,407	(691,981)	(26,815)	(506,447)
Total liabilities and net position	\$ 12,964,609	\$ 12,469,394	\$ 15,251,639	\$ 18,496,275	\$ 16,438,430	\$ 16,884,360	\$ 22,843,746	\$ 17,375,673

Philadelphia Housing Authority
Component Units
Combining Statement of Net Position (Continued)
March 31, 2017

	Tasker I	Tasker II	Uni-Penn Housing t/a MLK Plaza IV	Warnock I	Warnock II	Queen Lane Apartments, LP	Blumberg Apartments, LP	Total Discrete Units
Assets								
Current Assets								
Cash	\$ 188,695	\$ 500,764	\$ 162,671	\$ 87,856	\$ 77,361	\$ 1,208,042	\$ 344,901	\$ 8,556,585
Restricted cash	2,051,502	1,003,627	448,535	782,257	502,109	10,273,695	-	36,933,784
Investments	-	-	-	-	-	-	-	-
Receivables, net	421,655	171,150	31,888	96,189	63,876	6,582	1,808	3,201,170
Due from other governments	-	-	-	-	-	-	-	316,822
Due from other funds	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	37,304	-	-	310,627
Total current assets	2,661,852	1,675,541	643,094	966,302	680,650	11,488,319	346,709	49,318,988
Noncurrent Assets								
Mortgage receivable	-	-	-	-	-	-	-	-
Restricted cash	-	-	-	-	-	-	-	-
Restricted investments	-	-	-	-	-	-	-	-
Capital assets, net of depreciation	29,650,867	21,147,506	6,354,582	13,994,290	12,285,542	18,784,292	19,719,766	446,429,299
Other assets	52,592	35,011	14,208	48,587	39,711	-	-	1,254,374
Total noncurrent assets	29,703,459	21,182,517	6,368,790	14,042,877	12,325,253	18,784,292	19,719,766	447,683,673
Total assets	\$ 32,365,311	\$ 22,858,058	\$ 7,011,884	\$ 15,009,179	\$ 13,005,903	\$ 30,272,611	\$ 20,066,475	\$ 497,002,661
Liabilities and Net Position								
Current Liabilities								
Accounts payable	\$ 3,306	\$ 19,084	\$ 1,257	\$ 21,579	\$ 10,266	\$ 3,196	\$ -	\$ 1,216,069
Bank overdraft	-	-	-	-	-	-	-	-
Accrued liabilities	201,085	46,992	38,875	29,114	54,180	93,547	-	1,968,138
Current portion of long-term debt	-	-	-	-	-	10,125,000	-	18,481,610
Due to other government agencies	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-
Compensated absences	-	-	-	-	-	-	-	-
Trust and deposits	26,159	18,653	4,158	4,752	4,455	5,445	-	511,522
Unearned revenues and other current liabilities	10,112	11,066	2,237	2,112	2,329	818,659	3,769,806	6,463,960
Total current liabilities	240,662	95,795	46,527	57,557	71,230	11,045,847	3,769,806	28,641,299
Noncurrent liabilities								
Compensated absences	-	-	-	-	-	-	-	-
Bonds, notes and loans payable	32,370,784	20,983,881	3,351,430	7,842,724	7,254,139	12,494,750	6,511,834	322,033,853
Other liabilities	726,063	498,404	1,756,931	1,099,799	3,159,580	2,561,557	3,989,943	81,526,386
Total noncurrent liabilities	33,096,847	21,482,285	5,108,361	8,942,523	10,413,719	15,056,307	10,501,777	403,560,239
Total liabilities	33,337,509	21,578,080	5,154,888	9,000,080	10,484,949	26,102,154	14,271,583	432,201,538
Net Position								
Net investment in capital assets	(2,719,917)	163,625	3,003,152	6,151,566	5,031,403	(3,835,458)	13,207,932	104,945,393
Restricted	-	-	-	-	-	-	-	-
Unrestricted (deficit)	1,747,719	1,116,353	(1,146,156)	(142,467)	(2,510,449)	8,005,915	(7,413,040)	(40,144,270)
Total net position	(972,198)	1,279,978	1,856,996	6,009,099	2,520,954	4,170,457	5,794,892	64,801,123
Total liabilities and net position	\$ 32,365,311	\$ 22,858,058	\$ 7,011,884	\$ 15,009,179	\$ 13,005,903	\$ 30,272,611	\$ 20,066,475	\$ 497,002,661

Philadelphia Housing Authority
Component Units
Combining Statement of Revenues, Expenses and Changes in Net Position
March 31, 2017

	Neumann North	New Courtland Apartments at Allegheny	1952 Allegheny Impact Veterans	St. Francis Villa Senior Housing	Raymond Rosen Assoc. t/a 8 Diamonds Townhouses	Ridge Avenue Housing	St. Anthony's Senior Residences	St. Ignatius Senior Housing I
Operating Revenue								
Total tenant revenue	\$ 530,369	\$ 480,557	\$ 108,809	\$ 167,892	\$ 489,037	\$ 1,052,756	\$ 384,461	\$ 562,922
Operating subsidies	-	-	-	-	-	-	-	-
Other income	242,743	6,587	2,103	44	676,770	18,250	-	15,491
Total operating revenue	773,112	487,144	110,912	167,936	1,165,807	1,071,006	384,461	578,413
Operating Expenses								
Administrative	145,751	169,747	34,824	62,477	316,541	328,831	129,333	152,840
Tenant services	22,014	-	-	11,807	8,943	17,580	-	-
Utilities	172,529	76,084	9,074	14,266	215,810	124,874	45,653	112,200
Maintenance	198,126	191,576	3,218	12,916	457,942	441,341	128,393	103,678
Protective services	-	-	-	-	-	-	-	-
General	45,427	217,361	231,354	110,507	94,143	156,565	50,273	64,518
Housing assistance programs	-	-	-	-	-	-	-	-
Depreciation and amortization	262,379	484,108	112,763	194,710	906,909	83,485	200,350	263,682
Total operating expenses	846,226	1,138,876	391,233	406,683	2,000,288	1,152,676	554,002	696,918
Operating income (loss)	(73,114)	(651,732)	(280,321)	(238,747)	(834,481)	(81,670)	(169,541)	(118,505)
Nonoperating Revenue and (Expenses)								
Interest and investment earnings	1,195	657	85	31	2,585	3	6,222	2,416
Other revenue/charges	-	-	-	-	-	-	-	-
Interest expense	(132,397)	(32,145)	(35,564)	(144,000)	(80,847)	(18,188)	(19,257)	(104,888)
Net nonoperating revenue	(131,202)	(31,488)	(35,479)	(143,969)	(78,262)	(18,185)	(13,035)	(102,472)
Income (loss) before capital contributions	(204,316)	(683,220)	(315,800)	(382,716)	(912,743)	(99,855)	(182,576)	(220,977)
Capital contributions								
HUD capital subsidies	-	-	-	-	-	-	-	-
Other nonoperating contributions	-	-	-	-	-	-	-	-
Partner distributions	-	-	-	-	-	(5,521)	(90,648)	-
Partners contributions	-	10,803,934	7,259,667	840,657	-	-	-	-
	-	10,803,934	7,259,667	840,657	-	(5,521)	(90,648)	-
Change in net position	(204,316)	10,120,714	6,943,867	457,941	(912,743)	(105,376)	(273,224)	(220,977)
Net position, beginning	1,918,855	313,918	-	-	(4,239,228)	(18,254,754)	841,729	2,962,679
Net position, ending	\$ 1,714,539	\$ 10,434,632	\$ 6,943,867	\$ 457,941	\$ (5,151,971)	\$ (18,360,130)	\$ 568,505	\$ 2,741,702

Philadelphia Housing Authority
Component Units
Combining Statement of Revenues, Expenses and Changes in Net Position (Continued)
March 31, 2017

	St. Ignatius Senior Housing II	Southwark Plaza	Spring Garden Housing I	Spring Garden Historic	Uni-Penn Housing Partnership I	Uni-Penn Housing Partnership II	Cambridge Plaza I	Cambridge Plaza II
Operating Revenue								
Total tenant revenue	\$ 446,491	\$ 3,087,009	\$ 703,113	\$ 352,676	\$ 374,444	\$ 335,278	\$ 424,450	\$ 448,864
Operating subsidies	-	-	-	-	-	-	-	-
Other income	552	58,463	983	14,858	2,016	758	610	1,154
Total operating revenue	447,043	3,145,472	704,096	367,534	376,460	336,036	425,060	450,018
Operating Expenses								
Administrative	122,245	800,129	220,764	131,520	120,478	84,286	176,844	166,924
Tenant services	-	110,093	-	30,000	-	-	-	-
Utilities	66,038	590,586	96,712	73,493	44,171	57,315	41,420	71,963
Maintenance	83,485	1,132,357	262,307	123,744	133,763	120,318	124,279	135,371
Protective services	-	-	-	-	-	-	-	-
General	86,106	405,863	87,027	35,613	41,688	45,500	63,155	53,464
Housing assistance programs	-	-	-	-	-	-	-	-
Depreciation and amortization	223,299	1,454,499	343,228	383,585	6,251	15,267	209,405	261,740
Total operating expenses	581,173	4,493,527	1,010,038	777,955	346,351	322,686	615,103	689,462
Operating income (loss)	(134,130)	(1,348,055)	(305,942)	(410,421)	30,109	13,350	(190,043)	(239,444)
Nonoperating Revenue and (Expenses)								
Interest and investment earnings	-	-	16	11,570	-	514	718	1,374
Other revenue/charges	-	8,818,717	-	-	-	-	-	-
Interest expense	(68,935)	-	(706,451)	(85,000)	(163,300)	(131,302)	(140,815)	(187,919)
Net nonoperating revenue	(68,935)	8,818,717	(706,435)	(73,430)	(163,300)	(130,788)	(140,097)	(186,545)
Income (loss) before capital contributions	(203,065)	7,470,662	(1,012,377)	(483,851)	(133,191)	(117,438)	(330,140)	(425,989)
Capital contributions								
HUD capital subsidies	-	-	-	-	-	-	-	-
Other nonoperating contributions	-	-	-	-	-	-	-	-
Partner distributions	-	-	-	-	-	-	-	-
Partners contributions	-	-	-	-	-	-	-	-
Change in net position	(203,065)	7,470,662	(1,012,377)	(483,851)	(133,191)	(117,438)	(330,140)	(425,989)
Net position, beginning	6,513,726	(7,327,796)	(4,487,409)	4,507,527	(4,508,458)	(6,007,225)	434,643	770,417
Net position, ending	\$ 6,310,661	\$ 142,866	\$ (5,499,786)	\$ 4,023,676	\$ (4,641,649)	\$ (6,124,663)	\$ 104,503	\$ 344,428

Philadelphia Housing Authority
Component Units
Combining Statement of Revenues, Expenses and Changes in Net Position (Continued)
March 31, 2017

	Cambridge Plaza III	Germantown House	Lucien E. Blackwell Homes Phase II	Lucien E. Blackwell Homes Phase III	Ludlow Scattered	Mantua I	Mantua II	Marshall Shepard
Operating Revenue								
Total tenant revenue	\$ 483,510	\$ 1,470,229	\$ 743,349	\$ 533,330	\$ 726,059	\$ 620,620	\$ 338,102	\$ 744,253
Operating subsidies	-	-	-	-	-	-	-	-
Other income	1,391	12,134	2,252	2,355	2,933	2,559	1,963	7,250
Total operating revenue	<u>484,901</u>	<u>1,482,363</u>	<u>745,601</u>	<u>535,685</u>	<u>728,992</u>	<u>623,179</u>	<u>340,065</u>	<u>751,503</u>
Operating Expenses								
Administrative	221,219	586,153	104,421	224,158	347,146	205,924	75,271	306,247
Tenant services	-	-	-	-	-	-	-	-
Utilities	45,268	234,551	73,870	41,315	82,116	37,509	53,056	98,992
Maintenance	146,408	516,727	447,689	170,712	205,511	300,190	125,272	235,769
Protective services	-	-	-	-	-	-	-	-
General	50,965	76,248	77,122	73,710	58,762	54,502	62,826	78,477
Housing assistance programs	-	-	-	-	-	-	-	-
Depreciation and amortization	244,699	481,209	533,166	371,994	616,229	517,952	478,081	658,797
Total operating expenses	<u>708,559</u>	<u>1,894,888</u>	<u>1,236,268</u>	<u>881,889</u>	<u>1,309,764</u>	<u>1,116,077</u>	<u>794,506</u>	<u>1,378,282</u>
Operating income (loss)	<u>(223,658)</u>	<u>(412,525)</u>	<u>(490,667)</u>	<u>(346,204)</u>	<u>(580,772)</u>	<u>(492,898)</u>	<u>(454,441)</u>	<u>(626,779)</u>
Nonoperating Revenue and (Expenses)								
Interest and investment earnings	1,408	3,472	2,457	1,399	2,090	2,248	2,377	2,154
Other revenue/charges	-	-	-	-	-	-	-	-
Interest expense	(159,061)	(124,803)	(128,343)	(88,306)	(345,167)	(207,355)	-	(431,871)
Net nonoperating revenue	<u>(157,653)</u>	<u>(121,331)</u>	<u>(125,886)</u>	<u>(86,907)</u>	<u>(343,077)</u>	<u>(205,107)</u>	<u>2,377</u>	<u>(429,717)</u>
Income (loss) before capital contributions	<u>(381,311)</u>	<u>(533,856)</u>	<u>(616,553)</u>	<u>(433,111)</u>	<u>(923,849)</u>	<u>(698,005)</u>	<u>(452,064)</u>	<u>(1,056,496)</u>
Capital contributions								
HUD capital subsidies	-	-	-	-	-	-	-	-
Other nonoperating contributions	-	-	-	-	-	-	-	-
Partner distributions	-	-	-	-	-	-	-	-
Partners contributions	-	-	-	-	-	-	-	-
Change in net position	<u>(381,311)</u>	<u>(533,856)</u>	<u>(616,553)</u>	<u>(433,111)</u>	<u>(923,849)</u>	<u>(698,005)</u>	<u>(452,064)</u>	<u>(1,056,496)</u>
Net position, beginning	<u>2,042,897</u>	<u>5,929,494</u>	<u>7,453,765</u>	<u>7,091,143</u>	<u>5,109,368</u>	<u>5,731,787</u>	<u>2,424,514</u>	<u>(260,808)</u>
Net position, ending	<u>\$ 1,661,586</u>	<u>\$ 5,395,638</u>	<u>\$ 6,837,212</u>	<u>\$ 6,658,032</u>	<u>\$ 4,185,519</u>	<u>\$ 5,033,782</u>	<u>\$ 1,972,450</u>	<u>\$ (1,317,304)</u>

Philadelphia Housing Authority
Component Units
Combining Statement of Revenues, Expenses and Changes in Net Position (Continued)
March 31, 2017

	Mill Creek Phase I	Mt. Olivet	Nellie Reynolds	Norris Apartments LP	Paschall I	Paschall II	Richard Allen Phase III	Suffolk Manor
Operating Revenue								
Total tenant revenue	\$ 806,024	\$ 1,769,279	\$ 726,574	\$ 441,686	\$ 415,270	\$ 491,281	\$ 1,389,367	\$ 1,471,256
Operating subsidies	-	-	-	-	-	-	-	-
Other income	3,006	4,169	65,350	2,149	2,579	2,176	5,622	10,794
Total operating revenue	809,030	1,773,448	791,924	443,835	417,849	493,457	1,394,989	1,482,050
Operating Expenses								
Administrative	373,793	674,351	227,499	161,910	66,396	242,810	672,752	683,451
Tenant services	-	-	-	-	-	-	-	-
Utilities	84,950	294,423	127,411	71,845	60,366	62,427	176,411	210,956
Maintenance	178,675	633,448	313,261	126,193	211,321	109,344	364,364	448,485
Protective services	-	-	-	-	-	-	-	-
General	121,633	107,294	100,394	59,856	55,469	54,784	104,424	79,615
Housing assistance programs	-	-	-	-	-	-	-	-
Depreciation and amortization	505,481	382,393	454,981	646,830	687,816	723,314	814,485	601,199
Total operating expenses	1,264,532	2,091,909	1,223,546	1,066,634	1,081,368	1,192,679	2,132,436	2,023,706
Operating income (loss)	(455,502)	(318,461)	(431,622)	(622,799)	(663,519)	(699,222)	(737,447)	(541,656)
Nonoperating Revenue and (Expenses)								
Interest and investment earnings	2,688	4,411	1,267	133	44	488	3,959	1,510
Other revenue/charges	-	-	-	-	-	-	-	-
Interest expense	(290,310)	(332,747)	(146,687)	(244,145)	(213,148)	(293,967)	(22,191)	(500,292)
Net nonoperating revenue	(287,622)	(328,336)	(145,420)	(244,012)	(213,104)	(293,479)	(18,232)	(498,782)
Income (loss) before capital contributions	(743,124)	(646,797)	(577,042)	(866,811)	(876,623)	(992,701)	(755,679)	(1,040,438)
Capital contributions								
HUD capital subsidies	-	-	-	-	-	-	-	-
Other nonoperating contributions	-	-	-	-	-	-	-	-
Partner distributions	-	-	-	-	-	-	-	-
Partners contributions	-	-	-	-	-	-	-	-
Change in net position	(743,124)	(646,797)	(577,042)	(866,811)	(876,623)	(992,701)	(755,679)	(1,040,438)
Net position, beginning	3,805,413	(1,199,821)	11,657,004	5,637,923	4,740,030	300,720	728,864	533,991
Net position, ending	\$ 3,062,289	\$ (1,846,618)	\$ 11,079,962	\$ 4,771,112	\$ 3,863,407	\$ (691,981)	\$ (26,815)	\$ (506,447)

Philadelphia Housing Authority
Component Units
Combining Statement of Revenues, Expenses and Changes in Net Position (Continued)
March 31, 2017

	Tasker I	Tasker II	Uni-Penn Housing t/a MLK Plaza IV	Warnock I	Warnock II	Queen Lane Apartments, L.P.	Blumberg Apartments, L.P.	Total Discrete Units
Operating Revenue								
Total tenant revenue	\$ 2,337,643	\$ 1,540,016	\$ 363,156	\$ 580,286	\$ 511,048	\$ 165,117	\$ -	\$ 28,616,583
Operating subsidies	-	-	-	-	-	-	-	-
Other income	7,245	8,111	2,020	1,811	603	1,010	-	1,190,864
Total operating revenue	2,344,888	1,548,127	365,176	582,097	511,651	166,127	-	29,807,447
Operating Expenses								
Administrative	301,276	271,802	61,283	102,519	57,297	23,044	620	9,154,876
Tenant services	-	-	-	-	-	-	-	200,437
Utilities	337,242	192,586	63,141	66,584	89,340	39,409	-	4,355,956
Maintenance	1,402,907	846,159	175,275	344,272	288,002	41,523	-	11,284,321
Protective services	-	-	-	-	-	-	-	-
General	167,574	130,655	43,068	42,681	73,013	14,728	-	3,476,364
Housing assistance programs	-	-	-	-	-	-	-	-
Depreciation and amortization	1,325,569	921,495	262,742	480,033	424,693	418,009	-	17,956,827
Total operating expenses	3,534,568	2,362,697	605,509	1,036,089	932,345	536,713	620	46,428,781
Operating income (loss)	(1,189,680)	(814,570)	(240,333)	(453,992)	(420,694)	(370,586)	(620)	(16,621,334)
Nonoperating Revenue and (Expenses)								
Interest and investment earnings	4,521	2,176	997	1,811	1,172	839	-	71,007
Other revenue/charges	-	-	-	-	-	-	-	8,818,717
Interest expense	(32,367)	(20,990)	(151,486)	(137,776)	(307,258)	-	-	(6,229,278)
Net nonoperating revenue	(27,846)	(18,814)	(150,489)	(135,965)	(306,086)	839	-	2,660,446
Income (loss) before capital contributions	(1,217,526)	(833,384)	(390,822)	(589,957)	(726,780)	(369,747)	(620)	(13,960,888)
Capital contributions								
HUD capital subsidies	-	-	-	-	-	-	-	-
Other nonoperating contributions	-	-	-	-	-	-	-	-
Partner distributions	(122)	(81)	-	-	-	-	-	(96,372)
Partners contributions	-	-	-	-	-	4,172,172	5,322,703	28,399,133
	(122)	(81)	-	-	-	4,172,172	5,322,703	28,302,761
Change in net position	(1,217,648)	(833,465)	(390,822)	(589,957)	(726,780)	3,802,425	5,322,083	14,341,873
Net position, beginning	245,450	2,113,443	2,247,818	6,599,056	3,247,734	368,032	472,809	50,459,250
Net position, ending	\$ (972,198)	\$ 1,279,978	\$ 1,856,996	\$ 6,009,099	\$ 2,520,954	\$ 4,170,457	\$ 5,794,892	\$ 64,801,123

Philadelphia Housing Authority

**Schedule of Expenditures of Federal Awards
Year Ended March 31, 2017**

	Federal CFDA Number	Pass-Through Grantor Number	Pass Through Subrecipients	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	\$ -	\$ 56,393
Section 8 Project-Based Cluster				
Section 8 Moderate Rehabilitation Single Room Occupancy	14.249	N/A	-	1,720,540
Lower Income Housing Assistance Program_Section 8 Moderate Rehabilitation	14.856	N/A	-	1,840,907
Total Section 8 Project-Based Cluster			-	3,561,447
Moving to Work Demonstration Program				
Section 8 Housing Choice Vouchers			-	207,583,339
Public and Indian Housing			18,295,696	118,729,859
Public Housing Capital Fund			-	36,592,692
Total Moving to Work Demonstration Program	14.881	N/A	18,295,696	362,905,890
Resident Opportunity and Supportive Services - Service Coordinators	14.870	N/A	-	430,856
Choice Neighborhoods Implementation Grants	14.889	N/A	-	204,789
Jobs-Plus Pilot Initiative	14.895	N/A	-	328,056
Juvenile Reentry Assistance Program (JRAP)	14.897	N/A	-	33,500
Housing Voucher Cluster				
Mainstream Vouchers	14.879	N/A	-	689,354
Total Housing Voucher Cluster			-	689,354
<u>U.S. Department of Health and Human Services</u>				
Assets for Independence Demonstration Program	93.602	N/A	-	51,528
<u>U.S. Department of Agriculture</u>				
<u>Pass-Through Commonwealth of Pennsylvania</u>				
Summer Food Service Program for Children	10.559	N/A	-	173,805
			\$ 18,295,696	\$ 368,435,618

See notes to schedule of expenditures of federal awards.

Philadelphia Housing Authority

Notes to Schedule of Expenditures of Federal Awards Year Ended March 31, 2017

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 or the Authority) under programs of the federal government for the year ended March 31, 2017. The information in the Schedule is reported in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). 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 the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. PHA has not elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Philadelphia Housing Authority

**Notes to Schedule of Expenditures of Federal Awards
Year Ended March 31, 2017**

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.	\$ 282,545
		Cambridge Plaza II, L.P.	281,415
		Cambridge III, L.P.	302,905
		(Falls Ridge) Ridge Avenue	568,113
		Germantown House	920,148
		Impact Services Veterans	64,450
		Lucien E. Blackwell Homes Phase II, L.P.	434,514
		Lucien E. Blackwell Homes Phase III, L.P.	401,313
		Ludlow Scattered Sites Phase III, L.P.	504,579
		Mantua Phase I, L.P.	521,149
		Mantua Phase II, L.P.	114,897
		Marshall Shepard Village, L.P.	559,276
		Mill Creek	582,927
		Mt. Olivet L.P.	1,126,133
		Nellie Reynolds Gardens, L.P.	567,252
		Neuman North, L.P.	274,976
		New Courtland	369,600
		Norris Apartments, L.P.	310,613
		Paschall L.P. Phase I	218,703
		Paschall L.P. Phase II	328,657
		Queen Lane Apartments LP	28,095
		Raymond Rosen (8 Diamonds)	653,827
		Richard Allen Phase III	793,448
		Southwark (Courtyards)	1,531,351
		Spring Garden Housing Limited Partnership	379,345
		Spring Garden II	116,007
		St. Anthony's Senior Residences Associates, L.P.	167,618
		St. Francis Villa Senior Housing LP	197,060
		St. Ignatius Senior Housing I, L.P. (Angela Court I)	282,126
		St. Ignatius Senior Housing II, L.P. (Angela Court II)	212,272
		Suffolk Manor	954,923
		Tasker I	1,556,972
		Tasker II	1,038,031
		Uni-Penn (MLK I) I	211,696
		Uni-Penn (MLK II) II	189,487
		Uni-Penn (MLK IV) IV	231,453
		Warnock Phase I	478,425
		Warnock Phase II	539,395
			<u>\$ 18,295,696</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 business-type activities, 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, 2017, and the related notes to the financial statements, which collectively comprise PHA's basic financial statements, and have issued our report thereon dated October 20, 2017. 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, except for the following four entities, St. Ignatius Senior Housing I, L.P., St. Ignatius Senior Housing II, L.P., St. Francis Villa Senior Housing, L.P., and 1952 Allegheny Associates L.P., 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
October 20, 2017

**Independent Auditor's Report on Compliance for Each
Major Federal Program and Report on Internal Control
Over Compliance Required by the Uniform Guidance**

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 PHA's major federal program for the year ended March 31, 2017. PHA's major federal program is 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 federal statutes, regulations and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for PHA's major federal program 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the 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 its major federal program. However, our audit does not provide a legal determination of PHA's compliance.

Opinion on 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 its major federal program for the year ended March 31, 2017.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item No. 2017-001. Our opinion on the 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 and corrective action plan. 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 its major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for its major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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 a deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item No. 2017-001 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

RSM VS LLP

Blue Bell, Pennsylvania
October 20, 2017

Philadelphia Housing Authority

**Schedule of Findings and Questioned Costs
Year Ended March 31, 2017**

I. Summary of Independent Auditor's Results

Financial Statements

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP:

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 2 CFR 200.516(a)?

 X Yes No

Identification of major programs:

Name of Federal Program or Cluster

CFDA Number

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?

 X Yes No

Philadelphia Housing Authority

Schedule of Findings and Questioned Costs Year Ended March 31, 2017

II. Financial Statement Findings

No matters reported.

III. Findings and Questioned Costs for Federal Awards

Finding #2017-001 – 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, 2016 to March 31, 2017

Program Number: PA002VOW

Public and Indian Housing

Program Year: April 1, 2016 to March 31, 2017

Program Number: PA002-00000116D and PA002-00000117D

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.

Statement of Condition

Tenant file inspections included 60 files from the HCV program and 69 files from the LPH program, including 9 files from the discrete component units under the LPH program. Out of 60 HCV tenant files inspected, 2 (3%) files had one or more exceptions noted. Out of 69 LPH files inspected, 3 (4%) 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 utilized an incorrect utility allowance due to the tenant.

Philadelphia Housing Authority

Schedule of Findings and Questioned Costs Year Ended March 31, 2017

Low Rent Public Housing Program

- (a) 2 LPH files tested did not apply the Working Family deduction when calculating net adjusted income for the household.
- (b) 1 tenant file for discrete component unit incorrectly included an elderly/disability allowance into the calculation of annual income on Form HUD-50058.

Questioned Costs

Questioned costs for each of the conditions above:

Housing Choice Voucher Program

- (a) None

Low Rent Public Housing Program

- (a) None
- (b) None

Context

HCV and LPH programs had 19,067 and 12,273 tenants, respectively, on their tenant ledgers for the year ended March 31, 2017. Tenant files were inspected using random sampling of 60 files from the HCV program and 69 files from the LPH program, including 9 files from the discrete component units under the LPH program.

Effect of Condition

The effect for all conditions noted above was tenant rents were miscalculated.

Cause of Condition

The causes of conditions noted were:

Housing Choice Voucher Program

- (a) Data entry error when populating HUD-50058 forms.

Low Rent Public Housing

- (a) Staff responsible for these files did not follow the Authority's policy for allowable deductions.
- (b) Manager's review of the system generated rent calculation detail did not detect that the deduction was erroneously applied to the tenant.

Identification as a repeat finding

A similar finding was reported last year as finding No. 2016-001.

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.

Philadelphia Housing Authority

Schedule of Findings and Questioned Costs Year Ended March 31, 2017

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

Views of responsible officials

Public Housing Program

Housing Operations has corrected the three (3) noted errors and addressed the specific staff responsible for the exceptions noted in the report. Housing Operations has developed a Public Housing Program Continued Occupancy Resource Guide that includes procedures around ensuring accurate HUD Form 50058 submissions. A comprehensive training on this new Guide will be completed for all applicable staff on November 14, and 15, 2017, and will cover several related topics including:

- MTW Policies
- Continued Occupancy
- Household Composition
- General Verification Guidelines for Income and Non-Income Factors
- Income and Adjusted Income
- Verifying and Calculating Income and Adjusted Income
- Calculating Rent
- Transfers

The training will include a specific focus on guidelines for applying appropriate allowances and deductions when calculating rent. Housing Operations is also in the process of developing an internal Quality Control and Training Program, which will include proactive error identification, analysis, and quarterly training for all staff.

Housing Choice Voucher (HCV) Program

The Housing Choice Voucher Program has corrected the two (2) noted errors.

The employees responsible for the two (2) files and their associated team leads will be counseled regarding these errors and the adverse impact on the tenants in question. One-on-one file reviews will be conducted with staff to ensure that proper file actions and quality control checks are performed when completing the recertification process. Focused training on the review of tenant paid utility allowances will also be conducted for applicable HCV staff.

PHA notes that one of the two calculation errors referenced was identified and corrected by HCV staff prior to this audit, and therefore, should not be listed as a finding in this report.



Philadelphia Housing Authority
Fiscal Year 2016 Update – Corrective Actions Taken

Finding #2016-001 – 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, 2015 to March 31, 2016

Program Number: PA002VOW

Public and Indian Housing

Program Year: April 1, 2015 to March 31, 2016

Program Number: PA002-00000115D and PA002-00000116D

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.

Statement of Condition

Tenant file inspections included 60 files from the HCV program and 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, 2 (3%) files had one or more exceptions noted. Out of 68 LPH files inspected, 20

(29%) had one or more exceptions noted. These exceptions involved incorrect Form HUD-50058 reporting to HUD as follows:

Housing Choice Voucher Program

- (a) 1 HCV Form HUD-50058 form showed an incorrect date of birth for one member of the household.
- (b) 1 HCV Form HUD-50058 incorrectly calculated the wrong HAP payment.

Low Rent Public Housing Program

- (a) 3 LPH files inspected indicated disability status that was not noted on Form HUD-50058.
- (b) 1 LPH file did not include proper verification process for another adult living in the unit.
- (c) 4 LPH files did not properly calculate income.
- (d) 2 LPH files did not verify income noted on the EIV report.
- (e) 3 LPH files 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 excluded \$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.
- (f) 2 LPH Form HUD-50058 reported unallowable income.
- (g) 1 LPH Form HUD-50058 showed an incorrect social security number for a member of the household.
- (h) 3 tenant files for discrete component units did not include an EIV report as part of the reexamination process.
- (i) 1 LPH tenant file and 4 tenant files for discrete component units did not have annual reexaminations performed timely.
- (j) 1 tenant file for discrete component unit incorrectly reported the wrong number of dependents on Form HUD-50058.

Questioned Costs

Questioned costs for each of the conditions above:

Housing Choice Voucher Program

- (a) None
- (b) HAP was calculated and paid as \$29 lower than it should have been for the year ended March 31, 2016. (Difference is \$29 for period 2/12/16 to 3/31/16).

Low Rent Public Housing Program

- (a) None
- (b) Undeterminable amount of unverified annual income reported.
- (c) Not readily determinable
- (d) None
- (e) Not readily determinable
- (f) Not readily determinable
- (g) None

- (h) None
- (i) None
- (j) Not readily determinable

Cause of Condition

The causes of conditions noted were:

Housing Choice Voucher Program

- (a) Data entry error when populating Form HUD-50058. This item was corrected subsequent to year-end.
- (b) Data entry errors when populating Form HUD-50058.

Low Rent Public Housing

- (a) Data entry errors when populating Form HUD-50058.
- (b) Staff responsible for this file did not include another adult living in the household during the income recertification process in accordance with the Authority's policy.
- (c) Social security income for these tenant files were not properly calculated during the reexamination process. These items were corrected subsequent to year-end.
- (d) Staff responsible for these files did not follow the Authority's policy for updating income based on information received during the reexamination process.
- (e) Staff responsible for these files did not follow the Authority's policy for allowable deductions. These items were corrected subsequent to year-end.
- (f) Staff responsible for these files did not follow PHA's policy for excluding unallowable income during annual reexamination process.
- (g) Data entry error when populating Form HUD-50058. This item was corrected subsequent to year-end.
- (h) Staff for discrete component units did not run the EIV reports during the annual recertification process.
- (i) Staffing turnover at discrete component units caused the delay in performing timely annual recertification.
- (j) Staff responsible for this file did not follow the policy for allowable deductions.

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

Management's Response

Housing Choice Voucher Program Response:

- (a) Employee made a data entry error when entering date of birth information for a tenant's file. All

employees have been instructed to re-check all manual data input. Correction to date of birth was made prior to Audit review. Prior to this year's RSM Single Audit review, Housing Choice Voucher (HCV) Program implemented an internal Compliance staff group. Compliance staff began identifying errors, reinforcing policies/procedures, tracking and trending errors, stream lining processes and making recommendation for further training needs. As a result, training is scheduled annually and corrective action measures are an ongoing process. The Exceptions identified from RSM Single Audit Report were previous tenant file actions done prior to our annual in house 2 day training held on July 14, and July 15, 2016. The mandatory training (Administrative Plan Training) was in correlation with compliance monitoring review results and recommendations made for additional training. Training consisted of reinforcement of:

- Re-training (PHA Policies/Procedures)
- Current updates with new changes
- Moving to Work (MTW) and Non –Moving to Work (Non-MTW)
- Enterprise Income Verification (EIV)
- Proof reading documents (re-checking)
- Verification requirements
- Eligibility
- Terminations
- 24 CFR Part 5: General Program Requirements
- Income Calculations, etc.

(b) Employee made a data entry error calculating tenant's Housing Assistance Payment (HAP). HAP payment has been adjusted and all employees have been instructed to re-check all manual data input. All employees were retrained on July 14, and July 15, 2016 (Administrative Plan Training).

Low Rent Public Housing Program Response:

In response to the errors cited above (a-j), Housing Operations has corrected all noted errors. In addition, Housing Operations will train staff again on the HUD Form 50058 Review Standard Operating Procedures to reinforce the fact that pertinent documentation in the tenant files must support data on HUD form 50058. Housing Operations will also set up a refresher training course in Income Calculation to include the working deduction and the minimum number of hours worked requirements. The Director of Property Management will distribute Memorandum to staff as a reminder to follow proper procedures regarding all the findings noted in the report. Lastly, disciplinary action has begun and will be issued to all staff responsible for one or more exception noted in this report.

Corrective Action Taken

With regard to the exceptions noted on the specific files reviewed for both the Housing Choice Voucher ("HCV") and the Low Rent Public Housing Program ("LPH") all have been corrected.

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

Both Programs provided extensive and intense training to their 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, both Programs have ongoing training throughout the year for reinforcement of guidelines. HCV provided mandatory training to all employees on July 14, and 15, 2016. In addition, LPH provided training to their employees on March 1, 2016.

Additionally, PHA developed and implemented a Standard Operating Procedure (SOP) ensuring all pertinent documentation is accurately reviewed and included when completing the HUD 50058 form as mandated by HUD.

Finding #2016-002 – Reporting – Form HUD-40118, Annual Reporting Progress Report

Federal program information

U.S. Department of Housing and Urban Development

Section 8 Project-Based Cluster:

CFDA 14.249 Section 8 Moderate Rehabilitation Single Room Occupancy (SRO)

CFDA 14.856 Lower Income Housing Assistance Program - Section 8 Moderate Rehabilitation

Program Year: April 1, 2015 to March 31, 2016

Program Number: PA002MR and PA002SRO

Criteria

Section 24 CFR Section 882.808(p) of the Section 8 Single Room Occupancy regulations requires each recipient of assistance to keep any records and make any reports that HUD may require within the time-frame required.

Statement of Condition

PHA did not submit an Annual Performance Report (APR) for any of its seven Section 8 SRO grant for the last five program years.

Questioned Costs

None

Cause of Condition

PHA was under the impression that the sponsors were responsible for submitting the APRs.

Recommendation

Since HUD's site visit, PHA filed the appropriate reports for two of the seven SROs. However, the Authority is still collecting information from the remaining SROs in order to file the APRs for the last five program years. We recommend that PHA review the policies and procedures to ensure that all reporting requirements are met.

Management's Response

The PHA was informed of reporting requirements for Annual Progress Reports (APR) during Housing and Urban Development (HUD's) site visit and prior to RSM's Single Audit Report finding. In the past Program site areas were required to submit this information to HUD, providing HUD an accounting of its records; the site areas had sole responsibility to submit such APRs. During the five

(5) gap years in question, HUD did not request or inquire about such records from PHA and PHA assumed that HUD received sufficient information from the Program site areas. Once the PHA was made aware of its reporting requirements the necessary and appropriate actions were taken to rectify the oversight. As a result of HUD's notification, the PHA took responsibility and:

- Submitted the APR's for the 5 years for Proyecto Escalera on 03/30/2016
- HUD's Sr. Community Planning and Development Representative provided technical support for E-snap reporting submission.
- Created a template for easier transmission of requested information from Sponsors to entering data into E-Snaps' website
- Scheduled and conducted training to review the APR process with the sites on 9/8/2016

Corrective Action Taken

As a result of the Recommendations from last year's audit findings, HCV reviewed and updated the APR guide as necessary to comply with both internal and external audits, HUD's rules and regulations and PHA's policies and procedures. Also, HCV created an APR template to assist in the easier transmission of requested information from Sponsors into the E-Snaps' website.

Letters were sent to all Sponsors notifying them of training on APRs on August 16, 2016, and, HCV provided extensive and intense training to the Sponsors on the APR process on September 9, 2016.

Finding #2016-003 – Reporting – Form HUD-50058

Federal program information

U.S. Department of Housing and Urban Development

Section 8 Project-Based Cluster:

CFDA 14.249 Section 8 Moderate Rehabilitation Single Room Occupancy

CFDA 14.856 Lower Income Housing Assistance Program - Section 8 Moderate

Rehabilitation

Program Year: April 1, 2015 to March 31, 2016

Program Number: PA002MR and PA002SRO

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) 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.

Statement of Condition

Tenant file inspections included 40 files, of which 7 (18%) files had one or more exceptions noted. These exceptions involved incorrect Form HUD-50058 reporting to HUD as follows:

- (a) 4 tenant files did not contain EIV reports.
- (b) 1 Form HUD-50058 had an incorrect date of birth for a dependent.
- (c) 1 Form HUD-50058 contained the incorrect income amount.
- (d) 1 Form HUD-50058 contained an incorrect social security number, which resulted in no results found for EIV.
- (e) tenant file included documentation of wages; however, there was no wage verification performed and wages were not included as income as part of the reexamination process.

Questioned Costs

Questioned costs for each of the conditions above:

- (a) None
- (b) None
- (c) Form HUD-50058 reported income of \$733, instead of \$713.
- (d) None
- (e) Undeterminable

Cause of Condition

The causes of conditions noted were:

- (a) Staff responsible for these tenant files did not follow the Authority's policy of running or obtaining

the EIV in the tenant files.

- (b) Data entry error when populating Form HUD-50058. This item was corrected subsequent to year-end.
- (c) Data entry error when populating Form HUD-50058. This item was corrected subsequent to year-end.
- (d) Data entry error when entering into the system. This item was corrected subsequent to year-end.
- (e) Staff responsible for this tenant file did not follow the Authority's policy of verifying income as part of the reexamination process.

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

Management's Response

- a. Four (4) tenants files - Prior to RSM Audit, the PHA conducted a target Audit of tenant files and determined that a particular employee required additional training with Enterprise Income Verification (EIV). As a result, all employees have been re-trained; policy and procedures reinforced and partial duties reassigned for this particular employee. Training was held on July 14, and July 15, 2016 (Administrative Plan Training).
- b. One (1) incorrect date of birth for a dependent - Employee made a data entry error when entering date of birth information for a tenant's file. All employees have been instructed to re-check all manual data input. Accordingly, correction to date of birth was made prior to Audit review and training was held on July 14, and July 15, 2016 (Administrative Plan Training)
- c. One (1) incorrect income amount - All employees have been instructed to re-check all manual data input. Consequently, income information was corrected prior to Audit review and all employees were retrained on July 14, and July 15, 2016 (Administrative Plan Training)
- d. One (1) incorrect social Security number - Client eventually received an end of participation (EOP), with no further need for social security verification. In addition, all employees have been instructed to re-check all manual data input. Moreover, all employees were retrained on July 14, and July 15, 2016 (Administrative Plan Training)
- e. One (1) no wage verification performed - Result of an oversight with the verification protocol. Employee has been re-trained with re-enforcement with income verifications. Tenant file wage information was re-verified and all employees were retrained on July 14, and July 15, 2016 (Administrative Plan Training)

Corrective Action Taken

With regard to the exceptions noted on the specific Form HUD-50058's reviewed for the HCV tenant

files in question, all errors have been corrected.

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

PHA provided extensive and intense training to their entire HCV 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, both Programs have ongoing training throughout the year for reinforcement of guidelines. HCV provided mandatory training to all employees on July 14, and 15, 2016.

Additionally, PHA developed and implemented a Standard Operating Procedure (SOP) ensuring all pertinent documentation is accurately reviewed and included when completing the HUD 50058 form as mandated by HUD.

Finding #2016-004 – 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, 2015 to March 31, 2016

Program Number: PA002VOW

Public And Indian Housing

Program Year: April 1, 2015 to March 31, 2016

Program Number: PA002-00000115D and PA002-00000116D

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 that Form HUD-9886 Privacy Release has been executed by tenant and maintained in the tenant file.
- (b) Provide notification to applicants and tenants describing their protections and rights under the Violence Against Women Act (VAWA).
- (c) Perform a criminal background check for every adult household member.

Statement of Condition

During the review of 60 files from the HCV program and 68 files from the LPH program, including 8 files from the discrete component units under the LPH program, the following instances of non-compliance with the Authority's policies and procedures were noted:

Low Rent Public Housing Program

- (a) 2 tenant files for discrete component units were missing evidence that the Violence Against Women Act (VAWA) notice was provided timely.
- (b) 2 tenant files for discrete component units were missing Form HUD-9886, *Authorization for the Release of Information/Privacy Notice*.
- (c) 1 LPH file included an old criminal background check during the annual reexamination process.

Questioned Costs

Questioned costs for each of the conditions above:

Low Rent Public Housing Program

- (a) None
- (b) None
- (c) None

Cause of Condition

The causes of conditions noted were:

Low Rent Public Housing Program

- (a) Staff responsible for this file did not provide VAWA form to the tenant for signature as required by the Authority's policies.
- (b) Staff responsible for these files did not obtain or retain the Form HUD-9886, *Authorization for the Release of Information/Privacy Notice* in the tenant files.
- (c) PHA staff did not obtain a current criminal background check during the annual reexamination process in accordance with PHA's policy.

Recommendation

We also recommend that the Authority enhance procedures to ensure that discrete component units are maintaining proper documentation required under the Authority's established policies.

Management's Response

All files with the identified errors (a, b, & c) have been corrected. Housing Operations Director of Property Management will issue a memo outlining the required documentation that should be maintained in tenant files and will also retrain staff on PHA's File Organization Protocol ("FOP") to be used during all tenant related actions. Housing Operations will also re-train staff on all applicable areas including required actions such as criminal background checks that must be completed during the recertification process and applicable documentation to be included in tenant files, income calculation and so on. Disciplinary action will be issued to staff that failed to adhere to PHA's internal policies and procedures and HUD's regulatory requirements.

Corrective Action Taken

With regard to the exceptions noted on the specific files reviewed for LPH, all have been corrected.

PHA provided extensive and intense training to their entire LPH staff to further ensure compliance with Standard Operating Procedures, including FOP, PHA's VAWA policy, and when criminal checks are necessary at the time of recertification. This training occurred on March 1, 2016.

In addition to the above training, specifically with regards to ensuring that up-to-date HUD-9886 forms, all employees were reminded, via email on May 31, 2017, to confirm the presence of an updated valid HUD release prior to performing any verification in EIV.

As to the guidelines surrounding VAWA, LPH provided additional training to all employees on March 29, 2017. In addition, training on this issue remains ongoing throughout the year for reinforcement of said guidelines.

Finally, all LPH employees were provided with an updated FOP on January 10, 2017.

Finding #2016-005 –Contract Rent Adjustments

Federal program information

U.S. Department of Housing and Urban Development

Section 8 Project-Based Cluster:

CFDA 14.249 Section 8 Moderate Rehabilitation Single Room Occupancy

CFDA 14.856 Lower Income Housing Assistance Program - Section 8 Moderate Rehabilitation

Program Year: April 1, 2015 to March 31, 2016

Program Number: PA002MR and PA002SRO

Criteria

Per 24 CFR Part 888 and 24 CFR Section 880.609, the public housing authority applies or ensures annual adjustments to contract rents are applied. The HAP contract specifies the method to be used to determine rent adjustments.

Statement of Condition

Annual contract rent adjustments for 2 of 6 tenant files at one location were not properly applied to tenants files resulting in an incorrect HAP payment for these tenants.

Questioned Costs

Net underpayment of HAP payments of \$18 for the year ended March 31, 2016.

Cause of Condition

The cause of condition was that staff responsible for this location improperly applied an incorrect contract rent adjustment instead of the amount noted in the executed HAP Contract Renewal.

Recommendation

We recommend that the Authority enhance training on the application of contract rent adjustments to tenant files for this specific location.

Management's Response

Staff improperly applied an incorrect contract rent adjustment instead of the amount noted in the executed HAP Contract Renewal, due to limited staff and execution of multiple contracts at a time. As a result, HCVP Staff has restructured its Contract's renewal process by utilizing additional staff,

individually handling multiple contracts during its renewal process, and re-checking manual inputs. The new corrective action measures will include:

Processing Rent Adjustments for Moderate Rehabilitation Contracts (Mod-Rehab) after HAP Contract Execution

- Contracts Administrator (CA) will update the Contract Rent in Elite and any applicable utility changes
- (CA) will notify Unit Based Team Lead of Rent Adjustments including the Commencement Date via Memo
- Team Lead will assign staff to process rent adjustments and will review/approve after all adjustments are complete
- CA will review rent adjustments to ensure compliance with HAP Contract and sign off
- CA will review as necessary the monthly adjustments in Elite to ensure proper payment

Corrective Action Taken

With regards to the underpayments identified above, all errors have been corrected.

As a result of the Recommendations from last year's audit findings, HCV strengthened and expanded the processes for processing rent adjustments for Moderate Rehabilitation Contracts after HAP contract execution. Said processes went into effect on November 1, 2016.

After the processes were strengthened and expanded per HUD's recommendation, PHA provided extensive and intense training to their entire HCV staff to further ensure compliance with the new processes that went into effect on November 1, 2016. Initial training occurred on November 9, 2016, and staff received refresher training on February 1, 2017, and on February 14, 2017.



Philadelphia Housing Authority
Corrective Action Plan
Year End March 31, 2017

Public Housing Program

Housing Operations has corrected the three (3) noted errors and addressed the specific staff responsible for the exceptions noted in the report. Housing Operations has developed a Public Housing Program Continued Occupancy Resource Guide that includes procedures around ensuring accurate HUD Form 50058 submissions. A comprehensive training on this new Guide will be completed for all applicable staff on November 14, and 15, 2017, and will cover several related topics including:

- MTW Policies
- Continued Occupancy
- Household Composition
- General Verification Guidelines for Income and Non-Income Factors
- Income and Adjusted Income
- Verifying and Calculating Income and Adjusted Income
- Calculating Rent
- Transfers

The training will include a specific focus on guidelines for applying appropriate allowances and deductions when calculating rent. Housing Operations is also in the process of developing an internal Quality Control and Training Program, which will include proactive error identification, analysis, and quarterly training for all staff.

Housing Choice Voucher (HCV) Program

The Housing Choice Voucher Program has corrected the two (2) noted errors.

The employees responsible for the two (2) files and their associated team leads will be counseled regarding these errors and the adverse impact on the tenants in question. One-on-one file reviews will be conducted with staff to ensure that proper file actions and quality control checks are performed when completing the recertification process. Focused training on the review of tenant paid utility allowances will also be conducted for applicable HCV staff.

PHA notes that one of the two calculation errors referenced was identified and corrected by HCV staff prior to this audit, and therefore, should not be listed as a finding in this report.