

Philadelphia Housing Authority

Financial and Compliance Report
March 31, 2016

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

11/28/16

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, 2016. 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, 2016 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, 2016, 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, 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. Therefore, amounts previously reported in the Authority's FY 2015 financial statements under a cash basis were restated to give effect to the new pension plan accounting standard. See Note 2 of the Notes to the Financial Statements on page 36 for the impact of the change on FY 2015 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 immediately following this transmittal letter.

Profile and Background of the Philadelphia Housing Authority

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

PHA provides housing to approximately 32,000 low and moderate-income residents in developments and scattered sites units in the City of Philadelphia. Through its Housing Choice Voucher Program, PHA assists 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, 2016 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) **Amy Kurland, Esq.** – City of Philadelphia Inspector General;
- 5) **Kenneth A. Murphy, Esq.** – Partner and Vice-Chair of the Products Liability and Mass Tort Practice Group at Drinker Biddle & Reath, LLP;
- 6) **Herbert Wetzel – Vice Chair** – Executive Director of Housing and Community Development for City Council;
- 7) **Ethel Wise** – President of the Wilson Park Family Resident Council;
- 8) **Julia Danzy** – Former City of Philadelphia Director of Social Services, Deputy Commissioner of Health; and Operations Director for the Department of Human Services; and
- 9) **Asia Coney** – President of PHA's Resident Advisory Board.

Moving To Work

PHA has been a participant in the Moving to Work (MTW) program since 2001. The current MTW Agreement between HUD and PHA extends through FY 2018. MTW is a national demonstration program by Congress that allows a limited number of Public Housing Authorities to combine Public Housing Operating Fund, Capital Fund and Housing Choice Voucher Program funds into a Block Grant and to waive certain regulations and statutes subject to HUD approval. 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 2016 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 2016 major accomplishments and milestones which demonstrate PHA's continued strategic focus and commitment to its vision strategic goals.

- 1) The number of vouchers issued by the authority was expanded by more than 3,000 as PHA worked with the City and other partners to provide permanent housing to 2,000 families and individuals from homeless shelters and transitional housing systems. 18,437 families now have housing through the voucher program;
- 2) An additional 203 veterans housed;
- 3) PHA began work on a legacy development this past fiscal year with the groundbreaking of the first phase of the Sharswood/Blumberg Transformation Plan in North Philadelphia, a \$22 million investment;
- 4) The agency also completed several developments and held grand openings at Queen Lane, Gordon Apartments, and the award-winning Oakdale Street. The Oakdale Street development has received four industry awards since its opening in July. These new developments combined represent over \$35 million invested in long-standing neighborhoods within Philadelphia;
- 5) PHA established the Sharswood Small Business Fund to encourage the improvement and expansion of neighborhood businesses on Ridge Avenue;
- 6) Twenty-two (22) new homeowners as part of PHA's Homeownership program;
- 7) \$219,000 scholarships were awarded to 55 residents;
- 8) Received \$2.7M Jobs Plus Grant; and
- 9) HUD has renewed through 2028 our Moving to Work (MTW) status. The MTW program is critical to the regulatory and funding flexibility that has helped the agency develop award-winning communities and programs.

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 2016, all of PHA's cash and investments were held in risk category #1 above.

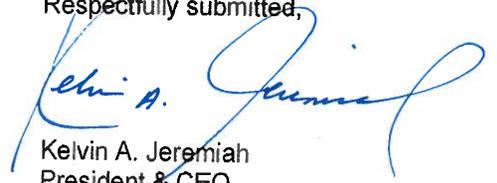
Risk Management: Prior to April 1, 1999, PHA was self-insured for personal injury claims. Beginning April 1, 1999, PHA purchased commercial policies for personal injury coverage. Asserted and unasserted claims are accrued based on PHA's experience, and advice of an independent claims manager. Although 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 2016 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 unflinching support for maintaining the highest standards of professionalism in the management of the Authority's finances.

Respectfully submitted,



Kelvin A. Jeremiah
President & CEO



RSM US LLP

Independent Auditor's Report

To the Board of Commissioners
Philadelphia Housing Authority
Philadelphia, Pennsylvania

Report on the Financial Statements

We have audited the accompanying financial statements of the proprietary fund type activities, the aggregate discretely presented component units and the aggregate remaining fund information of Philadelphia Housing Authority (PHA) as of and for the year ended March 31, 2016, 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, 2015. We did not audit the financial statements of the aggregate discretely presented component units as of and for the year ending December 31, 2015. Those statements were audited by other auditors whose reports thereon have been furnished to us, and our opinions, insofar as it relates to the amounts included for such component units, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the discretely presented component units were not audited in accordance with *Government Auditing Standards*.

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

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

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Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of the proprietary fund type activities, the aggregate discretely presented component units and the aggregate remaining fund information of PHA as of March 31, 2016, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter – Adoption of Standards

As explained in Note 2 to the financial statements, PHA adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions, an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, which resulted in PHA restating net position for recognition of the PHA's pension-related activity incurred prior to April 1, 2015. Our opinion is not modified with respect to this matter.

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 pages 65 and 66 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of Philadelphia Housing Authority. The accompanying financial data schedule, as well as other supplementary information shown on pages 117 to 135, 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 Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), 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 117 to 135 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 28, 2016 on our consideration of PHA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering PHA's internal control over financial reporting and compliance.

RSM US LLP

Blue Bell, Pennsylvania
November 28, 2016

**PHILADELPHIA HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2016**

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, 2016. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1 through 8 of this report, as well as the financial statements that follow this section. All amounts, unless otherwise indicated, are expressed in millions of dollars.

Financial Highlights

- The assets of the Philadelphia Housing Authority exceeded its liabilities (net position) at the close of the most recent fiscal year by \$992.6 million (vs \$1,075.4 million in FY2015). Of this amount, \$472.3 million are *unrestricted net position*, which includes \$382.4 million of mortgages receivable from PHA's discretely presented component units. The remaining unrestricted net position of \$89.9 million may be used to meet PHA's ongoing obligations to clients and creditors.
- PHA's total FY2016 net position decreased by \$82.8 million vs FY2015.
- PHA's total liabilities of \$181.5 million FY16 increased by \$87.4 million compared to FY2015.
- PHA's total operating revenue for FY2016 was \$395.6 million (vs \$368.2 million in FY2015), \$19.2 million (vs \$19.9 million in FY2015) more than total operating expenses (excluding depreciation).
- PHA implemented GASB Statement No. 68 ("GASB 68"), Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27 as of April 1, 2015 (See Note 2). The financial impact of implementing GASB 68 was a reduction of opening net position, net pension asset and related deferred outflows and inflows at April 1, 2015 of \$ 58.1 million (See Note 18). The results of FY15 reflected throughout Management's Discussion and Analysis have not been revised to reflect the impact of pension accounting under GASB 68.

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. The agency-wide financial statements and accompanying notes can be found on pages 27 through 64 of this report.

**PHILADELPHIA HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2016**

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 117 of this report.

**PHILADELPHIA HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2016**

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 \$992.6 million at the close of the most recent fiscal year. The combined net position of PHA decreased by \$82.8 million in FY2016 vs FY2015. The following table shows a summary of changes from the prior year amounts:

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

	<u>FY16</u>	<u>FY15</u>	<u>Dollar Variance</u>	<u>Increase/(Decrease) Percent Variance</u>
<u>Assets</u>				
Cash & Investments	\$ 135.0	\$ 140.6	\$ (5.6)	(4.0%)
Accounts Receivable	56.0	53.4	2.6	4.9%
Other Current Assets	2.4	1.5	0.9	58.8%
Total Current Assets	193.4	195.5	(2.1)	(1.1%)
Net Program Loans Receivable	382.4	376.6	5.8	1.5%
Restricted Cash & Investments	2.7	3.0	(0.3)	(8.9%)
Capital Assets	560.0	579.2	(19.2)	(3.3%)
Other Assets	10.9	15.2	(4.3)	(28.1%)
Total Assets	1,149.6	1,169.5	(19.9)	(1.7%)
Deferred Outflows	24.5	-	24.5	0.0%
Total Assets and Deferred Outflows	\$ 1,174.1	\$ 1,169.5	\$ 4.6	0.4%
<u>Liabilities</u>				
Accounts Payable	\$ 10.6	\$ 6.2	\$ 4.4	71.0%
Other Current Liabilities	37.5	31.5	6.0	18.9%
Total Current Liabilities	48.1	37.7	10.4	27.5%
Noncurrent Liabilities	133.4	56.4	77.0	136.6%
Total Liabilities	181.5	94.1	87.4	92.9%
<u>Net Position</u>				
Net investment in capital assets	517.3	528.2	(10.9)	(2.1%)
Restricted	3.0	12.8	(9.8)	(76.3%)
Unrestricted	472.3	534.4	(62.1)	(11.6%)
Total Net Position	992.6	1,075.4	(82.8)	(7.7%)
Total Liabilities and Net Position	\$ 1,174.1	\$ 1,169.5	\$ 4.6	0.4%

**PHILADELPHIA HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2016**

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 FY2016 vs FY2015 is shown in the table below.

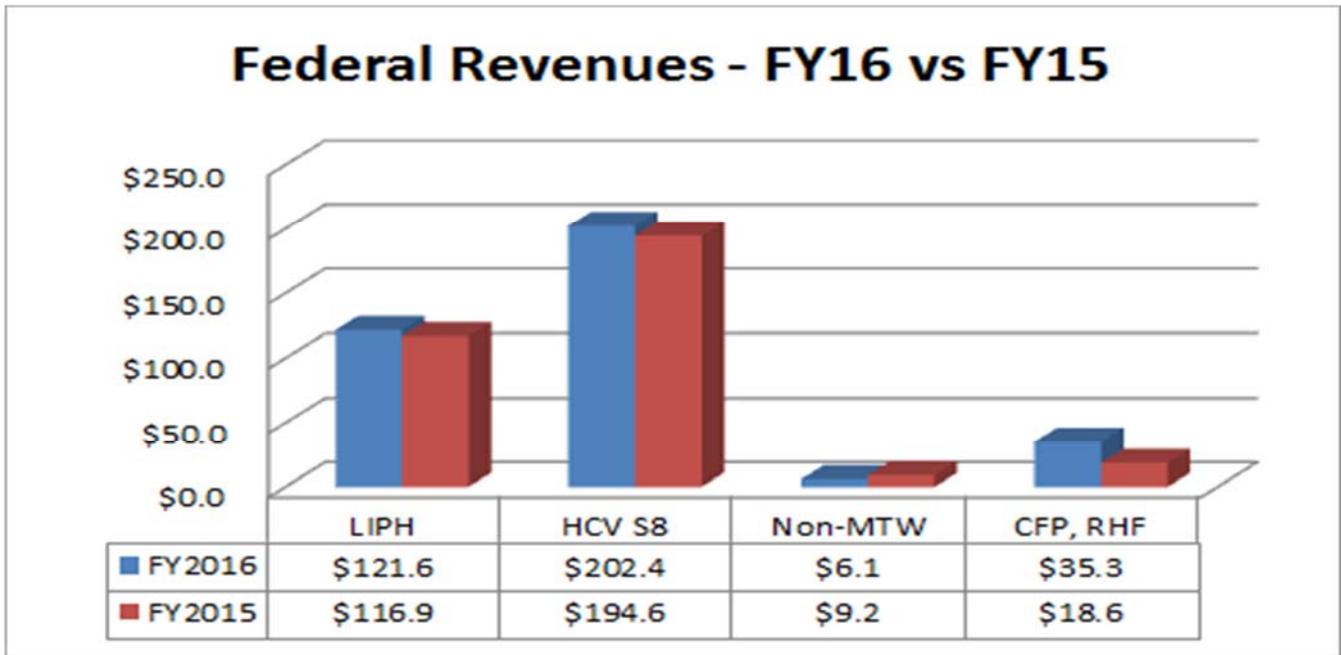
**Philadelphia Housing Authority
Statement of Revenues, Expenses and Changes in Net Position for the year ended March 31
(In millions of dollars)**

	<u>FY16</u>	<u>FY15</u>	<u>Increase/(Decrease)</u>	
			<u>Dollar Variance</u>	<u>Percent Variance</u>
<u>Revenue</u>				
Program Revenue:				
Charges for Services	\$ 26.1	\$ 24.4	\$ 1.7	6.9%
Federal Revenue	365.4	339.3	26.1	7.7%
Other Revenue	4.1	4.5	(0.4)	(8.6%)
Total Operating Revenue	<u>395.6</u>	<u>368.2</u>	<u>27.4</u>	<u>7.4%</u>
<u>Expenses</u>				
Direct	298.0	278.6	19.4	7.0%
Administrative	78.5	69.7	8.8	12.6%
Total Operating Expenses	<u>376.5</u>	<u>348.3</u>	<u>28.2</u>	<u>8.1%</u>
Depreciation	48.8	57.8	(9.0)	(15.5%)
Total Expenses	<u>425.3</u>	<u>406.1</u>	<u>19.2</u>	<u>4.7%</u>
Operating Loss	<u>(29.7)</u>	<u>(37.9)</u>	<u>8.2</u>	<u>(21.6%)</u>
Net nonoperating revenue (expense)	(14.2)	2.8	(17.0)	(608.0%)
Capital subsidies	19.2	13.3	5.9	44.5%
Change in net position	<u>(24.7)</u>	<u>(21.8)</u>	<u>(2.9)</u>	<u>13.4%</u>
Prior period adjustments	(58.1)	0.1	(58.2)	(58230.8%)
Decrease in Net Position	<u>\$ (82.8)</u>	<u>\$ (21.7)</u>	<u>\$ (61.1)</u>	<u>281.4%</u>

Federal Revenue includes the annual operating subsidies and capital grants made available by the U.S. Department of Housing and Urban Development ("HUD"), along with grants received from other Federal sources and the Commonwealth of Pennsylvania. Federal Revenue and capital subsidies increased by \$26.1 million and \$5.9 million, respectively.

Direct expenses amounted to **\$298.0 million**, representing a year-to-year increase of **\$19.4 million**, or **7.0%**. Administrative expenses total **\$78.5 million** which is an increase of **\$8.8 million** or **12.6%** from the prior fiscal year.

**PHILADELPHIA HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2016**



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. In FY2016, PHA received a higher subsidy (**84% vs 82%**), thus, increasing the LIPH revenue.
- **Housing Choice Voucher / Section 8 (HCV S8)** – PHA recognized HCV S8 revenues based on HUD's obligated funds as supported by the Annual Contribution Contract (ACC). The increase in HCV S8 revenue is mainly due to reclassification of VASH of about \$4.0 million from Non-MTW; and b) 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** – Non – MTW revenue mainly consists of Mainstream, Moderate Rehab and Single Occupancy Programs. In FY2016, VASH was recognized as part of HCV S8, thus, decreasing the overall Non-MTW Revenue.
- **CFP/RHF** – significant increase is mainly attributable to the Blumberg project and various site improvements charged to CFP/RHF.

**PHILADELPHIA HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2016**

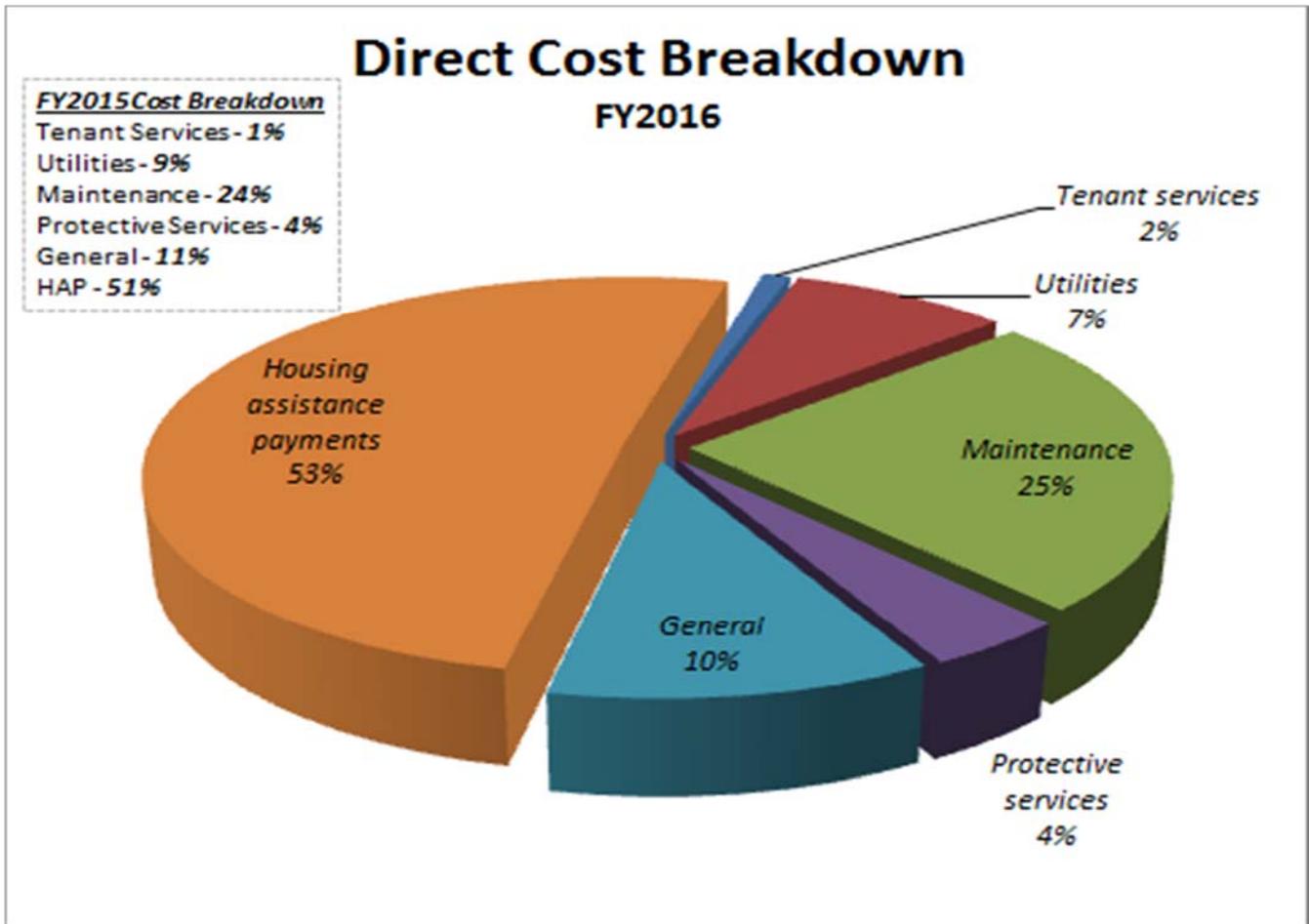
Direct Costs

	FY2016	% of Subsidy	FY2015	% of Subsidy	Increase (Decrease)	
					\$Δ	%Δ
Tenant services	\$4.6	1.3%	\$3.0	0.9%	\$1.6	53.3%
Utilities	21.1	5.8%	24.1	7.1%	(3.0)	(12.5%)
Maintenance	73.2	20.0%	68.1	20.1%	5.1	7.5%
Protective services	12.4	3.4%	11.6	3.4%	0.8	6.9%
General	30.4	8.3%	30.7	9.0%	(0.3)	(1.0%)
Housing assistance payments	156.3	42.8%	141.1	41.6%	15.2	10.8%
Total Direct Expenses	\$298.0	87.8%	\$278.6	86.4%	\$19.4	7.0%

NOTES ON DIRECT COSTS

- **Tenants Services** – tenant services for FY2016 are in line with Budget. The increase in tenant services is mainly due to relocated expenses of about \$1.4 million related to Blumberg tenants.
- **Utilities** – decrease of \$3.0 million or 12.5% was due to the net effect of the following: a) Lower water (down 3.3% from FY2015 to FY2016) and gas and electric unit cost (down 48.3 % and 9.2% respectively from FY2015 to FY2016); and b) the implementation of the Energy Conservation Measures and Sustainable Practices throughout PHA operations.
- **Maintenance** – increase of about \$5.1 million or 7.5% is mainly due to higher maintenance labor operational cost of about \$1.7 million and site improvement maintenance of about \$3.4 million.
- **Protective Services** – increase mainly due to increase in staffing costs of about \$0.8 million or 6.9% vs prior year. Office of the Public Safety hired additional officers and provided more security training and supplies in FY2016.
- **General** – the 1.0% decrease or about \$0.3 million is mainly due to the net effect of the following: a) decrease in bad debts of about \$3.0 million – in FY2015, PHADC and PHA recorded bad debts reserves of about \$1.7 million and \$1.6 million, respectively; and b) increase in property insurance by about \$1.7 million.
- **Housing Assistance Payments (HAP)** – overall HAP payments as a % of HUD subsidy remains flat vs Budget and Prior Year.

PHILADELPHIA HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2016



NOTES ON THE DIRECT COST RATIO CHANGES

- **Tenants Services** – increase related to Blumberg tenants relocation costs.
- **Utilities** – effect of Energy Conservation Measures and purchase of gas and electricity at lower unit cost.
- **Maintenance** – a % of Direct Costs, increased from 24% in FY2015 to 25% in FY2016 due to the increase in vacancy reduction and higher site improvement costs.
- **Housing Assistance Payments** – Landlord Payments and related utility adjustments increased due to additional 2,000 families housed in FY2016.

**PHILADELPHIA HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2016**

Capital Assets. Capital Assets include land, buildings and improvements, equipment and construction in progress. At March 31, 2016 total capital assets totaled **\$1,523.7 million**. The Authority's total capital assets decreased **\$58.7 million or 3.7%** compared to the prior year. Capital acquisitions totaled **\$48.7 million**.

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

	<u>Increase/(Decrease)</u>			
	<u>FY16</u>	<u>FY15</u>	<u>Dollar Variance</u>	<u>Percent Variance</u>
Land	\$ 23.6	\$ 23.6	\$ (0.0)	0.0%
Buildings and Improvements	1,416.2	1,493.4	(77.2)	(5.2%)
Equipment - Dwelling	1.2	1.2	(0.0)	0.0%
Equipment - Administration	26.6	24.5	2.1	8.6%
Construction in process	56.1	39.7	16.4	41.3%
Total Capital Assets	1,523.7	1,582.4	(58.7)	(3.7%)
Accumulated Depreciation	(963.7)	(1,003.2)	39.5	3.9%
Net Capital Assets	\$ 560.0	\$ 579.2	\$ (19.2)	(3.3%)

Long-term Debt and Other Long-term Liabilities. Long-term debt and other long-term liabilities as of March 31, 2016, compared with March 31, 2015, 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)**

	<u>Increase/(Decrease)</u>			
	<u>FY16</u>	<u>FY15</u>	<u>Dollar Variance</u>	<u>Percent Variance</u>
Compensated Absences	\$ 3.3	\$ 3.3	\$ 0.0	0.0%
Long-term Debt	41.0	46.2	(5.2)	(11.2%)
Self Insurance and Other Claims	2.5	2.5	-	0.0%
Net Pension Liability	83.8	-	83.8	-
Other	2.8	4.4	(1.6)	(36.0%)
Total	\$ 133.4	\$ 56.4	\$ 77.0	136.5%

The decrease in the Long Term Debt of \$5.2 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, 2016**

Pension Trust Fund

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

Request for Information

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

PHILADELPHIA HOUSING AUTHORITY
STATEMENT OF NET POSITION
March 31, 2016

	Primary Government	Discretely Presented Component Units
ASSETS		
Current Assets		
Cash and cash equivalents (Note 3)	\$ 104,140,743	\$ 5,661,369
Restricted cash (Note 3)	8,831,489	32,385,421
Investments (Note 3)	21,978,849	-
Receivables (Note 4)	56,113,442	2,711,930
Other current assets (Note 5)	2,382,323	551,619
Total current assets	193,446,846	41,310,339
Noncurrent assets		
Mortgages receivable (Note 7)	382,425,013	-
Restricted investments (Note 3)	2,732,598	-
Capital assets, net (Note 6)	560,022,085	455,274,228
Equity interest in component units (Note 17)	5,076,612	-
Other assets (Note 5)	5,859,563	2,146,716
Total noncurrent assets	956,115,871	457,420,944
TOTAL ASSETS	1,149,562,717	498,731,283
Deferred outflows of resources (Note 12)	24,527,371	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 1,174,090,088	\$ 498,731,283
LIABILITIES and NET POSITION		
Current Liabilities		
Accounts payable	\$ 10,599,861	\$ 1,756,664
Accrued liabilities	17,526,200	1,347,720
Current portion of long-term debt (Note 9)	5,070,000	307,151
Due to other government agencies	354,658	-
Compensated absences (Note 14)	4,953,243	-
Resident security deposits (Note 3)	787,599	531,991
Unearned revenue and other current liabilities (Note 8)	8,770,879	19,570,804
Total current liabilities	48,062,440	23,514,330
Noncurrent Liabilities		
Compensated absences (Note 14)	3,302,150	-
Long-term debt (Note 9)	40,986,800	358,621,445
Net pension liability (Note 12)	83,816,842	-
Other long-term liabilities (Note 10)	5,321,249	66,136,258
Total noncurrent liabilities	133,427,041	424,757,703
TOTAL LIABILITIES	181,489,481	448,272,033
Net Position		
Net investment in capital assets	517,287,419	86,102,987
Restricted for development	3,035,237	-
Unrestricted (deficit)	472,277,951	(35,643,737)
TOTAL NET POSITION	992,600,607	50,459,250
TOTAL LIABILITIES and NET POSITION	\$ 1,174,090,088	\$ 498,731,283

See Notes to Financial Statements.

PHILADELPHIA HOUSING AUTHORITY
STATEMENT OF REVENUES, EXPENSES and CHANGES IN NET POSITION
For the Year Ended March 31, 2016

	Primary Government	Discretely Presented Component Units
Operating Revenue		
Tenant revenue	\$ 26,089,704	\$ 24,870,330
Operating subsidies	365,450,191	-
Other income	4,111,928	3,392,008
Total operating revenue	395,651,823	28,262,338
Operating Expenses		
Administrative	78,514,832	8,137,759
Tenant services	4,550,351	276,881
Utilities	21,080,217	4,441,109
Maintenance	73,228,847	11,245,235
Protective services	12,365,596	-
General	30,454,340	3,013,991
Housing assistance payments	156,339,314	-
Depreciation and amortization	48,847,725	17,049,423
Total operating expenses	425,381,222	44,164,398
OPERATING LOSS	(29,729,399)	(15,902,060)
Nonoperating Revenue (Expenses)		
Interest and investment earnings	6,104,852	20,431
Interest expense	(2,632,277)	(6,080,215)
Other revenues (charges)	(17,697,575)	57,899
Net nonoperating expense	(14,225,000)	(6,001,885)
LOSS BEFORE CAPITAL CONTRIBUTIONS	(43,954,399)	(21,903,945)
Capital Contributions		
HUD capital subsidies	19,222,882	574,793
Partner distributions	-	(452,060)
Partner contributions	-	20,793,860
	19,222,882	20,916,593
CHANGE IN NET POSITION	\$ (24,731,517)	\$ (987,352)
Net Position, beginning		
As previously reported	1,075,462,923	51,446,602
Prior period adjustment (Notes 12 and 18)	(58,130,799)	-
As restated	1,017,332,124	51,446,602
Net Position, ending	\$ 992,600,607	\$ 50,459,250

See Notes to Financial Statements.

PHILADELPHIA HOUSING AUTHORITY
STATEMENT OF CASH FLOWS
For the Year Ended March 31, 2016

	Primary Government	Discretely Presented Component Units
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipt from grants and subsidies	\$ 367,147,704	\$ -
Cash received from tenants	25,292,533	22,686,294
Other cash receipts	10,252,896	5,139,330
Cash payments to landlords	(156,339,314)	-
Cash payments for other operating expenses	(100,702,110)	(17,864,950)
Payments to and on behalf of employees	(117,931,565)	(6,944,584)
Net cash provided by operating activities	27,720,144	3,016,090
CASH FLOWS FROM CAPITAL and RELATED FINANCING ACTIVITIES		
Construction costs paid	(33,660,179)	(12,836,085)
Purchases of capital assets	(3,517,272)	(20,654,349)
Proceeds from sale of capital assets	718,026	-
Proceeds from debt	-	32,737,816
Bridge loan payments	-	(16,681,812)
Debt principal payments	(4,815,000)	(113,804)
Proceeds from partner contributions	-	21,368,653
Fraud recovery	575,852	-
Partner withdrawals	-	(452,060)
Debt forgiveness	-	57,899
Interest payments on debt	(2,729,867)	(75,733)
Capital contributions component units	(20)	(59,361)
Capital subsidies	9,495,593	-
Net cash provided by (used in) capital and related financing activities	(33,932,867)	3,291,164
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(40,780,971)	-
Sale of investments	73,400,635	-
Mortgage receivable advances	(14,087,048)	-
Proceeds from mortgage receivables	14,128,513	-
Interest income	293,361	20,431
Net cash provided by investing activities	32,954,490	20,431
Net increase in cash and cash equivalents	26,741,767	6,327,685
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	86,230,465	31,719,105
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 112,972,232	\$ 38,046,790

(Continued)

PHILADELPHIA HOUSING AUTHORITY
STATEMENT OF CASH FLOWS
For the Year Ended March 31, 2016

	Primary Government	Discretely Presented Component Units
Consists of:		
Cash and cash equivalents, current	\$ 104,140,743	\$ 5,661,369
Restricted cash - current	8,831,489	32,385,421
Total UNRESTRICTED and RESTRICTED AT END OF YEAR	\$ 112,972,232	\$ 38,046,790
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
OPERATING LOSS	\$ (29,729,399)	\$ (15,902,060)
Adjustments made to reconcile operating loss to net cash provided by operating activities:		
Depreciation and amortization	48,847,725	17,049,423
(Increase) decrease in assets:		
Tenant accounts receivable	(249,550)	(1,915,706)
Accounts receivable – subsidy	1,566,691	-
Accounts receivable – general	5,773,723	1,663,526
Other current assets	134,980	334,771
Increase (decrease) in liabilities:		
Accounts payable and accrued liabilities	(2,525,303)	(293,003)
Unearned revenue and other current liabilities	3,901,277	2,079,139
Net cash provided by operating activities	\$ 27,720,144	\$ 3,016,090
SUPPLEMENTAL DISCLOSURE OF NONCASH ACTIVITIES		
Loss of disposal of Capital Asset	\$ 18,273,427	\$ -
Increase in capital assets from advance to acquire properties	\$ 4,228,448	\$ -
Interest income added to Mortgages receivable	\$ 6,936,996	\$ -
Interest expense added to Accrued interest payable	\$ -	\$ 6,025,453

See Notes to Financial Statements.

PHILADELPHIA HOUSING AUTHORITY
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND TYPE - PENSION TRUST FUND
October 31, 2015

A S S E T S		
Cash and cash equivalents		\$ 1,162,963
Investment, at fair value		
Pooled separate accounts		66,885,937
Bonds domestic and global		1,357,941
Common stocks		49,459,912
Mutual funds		77,843,373
Total Investments		195,547,163
Receivables		
Contributions		10,117
Securities sold		164,905
Interest, dividend and other		44,125
Total Receivables		219,147
TOTAL ASSETS		196,929,272
L I A B I L I T I E S		
Securities purchased		176,502
Other Liabilities		970
TOTAL LIABILITIES		177,472
NET POSITION HELD IN TRUST FOR PENSION BENEFITS	\$	196,751,800

See Notes to Financial Statements.

PHILADELPHIA HOUSING AUTHORITY
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND TYPE - PENSION TRUST FUND
For the Year Ended October 31, 2015

ADDITIONS TO NET POSITION:

Investment Income

Interest	\$	990,825
Dividends		2,664,337
Net appreciation in fair value of investments		(3,037,546)
Total investment income		617,616
Investment management and custodial fees		(836,196)

Net investment income **(218,580)**

Contributions

Employer	6,776,109
Employee	142,957

Total contributions **6,919,066**

Other income **47,292**

TOTAL ADDITIONS TO NET POSITION **6,747,778**

DEDUCTIONS FROM NET POSITION:

Benefit payments	21,901,820
Administrative costs	842,624

TOTAL DEDUCTIONS FROM NET POSITION **22,744,444**

CHANGE IN NET POSITION **(15,996,666)**

NET POSITION, Beginning **212,748,466**

NET POSITION, Ending **\$ 196,751,800**

See Notes to Financial Statements.

PHILADELPHIA HOUSING AUTHORITY
Notes to Financial Statements
March 31, 2016

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 more than 18,000 housing choice vouchers.

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

PHA is governed by a Board of Commissioners whose structure is defined by legislation approved by the Pennsylvania Legislature and signed into law by the Governor in July 2012. Under current Pennsylvania law, the Mayor of Philadelphia appoints a nine-member PHA Board of Commissioners, subject to the approval of the Philadelphia City Council. The Board of Commissioners appoints the President and Chief Executive Officer (the office formerly known as Executive Director) to oversee and direct all of PHA operations. In March 2013, following a national search effort, the Board of Commissioners appointed Kelvin A. Jeremiah as PHA's President and Chief Executive Officer. 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 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 39 discrete component units which consist of Limited Partnerships, Limited Liability Corporations and Alternate Managed Entities and fully described in Note 17.

Three blended and all the discrete component units are reported on a three-month time lag as of December 31, 2015.

PHILADELPHIA HOUSING AUTHORITY
Notes to Financial Statements
March 31, 2016

Note 2. Summary of Significant Accounting Policies (Continued)

Reporting Entity (Continued)

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

Description of Financial Statements

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

During FY 2016, PHA adopted the following GASB Standards:

- GASB No. 68 "*Accounting and Financial Reporting for Pensions.*" Under the new standard, the financial statements contain a liability which is the amount of the unfunded pension liability, referred to in the new standard as the net pension liability (NPL). The NPL is the total pension liability (TPL) less the plan's fiduciary net position (PFNP). The PFNP represents the fair value of plan assets which are available to pay the pension benefits. The NPL is measured as of a date no earlier than the end of the employer's prior fiscal year (measurement date).
- GASB No. 71 "*Pension Transition for Contributions Made Subsequent to the Measurement Date — an amendment of GASB Statement No. 68.*" The new standard improves the accounting and financial reporting by addressing an issue with contributions, if any, made by a state or local government employer or non-employer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

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 **84%** of its fiscal 2016 operating subsidies from HUD under the Low-Rent Housing and Section 8 Programs. Descriptions of the primary PHA programs follow:

PHILADELPHIA HOUSING AUTHORITY
Notes to Financial Statements
March 31, 2016

Note 2. Summary of Significant Accounting Policies (Continued)

Federal Programs (Continued)

Low-Rent Housing Program: This program provides low-rent housing to qualified residents of the City of Philadelphia. All units are owned and operated by PHA and were purchased with financing arranged or provided through HUD. The operations of the program are subsidized by HUD through Annual Contributions Contract W-55. Operating subsidy contributions for the year ended March 31, 2016 were **\$121,582,368** and are included in operating subsidies in the combined statement of revenues, expenses and changes in net position.

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

Housing Choice Voucher Program	\$ 202,409,526
Mainstream	527,010
Moderate Rehabilitation	1,832,946
Single Room Occupancy	1,661,545
	\$ 206,431,027

- 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, 2016

Note 2. Summary of Significant Accounting Policies (Continued)

Federal Programs (Continued)

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

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

Budgets

Budgets are prepared on an annual basis for each major operating program and are used as a management tool throughout the accounting cycle. The capital fund budgets are adopted on a "project" basis. Beginning with the budget prepared for the year ending March 31, 2015, budgets are subject to approval by PHA's Board of Commissioners.

Cash and Cash Equivalents

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

Investments

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

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, 2016

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, 2016

Note 2. Summary of Significant Accounting Policies (Continued)

Subsequent Events

Management has evaluated subsequent events through November 28, 2016, which is the date the financial statements were available to be issued.

Use of Estimates

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

New Accounting Standards Adopted

GASB Statement No. 68, (“GASB 68”), *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27*, was issued in June 2012. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. The Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency. This Statement replaces the requirements of GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, and GASB Statement No. 50, *Pension Disclosures*, as they relate to pension plans that are administered through trusts that meet certain criteria. The primary impact of adopting this standard is the inclusion of the Authority’s net pension liability on its statement of net position as a result of shifting from a funding based to an accrual based measurement approach.

The provisions of this Statement became effective for fiscal periods beginning after June 15, 2014. The adoption of GASB 68 results in the Authority reporting a \$58.1 million decrease in net position and increase in net pension liability as of April 1, 2015 to restate the beginning net position (See Notes 12 and 18).

GASB Statement No. 71, (“GASB 71”), *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*, was issued in November 2013. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or non-employer contributing entity to a defined benefit plan after the measurement date of the government’s beginning net pension liability. The provisions of this Statement are effective for fiscal periods beginning after June 15, 2014. The adoption of GASB 71 resulted in the recognition of additional Deferred Outflow of Resources of about \$2.9 million as of March 31, 2016, representing the total contributions made subsequent to the October 31 measurement date up to the fiscal year end date of March 31, 2016.

Accounting Standards Issued But Not Yet 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.

PHILADELPHIA HOUSING AUTHORITY
Notes to Financial Statements
March 31, 2016

Note 2. Summary of Significant Accounting Policies (Continued)

Accounting Standards Issued But Not Yet Adopted (Continued)

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* was issued in June 2015.

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

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

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

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

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

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

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

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

PHILADELPHIA HOUSING AUTHORITY
Notes to Financial Statements
March 31, 2016

Note 2. Summary of Significant Accounting Policies (Continued)

Accounting Standards Issued But Not Yet Adopted (Continued)

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

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.

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. This Statement amends the blending requirements established in paragraph 53 of Statement 14, *The Financial Reporting Entity*, as amended. This Statement amends the blending requirement for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit in which the primary government is the sole corporate member. 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. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The requirements of this Statement are effective for periods beginning after June 15, 2016.

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, 2016

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, 2016 cash and investments consisted of the following:

	Fair Value	Carrying Amount
Primary Government - cash		
Money market funds - Government Obligations	\$ 97,664,489	\$ 97,664,489
Money market funds - Banks	1,611,842	1,611,842
Demand deposits	5,976,289	5,976,289
Workman's compensation escrow fund held by third party	7,716,962	7,716,962
Petty cash	2,650	2,650
	112,972,232	112,972,232
Total cash	112,972,232	112,972,232
Primary Government		
U.S. Government securities	24,711,447	24,711,447
	24,711,447	24,711,447
Total cash and investments	\$ 137,683,679	\$ 137,683,679

PHILADELPHIA HOUSING AUTHORITY
Notes to Financial Statements
March 31, 2016

Note 3. Cash and Investments (Continued)

Reconciliation of detail to statement of net position:

	Primary Government	Component Units
Cash and cash equivalents	\$ 104,140,743	\$ 5,661,369
Investments unrestricted	21,978,849	-
Restricted cash	8,831,489	32,385,421
Restricted investments	2,732,598	-
	\$ 137,683,679	\$ 38,046,790

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, 2016 pertain to the following:

	Primary Government	Component Units
Cash		
Resident security deposits	\$ 787,599	\$ 531,991
Affordability reserves	-	2,575,152
Replacement reserves	-	8,774,684
Investment equity reserves	-	397,311
Operating reserve	-	6,383,386
Trustee reserves	-	7,481,569
Workman's compensation escrow fund held by third party	7,716,962	-
Affordability reserves and others	302,639	-
Other reserves	24,289	6,241,328
	8,831,489	32,385,421
Investments		
Affordability reserves and others	2,732,598	-
	\$ 11,564,087	\$ 32,385,421

PHILADELPHIA HOUSING AUTHORITY
Notes to Financial Statements
March 31, 2016

Note 3. Cash and Investments (Continued)

Total bank balances for primary government and component units as of March 31, 2016 were \$6.5 million and \$7.7 million, respectively.

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

	AMOUNT	MATURITY		RATING	
		0 - 12 Months	1 - 2 Years	S&P	Moody
First American Government Obligations Fund	\$ 97,664,489	\$ 97,664,489	\$ -	N/A	N/A
Wells Fargo - Executive Health Protection Plan	1,611,842	\$ 1,611,842	-	N/A	N/A
	\$ 99,276,331	\$ 99,276,331	\$ -		
Federal Home Loan Bank	\$ 4,617,402	\$ 1,465,460	\$ 3,151,942	AAA	AA+
Federal Farm Credit Bank	1,404,634	-	1,404,634	AAA	AA+
Federal Home Loan Mortgage Corporation	9,955,470	3,416,778	6,538,692	AAA	AA+
Federal National Mortgage Association	3,067,146	2,390,628	676,518	AAA	AA+
U.S. Treasury Obligations	5,666,795	5,666,795	-	AAA	N/A
	\$ 24,711,447	\$ 12,939,661	\$ 11,771,786		

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, 2016

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 \$1,162,963 for 2015, included in cash and cash equivalents on the Statement of Fiduciary Net Position are as follows:

Equity Fund Managers:	
Morgan Stanley International Equity Fund	\$ 29,499,237
Prudential	20,092,022
Waddell & Reed	15,904,684
Herndon Capital	14,973,828
GMO Global Asset Allocation Fund III	14,668,311
Chartwell Investments	10,414,375
Westfield Capital	9,293,802
Total equities	114,846,259
Fixed Income Fund Managers:	
Prudential	45,651,193
City of London Emerging Free Markets Country Fund	19,013,043
Loomis Sayles Multi Sector Full Discretion Fund	14,662,782
Hughes Capital	1,373,886
Total fixed income	80,700,904
Total investments by fund managers	\$ 195,547,163

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.

PHILADELPHIA HOUSING AUTHORITY
Notes to Financial Statements
March 31, 2016

Note 3. Cash and Investments (Continued)

Investments that represent 5 percent or more of fair value of the Plan's assets available for benefits at October 31, 2015 are as follows:

Prudential Core Bond Enhancement Index	\$ 45,651,193
Morgan Stanley International Equity Fund	29,499,237
Prudential Dryden S&P 500 Index	20,092,022
City of London Emerging Free Markets Country Fund	19,013,043
Waddell & Reed	15,904,684
Herndon Capital	14,973,828
GMO Global Asset Allocation Fund III	14,668,311
Loomis Sayles Multi Sector Full Discretion Fund	14,662,782
Chartwell Investments	10,414,375
Westfield Capital	9,293,802

Note 4. Receivables

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

Accounts receivable at March 31, 2016 was comprised of the following:

	Primary Government	Component Units
Tenant receivables	\$ 1,505,860	\$ 3,267,040
Due from HUD	51,618,056	-
Accrued interest	87,400	-
Development fees	4,049,519	-
Due from affiliates	1,735,242	29,579
Miscellaneous	2,487,815	326,969
	61,483,892	3,623,588
Less allowance for doubtful accounts	(5,370,450)	(911,658)
	<u>\$ 56,113,442</u>	<u>\$ 2,711,930</u>

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

PHILADELPHIA HOUSING AUTHORITY
Notes to Financial Statements
March 31, 2016

Note 5. Other Current Assets and Other Assets

Other assets at March 31, 2016 were comprised of the following:

	Primary Government	Component Units
Current		
Prepaid expenses	\$ 1,151,815	\$ 551,619
Materials and supplies, net	1,230,508	-
	<u>\$ 2,382,323</u>	<u>\$ 551,619</u>
Noncurrent		
Turnkey homes held for resale	\$ 88,011	\$ -
Advances to acquire property	5,771,552	-
Other	-	2,146,716
	<u>\$ 5,859,563</u>	<u>\$ 2,146,716</u>

PHA entered into an agreement with the Philadelphia Redevelopment Authority (PRA) to use PHA's powers of eminent domain to condemn privately and publicly owned properties in the Blumberg / Sharswood area of Philadelphia for redevelopment. The initial condemnation plan forecast is approximately \$44 million dollars for the acquisition of over 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 \$10,000,000 to PRA to cover costs associated with the initial property acquisition and condemnation undertakings. As of March 31, 2016, PRA acquired properties amounting to \$4,228,448 included in the Construction in Progress.

Note 6. Capital Assets

Capital assets for the year ended March 31, 2016 were as follows:

Primary Government	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
<i>Capital assets not being depreciated</i>					
Land	\$ 23,585,382	\$ -	\$ (1,302)	\$ -	\$ 23,584,080
Construction in progress	39,712,166	32,748,638	(1,948,030)	(14,336,891)	56,175,877
<i>Capital assets being depreciated</i>					-
Building and improvements	1,493,365,946	13,625,381	(105,133,244)	14,336,891	1,416,194,979
Equipment - dwelling	1,245,164	52,608	(33,708)	(81,780)	1,182,282
Equipment - administration	24,510,826	2,255,308	(217,932)	81,780	26,629,985
Total Capital Assets	1,582,419,484	48,681,935	(107,334,216)	-	1,523,767,203
Less: accumulated depreciation	(1,003,240,151)	(48,847,725)	88,342,771	-	(963,745,104)
Net Capital assets	<u>\$ 579,179,333</u>	<u>\$ (165,790)</u>	<u>\$ (18,991,445)</u>	<u>\$ -</u>	<u>\$ 560,022,085</u>

PHILADELPHIA HOUSING AUTHORITY
Notes to Financial Statements
March 31, 2016

Note 6. Capital Assets

Capital assets for the year ended March 31, 2016 were as follows: (Continued)

Discrete Component Units	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital assets not being depreciated					
Land	\$ 5,573,824	\$ 62,175	\$ -	\$ -	\$ 5,635,999
Construction in progress	3,478,033	12,836,085	(1,980,444)	-	14,333,674
Capital assets being depreciated					
Building and improvements	577,674,029	20,542,359	-	-	598,216,388
Equipment - dwelling	555,845	37,720	-	-	593,565
Equipment - administration	3,337,710	12,095	-	-	3,349,805
Total Capital Assets	590,619,441	33,490,434	(1,980,444)	-	622,129,431
Less: accumulated depreciation	(150,004,478)	(16,850,725)	-	-	(166,855,203)
Net Capital assets	\$ 440,614,963	\$ 16,639,709	\$ (1,980,444)	\$ -	\$ 455,274,228

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, 2016. Upon transfer to the proper capital asset class, these capital assets will be depreciated over their estimated useful lives.

In November 2013, PHA, working with 23 partners, supports the development of a successful transformation plan for both the Blumberg site as well as the surrounding Blumberg/Sharswood neighborhood. As part of first phase of redevelopment at Blumberg site, PHA demolished the old Blumberg high rise towers and the surrounding low rise town house units with remaining book value of about \$18.7 million.

Note 7. Mortgages Receivable

Mortgages receivable are summarized as follows:

Non-interest-bearing note due from Philadelphia Redevelopment Authority ("PRA")	\$ 34,059,453
Amounts due from PHA component units, at interest rates ranging from -0%- to 5.46% (Note 9)	<u>294,723,346</u>
Mortgage receivable from PRA and component units	328,782,799
Accrued interest - Component units	<u>53,642,214</u>
	<u><u>\$ 382,425,013</u></u>

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

PHILADELPHIA HOUSING AUTHORITY
Notes to Financial Statements
March 31, 2016

Note 7. Mortgages Receivable (Continued)

The amounts due from the component units represent advances of various HUD grants under the Moving to Work Program, Hope VI Program and other capital fund programs. The offsetting liability of the discrete component units is included in long-term debt and accrued interest (Note 9). The mortgage and interest receivables and the respective liabilities net to zero with the exception of \$6,936,996 in advances made to component units and timing difference of interest receivables/payables between December 31, 2015 and March 31, 2016.

The repayment schedule is as follows:

Year Ending March 31	
2016-2036	\$ -
2037	35,683,109
2038-2042	120,767,998
2043-2047	36,740,505
2048-2052	20,277,644
2053-2057	28,673,690
2058-2062	83,678,851
2063-2067	43,864,992
2068-2072	12,738,224
	<u>\$ 382,425,013</u>

Note 8. Unearned Revenue and Other Current Liabilities

Unearned revenue and other liabilities at March 31, 2016 consisted of the following:

	Primary Government	Component Units
Accrual for workers' compensation claim (Note 10)	\$ 4,958,002	\$ -
Due to affiliates	804,401	17,923,014
Unearned revenues	1,118,702	264,544
Escrow accounts	392,001	-
Other payables	1,497,773	1,383,246
	<u>\$ 8,770,879</u>	<u>\$ 19,570,804</u>

PHILADELPHIA HOUSING AUTHORITY
Notes to Financial Statements
March 31, 2016

Note 9. Long-Term Debt

Long-term debt is summarized as follows:

	Beginning Balance	Additions	Repayments	Amortization	Ending Balance	Due within 1 year
Primary Government						
Bonds	\$ 50,575,000	\$ -	\$ 4,815,000	\$ -	\$ 45,760,000	\$ 5,070,000
Unamortized bond premium	394,390	-	-	97,590	296,800	-
	<u>\$ 50,969,390</u>	<u>\$ -</u>	<u>\$ 4,815,000</u>	<u>97,590</u>	<u>\$ 46,056,800</u>	<u>\$ 5,070,000</u>
Discrete Component Units						
Bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Notes due to PHA	297,017,348	9,250,076	16,702,147	-	289,565,277	-
Other notes	57,176,966	12,279,822	93,469	-	69,363,319	307,151
	<u>\$ 354,194,314</u>	<u>\$ 21,529,898</u>	<u>\$ 16,795,616</u>	<u>\$ -</u>	<u>\$ 358,928,596</u>	<u>\$ 307,151</u>

Borrower/Description

Primary Government	Due Third Parties	Due PHA
Tasker Capital Fund Revenue Bonds, Series A of 2002; interest at rates ranging from 1.5% to 5.5% payable each June 1 and December 1; annual principal payments due each December 1 through 2021	\$ 34,760,000	\$ -
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>\$ 45,760,000</u>	<u>\$ -</u>

Discrete Component Units	Due Third Parties	Due PHA
0.5% mortgage note collateralized by <i>8 Diamonds</i> property; principal and interest; due in 2040	\$ -	\$15,968,970
1.0% mortgage note collateralized by <i>Blumberg Apartments I</i> property; principal and interest; due in 2047	-	1,660,682
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, 2016

Note 9. 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	240,578	-
7.25% mortgage note collateralized by <i>Neumann North</i> property; due in monthly installments of \$3,353 in 2016	298,279	-
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 at Allegheny</i> property; due in 2044	2,483,721	-
Non-interest bearing mortgage note collateralized by <i>Newcourtland Apartment at Allegheny</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	1,714,580	-
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, 2016

Note 9. 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	\$ -	\$9,675,640
LIBOR plus .75% mortgage note collateralized by <i>Queen Lane LP</i> ; due in 2015	7,481,521	-
0.1% mortgage note collateralized by <i>Richard Allen</i> property; Principal and interest due in 2041	-	22,190,978
0.10% mortgage note collateralized by <i>Ridge Avenue Housing</i> property; principal and interest due in 2041	-	18,187,838
Non-interest-bearing note payable collateralized by <i>Ridge Avenue</i> <i>housing</i> ; due in 2041	181,439	-
Non-interest-bearing mortgage note collateralized by <i>Southwark Plaza</i> property; due upon final settlement with PRA, as defined	34,059,453	-
Non-interest-bearing mortgage note collateralized by <i>Southwark Plaza</i> property; due in 2030	3,000,000	-
Non-interest-bearing mortgage note collateralized by <i>Southwark Plaza</i> property; due in 2037	-	1,623,348
Non-interest-bearing mortgage note collateralized by <i>Spring Garden Historic LP</i> ; due in 2039	1,812,625	-
6% mortgage note collateralized by <i>Spring Garden</i> <i>Historic LP</i> property	-	1,900,000
Non-interest-bearing mortgage note collateralized by <i>Spring Garden Historic LP</i> ; due in 2041	2,700,000	-
Non-interest-bearing mortgage note collateralized by <i>Spring Garden Historic LP</i> ; due in 2048	2,000,000	-
Non-interest-bearing mortgage note collateralized by <i>Spring Garden Historic LP</i> ; due in 2038	429,800	-
3.0% mortgage note collateralized by <i>Spring Garden Housing LP</i> ; due in 2045	500,000	-
6.55% mortgage note collateralized by <i>Spring Garden Housing LP</i> ; due in 2045	1,290,000	-
Non-interest-bearing mortgage note collateralized by <i>Spring Garden Housing LP</i> ; due in 2045	209,534	-
Non-interest-bearing mortgage note due in 2045; collateralized by <i>Spring Garden Housing</i> property	1,861,700	-
6.55% mortgage note collateralized by <i>Spring Garden Housing LP</i> ; due in 2015	180,000	-
6.55% mortgage note collateralized by <i>Spring Garden Housing LP</i> ; due in 2045	-	1,900,000
5.12% mortgage note collateralized by <i>Spring Garden Housing LP</i> ; due in 2045	-	1,039,083
6.55% note payable; <i>Spring Garden Housing LP</i> principal and interest due in 2031	51,000	-
Non-interest bearing unsecured note payable <i>Spring Garden Housing LP</i>	15,000	-

PHILADELPHIA HOUSING AUTHORITY
Notes to Financial Statements
March 31, 2016

Note 9. Long-Term Debt (Continued)

Discrete Component Units	Due Third Parties	Due PHA
Non-interest-bearing mortgage note collateralized by <i>St. Anthony's Senior Residences</i> property; due in annual installments from 2030 through 2039	\$ 1,500,000	\$ -
5.67% mortgage note collateralized by <i>St. Anthony's Senior Residences</i> property; due in annual installments from 2030 to 2039	150,000	-
Non-interest-bearing note collateralized by <i>Angela Court/ St. Ignatius</i> Sr. Housing I property; due in 2033	923,334	-
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

PHILADELPHIA HOUSING AUTHORITY
Notes to Financial Statements
March 31, 2016

Note 9. Long-Term Debt (Continued)

Discrete Component Units	Due Third Parties	Due PHA
4.58% mortgage note collateralized by <i>Warnock Phase I</i> property; principal and interest due in 2053	\$ -	\$ 3,000,000
4.32% mortgage note collateralized by <i>Warnock Phase II</i> property; principal and interest due in 2053	-	7,254,139
Total debt for discrete component units	69,363,319	289,565,277
	<u>\$ 358,928,596</u>	

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
2017	\$ 5,070,000	\$ 2,344,213	\$ 7,414,213	\$ 307,151	\$ 6,872,804	\$ 7,179,955
2018	5,345,000	2,078,038	7,423,038	9,572	6,290,472	6,300,044
2019	7,615,000	1,797,475	9,412,475	10,274	6,299,864	6,310,138
2020	8,020,000	1,393,650	9,413,650	11,027	6,309,517	6,320,544
2021	8,445,000	968,263	9,413,263	200,833	6,319,439	6,520,272
2022-2026	11,265,000	665,738	11,930,738	37,374,453	31,755,819	69,130,272
2027-2031	-	-	-	1,665,000	32,046,042	33,711,042
2032-2036	-	-	-	26,551,229	32,094,007	58,645,236
2037-2041	-	-	-	132,334,318	32,206,128	164,540,446
2042-2046	-	-	-	8,065,565	27,069,186	35,134,751
2047-2051	-	-	-	36,382,528	23,328,984	59,711,512
2052-2056	-	-	-	30,920,262	20,695,995	51,616,257
2057-2061	-	-	-	55,731,982	16,270,983	72,002,965
2062-2066	-	-	-	29,364,402	5,637,876	35,002,278
	45,760,000	\$ 9,247,377	\$ 55,007,377	358,928,596	\$ 253,197,116	\$ 612,125,712
Less current portion	5,070,000			307,151		
	40,690,000			\$ 358,621,445		
Premium on Series A Bonds	296,800					
	\$ 40,986,800					

PHILADELPHIA HOUSING AUTHORITY
Notes to Financial Statements
March 31, 2016

Note 10. Changes in Long-Term Liabilities

Changes in other long-term liabilities for the year ended March 31, 2016 are as follows:

Primary Government	Beginning Balance	Increases	Decreases	Ending Balance	Due within 1 year
Other liabilities					
Estimated liability for self insurance and other claims	\$ 2,489,350	\$ 41,037	\$ (30,062)	\$ 2,500,325	\$ -
Workers' compensation payable	7,809,092	4,156,541	(5,998,540)	5,967,093	4,958,002
Health trust escrow	1,708,734	201,873	(98,774)	1,811,833	-
Total long-term liabilities	\$ 12,007,176	\$ 4,399,451	\$ (6,127,376)	\$ 10,279,251	\$ 4,958,002
Discrete Component Units					
Other liabilities					
Development fees payable	\$ 8,275,844	\$ 138,378	\$ (3,614,839)	4,799,383	\$ -
Interest due PHA	49,581,215	5,976,844	-	55,558,059	-
Other liabilities	635,806	1,125	(185,094)	451,837	-
Due to partners	4,017,615	1,309,364	-	5,326,979	-
Total long-term liabilities	\$ 62,510,480	\$ 7,425,711	\$ (3,799,933)	\$ 66,136,258	\$ -

Note 11. Workers' Compensation Insurance

PHA maintains a high-deductible policy for workers' compensation claims, self-insuring for the first \$350,000 of each claim. Losses are accrued based on the insurance carrier's estimate of losses attributable to the claims filed in each policy year that are not covered by insurance. The estimated losses for each policy year are updated periodically by the insurance carrier. 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. Effective October 15, 2015, PHA renewed its workers' compensation under an incurred loss retrospective program. At March 31, 2016, the balance in the escrow fund was \$7.7 million and is included in restricted cash in the statement of net position.

The liability for estimated claims payable as of March 31, 2016 was \$6.0 million.

Note 12. Employees' Retirement Plans

Defined Benefit Pension Plan

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

PHILADELPHIA HOUSING AUTHORITY
Notes to Financial Statements
March 31, 2016

Note 12. Employees' Retirement Plans (Continued)

Defined Benefit Pension Plan (Continued)

Plan participants at November 1, 2015 were as follows:

Active participants	30
Inactive participants	436
Terminated, vested participants: in payment status	1,678
Total participants	<u>2,144</u>

Covered employees	As of March 31, 2016, the Plan covered non represented employees hired before October 1, 2005. <i>In April 2014, non represented employees' benefits were frozen.</i>
Current annual covered payroll	<u>\$2,442,033</u>
Normal retirement date	65th birthday
Normal retirement benefit	2.5% of average earnings, as defined in the Plan, multiplied by the years of service not to exceed 25 years, plus 1.25% of average earnings multiplied by years of service in excess of 25 years.
Death benefit	The Plan contains provisions for the payment of benefits to surviving spouses of employees.

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

- a) a rate of return on the investments of 7.5% per year
- b) projected salary increase of 3.0% per year
- c) no post-retirement benefit increase

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

PHILADELPHIA HOUSING AUTHORITY
Notes to Financial Statements
March 31, 2016

Note 12. Employees' Retirement Plans (Continued)

Defined Benefit Pension Plan (Continued)

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, 2016, PHA reported a net position liability of \$83,816,842. The components of the net pension liability of the Plan were measured at November 1, 2015, and were as follows

Total Pension Liability	\$	280,568,642
Plan Fiduciary Net Position		196,751,800
Plan's Net Pension Liability	\$	83,816,842
Plan fiduciary net position as a percentage of the total pension liability		70.1%

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation for the October 31, 2015 measurement period, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation rate		2.5%
Salary increases		3.5%
Investment rate of return		7.5%

At October 31, 2015 measurement date, the basis for Mortality rates was changed to 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, 2015 measurement period were based on past experience under the Plan and reasonable future expectations which represent the best estimate of the anticipated experience under the Plan.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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March 31, 2016

Note 12. Employees' Retirement Plans (Continued)

Defined Benefit Pension Plan (Continued)

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, 2015 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	\$102,873,751	\$83,816,842	\$62,101,106

Implementation of GASB 68

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 implementation of 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, 2014 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, 2015.

PHILADELPHIA HOUSING AUTHORITY
Notes to Financial Statements
March 31, 2016

Note 12. Employees' Retirement Plans (Continued)

Defined Benefit Pension Plan (Continued)

	Increase (Decrease)		
	For the Fiscal Year Ended October 31, 2015		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
BALANCES, as of October 31, 2014	\$270,751,042	\$212,620,243	\$58,130,799
CHANGES FOR THE YEAR			
Service cost	184,493		184,493
Interest	19,513,695		19,513,695
Differences between expected and actual experience	5,599,939		5,599,939
Changes in assumptions	6,421,293		6,421,293
Contributions - ER		6,776,109	(6,776,109)
Contributions - EE		142,957	(142,957)
Net investment income		(90,357)	90,357
Benefit payments, net	(21,901,820)	(21,901,820)	-
Plan administrative expenses		(842,624)	842,624
Other		47,292	(47,292)
<i>NET CHANGES</i>	<u>9,817,600</u>	<u>(15,868,443)</u>	<u>25,686,043</u>
BALANCES, as of October 31, 2015	\$280,568,642	\$196,751,800	\$83,816,842

At March 31, 2016, the deferred outflows of resources and deferred inflows of resources related to the pension are:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ 4,327,226	\$ -
Changes in assumptions	4,961,908	-
Net difference between projected and actual earnings on pension plan investments	12,363,322	-
Subsequent pension contribution	2,874,915	-
TOTAL	\$ 24,527,371	\$ -

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

Fiscal Year Ended March 31,	
2017	\$ 8,697,843
2018	5,822,928
2019	5,822,928
2020	4,183,672

PHILADELPHIA HOUSING AUTHORITY
Notes to Financial Statements
March 31, 2016

Note 12. Employees' Retirement Plans (Continued)

Defined Contribution Plan

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

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

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

Each year participants are required to contribute 5.5 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 \$3.9 million to the Plan for the year ended March 31, 2016.

Note 13. Commitments

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

<u>Year ending March 31</u>		
2017	\$	1,447,615
2018 <i>(Last year of lease)</i>		1,485,535
	<u>\$</u>	<u>2,933,150</u>

Total rent expense for the year ended March 31, 2016 was \$1.4 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.

PHILADELPHIA HOUSING AUTHORITY
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March 31, 2016

As of March 31, 2016, the total purchase commitments for natural gas and electricity amounted to \$6.7 million and \$8.8 million, respectively.

Note 14. Accrued Compensated Absence

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

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

Summary of Accrued Compensated Absences

	Beginning Balance	Net Increases	Net Decreases	Ending Balance
Current portion	\$ 4,939,203	\$ 1,066,414	\$ 1,052,374	\$ 4,953,243
Long-term portion	3,292,787	710,948	701,585	3,302,150
	<u>\$ 8,231,990</u>	<u>\$ 1,777,362</u>	<u>\$ 1,753,959</u>	<u>\$ 8,255,393</u>

Note 15. Other Post-Employment Benefits (OPEB)

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

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, 2016, PHA had segregated cash of \$1.6 million for the payment of the remaining plan benefits to the 24 previous and current executive employees included in the plan. In FY16, additional \$200,000 was accrued to the Plan to cover all eligible executive employees in accordance with the Plan.

PHILADELPHIA HOUSING AUTHORITY
Notes to Financial Statements
March 31, 2016

Note 16. 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. Three loss control sessions were held in FY 2016. Several safety training programs are underway or planned. Defensive Driver training was provided on September 18, 2015 by Liberty Mutual to PHA drivers who had had an at fault auto accident in the last year. "Winter Weather" Hazard training was given by Housing Authority Risk Retention Group ("HARRG") to PHA Operations Staff on November 5, 2015. Kitchen Fire Safety including a section on bedbugs was also given by HARRG in a series of trainings at several PHA high rise locations in October of 2015.

Fire drills were held at 15 PHA locations (mostly high rises). Both Risk Management staff and Fire Alarm staff attended these drills.

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 ten times in FY 2016. The Safety Committee includes line and staff personnel. It attempts to improve safety of PHA with regard to workers compensation, automobile, property and liability losses.

The PHA Board of Commissioners passed a Risk Management Framework in Resolution 11721 at the July 17, 2014 Board meeting. Pursuant to that Risk Management Framework, a Risk Management Committee at PHA meets quarterly to identify and evaluate risks facing PHA. There were four meetings of the Committee in FY 2016. The Risk Management Committee provides updates to the PHA Audit Committee of the Board of Commissioners in conjunction with the Office of Audit and Compliance (OAC). The Risk Management Committee also provides input to OAC in the formulation of its risk survey to PHA departments as part of its risk identification function.

Note 17. Component Units

Blended Component Units

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

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

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

PHILADELPHIA HOUSING AUTHORITY
Notes to Financial Statements
March 31, 2016

Note 17. Component Units (Continued)

Blended Component Units (Continued)

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 3/31/16	PAPMC 12/31/15	OAKDALE 12/31/15	GORDON 12/31/15	PHAHC 3/31/16	PHILLY SEEDS, INC 6/30/15	Total
Assets	\$ 82,353,303	\$ 1,030,358	\$ 4,423,455	\$ 8,162,732	\$ 58,565	\$ 339,153	\$ 96,367,566
Liabilities	3,562,205	366,509	4,491,268	8,207,317	58,565	-	16,685,864
Net position	\$ 78,791,098	\$ 663,849	\$ (67,813)	\$ (44,585)	\$ -	\$ 339,153	\$ 79,681,702
Revenue	\$ 8,979,288	\$ 1,271,491	\$ 47,815	\$ 56,443	\$ -	\$ 230,375	\$ 10,585,412
Expenses	90,954	1,545,117	115,628	101,028	-	62,164	1,914,891
Change in net position	\$ 8,888,334	\$ (273,626)	\$ (67,813)	\$ (44,585)	\$ -	\$ 168,211	\$ 8,670,521
Cash Flow information							
Operating activities	\$ 29,256,624	\$ (401,383)	\$ 38,527	\$ 50,865	\$ (5,445)	\$ (75,427)	\$ 28,863,761
Financing activities	7,748,787	-	3,456,430	7,213,418	-	-	18,418,635
Investing activities	308,115	(1,285)	(3,459,575)	(7,231,806)	-	-	(10,384,551)
Change in cash position	\$ 37,313,526	\$ (402,668)	\$ 35,382	\$ 32,477	\$ (5,445)	\$ (75,427)	\$ 36,897,845

PHA also formed two other Blended Component Units namely, Elderly and Disabled Services, LLC and Philadelphia Urban Revitalization Enterprise, LLC. As of March 31, 2016, both component units have no significant activities.

PHILADELPHIA HOUSING AUTHORITY
Notes to Financial Statements
March 31, 2016

Note 17. Component Units (Continued)

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

Discrete Component Units:	Number of Housing Units
<i>Limited Partnerships</i>	
Blumberg Apartments Phase I L.P.	57
Cambridge Plaza LP	44
Cambridge Plaza II, L.P.	40
Cambridge III, L.P.	40
Germantown House, L.P.	133
Lucien E. Blackwell Homes Phase II, L.P.	80
Lucien E. Blackwell Homes Phase III, L.P.	50
Ludlow Scattered Sites Phase III, L.P.	75
Mantua Phase I, L.P.	50
Mantua Phase II, L.P.	51
Marshall Shepard Village, L.P.	80
Mill Creek Phase I, L.P.	80
Mt. Olivet L.P.	161
Nellie Reynolds Gardens, L.P.	64
Norris Apartments, L.P.	51
Paschall Phase I, L.P.	50
Paschall Phase II, L.P.	50
Queen Lane Apartments, L.P.	55
Richard Allen Phase III, L.P.	178
Suffolk Manor Apartments, L.P.	137
Tasker I, L.P.	245
Tasker II, L.P.	184
Uni-Penn Housing Partnership IV	42
Warnock Phase I, L.P.	50
Warnock Phase II, L.P.	45
<i>Alternate Managed Entities</i>	
1952 Allegheny Associates L.P.	18
Neuman North, L.P.	67
Newcourtland Apartments at Allegheny L.P.	56
Raymond Rosen Associates, L.P.	152
Ridge Avenue Housing, L.P.	135
Southwark Plaza Limited Partnership	470
Spring Garden Historic, LP	32
Spring Garden Housing Limited Partnership	86
St. Anthony's Senior Residences Associates, L.P.	38
St. Francis Villa Senior Housing L.P.	40
St. Ignatius Senior Housing I, L.P.	67
St. Ignatius Senior Housing II, L.P.	54
Uni-Penn Housing Partnership I	49
Uni-Penn Housing Partnership II	45

PHILADELPHIA HOUSING AUTHORITY
Notes to Financial Statements
March 31, 2016

Note 17. Component Units (Continued)

Discrete Component Units

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

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

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 \$5,076,612 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.
- **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.

PHILADELPHIA HOUSING AUTHORITY
Notes to Financial Statements
March 31, 2016

Note 17. Component Units (Continued)

Discrete Component Units (Continued)

- **Ludlow Scattered Sites Phase III, L.P.** - a Pennsylvania limited partnership which operates 75 residential rental units and has a ninety-nine year ground lease with PHA at a nominal rent. The project was financed by \$12.8 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.
- **Mill Creek Phase I, L.P.** - a Pennsylvania limited partnership which operates 80 residential rental units included in a development known as Lucien Blackwell Homes and has a ninety-nine year ground lease with PHA at a nominal rent. The project was financed by \$12.6 million of investor capital and \$6.1 million in PHA mortgage debt. The project has qualified for federal low-income housing credits.
- **Mt. Olivet, L.P.** - a Pennsylvania limited partnership which operates 161 residential rental units known as Mt. Olivet Apartments and has a ninety-nine year ground lease with PHA at a nominal rent. The project was financed by \$7 million of investor capital and \$9.7 million in PHA mortgage debt. The project has qualified for federal low-income housing credits.
- **Nellie Reynolds Gardens, L.P.** - a Pennsylvania limited partnership which operates 64 residential rental units and has a ninety-nine year ground lease with PHA at a nominal rent. The project was originally financed by \$11.2 million of investor capital and \$7.5 million in PHA mortgage debt. As required by the amended Partnership Agreement, in January 2009 PHA refinanced \$5.1 million of the mortgage principal and \$.4 million of accrued interest by means of capital contributions. The partnership maintains \$2.8 million in PHA debt. The project has qualified for federal low-income housing credits.
- **Norris Apartments, L.P.** - a Pennsylvania limited partnership which operates a 51 residential housing units. The project is being financed by \$9.1 million of investor capital and \$12.4 million in PHA debt. The project has qualified for federal low-income housing credits.
- **Paschall Phase I, L.P.** - a Pennsylvania limited partnership which operates 50 residential rental units. It has a ninety-nine year ground lease with PHA at a nominal rent. The project was financed by \$8.8 million of investor capital (\$8.6 million paid as of December 31, 2015), 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, 2015) 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, 2015) and \$12.5 million in PHA mortgage debt. The project has qualified for federal low-income housing credits.
- **Richard Allen Phase III, L.P.** - a Pennsylvania limited partnership which operates a 178-unit apartment complex and has a ninety-nine year ground lease with PHA at a nominal rent. The project was financed by \$11.1 million of investor capital and a \$22.2 million mortgage loan from PHA. The project has qualified for federal low-income housing tax credits.
- **Suffolk Manor Apartments, L.P.** - a Pennsylvania limited partnership which operates 137 residential rental units and has a ninety-nine year ground lease with PHA at a nominal rent. The project was financed by \$13.5 million of investor capital and \$10.5 million in PHA mortgage loans. The project has qualified for federal low-income housing tax credits.

PHILADELPHIA HOUSING AUTHORITY
Notes to Financial Statements
March 31, 2016

Note 17. Component Units (Continued)

Discrete Component Units (Continued)

- **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 credits.

ALTERNATIVE MANAGED ENTITIES (AMEs)

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

- **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.

PHILADELPHIA HOUSING AUTHORITY
Notes to Financial Statements
March 31, 2016

Note 17. Component Units (Continued)

Discrete Component Units (Continued)

ALTERNATIVE MANAGED ENTITIES (AMEs) (Continued)

- **Ridge Avenue Housing, L.P.** - a Pennsylvania limited partnership which operates a 135-unit rental housing project and has a ninety-nine year ground lease with PHA at a nominal rent. The project was financed by \$6.0 million of investor capital and \$18.4 million in PHA mortgage debt. The project has qualified for federal low-income housing credits.
- **Southwark Plaza Limited Partnership** - a Pennsylvania limited partnership which operates a 470-unit low income rental housing project known as Courtyard Apartments at Riverview. The project was financed by \$19.0 million of investor capital, first and second mortgage loans of \$35.7 million from PHA and a \$3 million third mortgage from PRA. The project has qualified for federal low-income housing tax credits.
- **Spring Garden Historic, L.P.** - a Pennsylvania limited partnership formed to operate a 32-unit apartment complex. The partnership was financed by \$7.2 million of investor capital, \$1.9 million of PHA mortgage debt and \$6.9 million of other debt. The project has qualified for federal low-income housing tax credits.
- **Spring Garden Housing Limited Partnership** - a Pennsylvania limited partnership which operates 86 residential rental units and has a ninety-nine year ground lease with PHA at a nominal rent. The project is being financed by \$7.1 million of investor capital, \$2.9 million of PHA first mortgage debt and \$4.1 million of other debt. The project has qualified for federal low-income housing tax credits.
- **St. Anthony's Senior Residences Associates, L.P.** - a Pennsylvania limited partnership which operates a 38-unit rental housing project. The project was financed by \$1.7 million of mortgages from the PRA, and \$5.0 million of investor capital. The project has qualified for federal low-income housing tax credits.
- **St. 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.

PHILADELPHIA HOUSING AUTHORITY
Notes to Financial Statements
March 31, 2016

Note 18. Prior Period Adjustment

In FY2016, PHA adopted the accounting standard under GASB No. 68 and, accordingly, changed its accounting policy for its defined benefit pension plan. Under GASB No. 68, PHA is required to include in its financial statements the net pension liability and any related unrecognized experience gain and loss as deferred inflows and deferred outflows, respectively (see also Note 12).

The following table summarizes the adjustments made to the statement of net position for March 31, 2015 as of April 1, 2015 following the implementation of the new accounting policy:

	As of April 1, 2015	
	Previously Reported	Restated Balance
Net pension liability	\$ -	\$ 58,130,799
Net position - unrestricted	534,495,370	476,364,571
Total net position	1,075,462,923	1,017,332,124

Note 19. Contingencies

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

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

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

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

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

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

PHILADELPHIA HOUSING AUTHORITY
Notes to Financial Statements
March 31, 2016

Note 19. Contingencies (Continued)

Settlements

Eric McAfee v. PHA: This is employment litigation in which the plaintiff alleged a failure to accommodate, disparate treatment, and wrongful termination in violation of the federal Americans with Disabilities Act and the Philadelphia Human Relations Act. The case was covered by insurance, subject to a \$150,000 deductible. The case settled with HUD and Board approval for \$99,999 including PHA's contribution of \$99,999 in federal funds.

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

Renee Johnson and Renee Johnson as Guardian of Rameena Johnson v. PAPMC, PHA: This is a premises liability, toxic tort case in which the plaintiffs claim significant injury due to exposure to Legionella bacteria in their tax credit unit. One of the plaintiffs was diagnosed with pneumonia caused by Legionella bacteria, or Legionnaires' disease, and that she suffered permanent damage to her lungs as a result. There is no insurance coverage for these claims. This case initially settled in fiscal year 2016 for \$10,000. After PHA and PAPMC filed a motion to enforce the settlement, it finally resolved for \$10,000 in fiscal year 2017. The settlement was paid by Tasker II, LP.

Keith Caldwell v. PHA: This is employment litigation where Plaintiff, a former executive general manager of housing operations, alleges claims for retaliation on the basis of race and sex, age discrimination, breach of contract, wage and hour claims, and claim under the Pennsylvania Whistleblower Law. The case is in discovery. This case is being covered by insurance pursuant to a reservation of rights with a \$150,000 deductible and indemnification. This case settled in fiscal year 2016 for a total of \$104,266.75 with PHA's contribution of \$26,029.01 in non-federal funds.

Pending or Threatened litigation

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

PHILADELPHIA HOUSING AUTHORITY
Notes to Financial Statements
March 31, 2016

Note 19. Contingencies (Continued)

Pending or Threatened Litigation (Continued)

Est. of Hezekiah King Robinson and Lonnia Robinson v. PHA, et al.: This is a premises liability action in which the plaintiff, as administratrix for the estate of her son and on her own behalf, alleges that her son died after he was caused to fall out of a window at West Park Apartments due to the defendants' failure to put security bars on the windows. The case is currently in discovery. The case is covered by insurance subject to a \$150,000 deductible. The case has settled subject to court, Board and HUD approval, for \$185,000. PHA's contribution is not expected to exceed \$80,000.

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

PHA is defending against six (6) employment discrimination and wrongful termination claims where the damages in the aggregate could exceed more than \$300,000. Although PHA is vigorously defending these actions, damages sought appear to be in the \$100,000 range.

Theresa Howard v. PHA: This federal action was filed in January 2013 against both PHA and the Carpenter's Union. In the complaint, former PHA provisional employee Theresa Howard ("Howard") sets forth claims of discrimination, retaliation, defamation and breach of contract. Howard is seeking in excess of \$500,000 in damages. PHA's motion for summary judgment is pending; the case will likely be tried in fiscal year 2017.

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

Kajet Washington v. PHA: The plaintiff filed an administrative complaint with the Philadelphia Commission on Human Rights alleging sex, race, and disability discrimination when she was demoted after returning from FMLA leave. The plaintiff then filed suit in the court of common pleas alleging retaliation. The case is not covered by insurance so PHA is responsible for attorney's fees as well as any settlement or judgment, should there be any, which may be in excess of \$100,000.

Tort Claims

Except as otherwise discussed above, as of March 31, 2016, PHA, through its insurance carrier, HARRG, is defending against multiple personal injury actions. Two cases are claims where the exposure to PHA is expected to exceed \$100,000 and they are discussed above.

PHA's anticipated loss in each other case instance is limited to \$150,000 per claim inclusive of defense costs and liability payments for claims incurred due to alleged wrongful acts prior to March 31, 2014. PHA's anticipated loss for claims incurred due to alleged wrongful acts after March 31, 2014 is limited to \$50,000 per claim. Although PHA is vigorously defending each of these actions, the parties' respective liability at this time remains uncertain. Of the remaining pending claims, it is too early to determine with any certainty PHA's liability, although any damages will likely be well below \$100,000 in each individual case but cumulatively represent potential liability of \$1 million.

Required Supplementary Information

**PHILADELPHIA HOUSING AUTHORITY
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**

	October 31,	
	2015	2014
TOTAL PENSION LIABILITY		
Service cost	\$184,493	\$181,629
Interest	19,513,695	19,859,213
Differences between expected and actual experience	5,599,939	(2,850,405)
Changes of Assumptions	6,421,293	-
Benefit payments	(21,901,820)	(21,702,198)
Net change in total pension liability	9,817,600	(4,511,761)
Total pension liability, beginning of year	270,751,042	275,262,803
Total pension liability, end of year	280,568,642	270,751,042
PLAN FIDUCIARY NET POSITION		
Employer contributions	6,776,109	8,055,604
Employee contributions	142,957	592,835
Net investment income	(90,357)	13,264,905
Benefit payments	(21,901,820)	(21,702,198)
Administrative expense	(842,624)	(356,988)
Other	47,292	-
Net change in plan fiduciary net position	(15,868,443)	(145,842)
Plan fiduciary net position, beginning of year	212,620,243	212,766,085
Plan fiduciary net position, end of year	196,751,800	212,620,243
NET PENSION LIABILITY	\$83,816,842	\$58,130,799
Plan fiduciary net position as a percentage of total pension liability	70.1%	78.5%
Covered employee payroll	\$2,357,230	\$2,135,544
Net pension liability as a percentage of covered employee payroll	3,555.7%	2,722.1%

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,	
	2015	2014
Actuarially determined contribution	\$11,731,727	\$10,954,466
Contributions in relation to the actuarially determined contribution	6,776,109	8,055,604
Contribution deficiency (excess)	\$4,955,618	\$2,898,862
 Covered employee payroll	 \$2,357,230	 \$2,135,544
 Contributions as a percentage of covered employee payroll	 287.46%	 377.22%

ACTUARIAL ASSUMPTIONS

Valuation Date	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	<i>Entry age</i>
Amortization method	<i>Level dollar</i>
Remaining amortization period	<i>8 years</i>
Asset valuation method	<i>Market value</i>
Inflation	<i>2.50%</i>
Salary increases	<i>3.5% average, including inflation</i>
Investment rate of return	<i>7.50% including inflation and expenses</i>
Retirement age	<i>Age 55 with 10 years' service</i>
Mortality	<i>RP-200 Mortality Tables with Scale G for males and females with blue collar adjustments</i>

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: 03/31/2016

	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	\$15,902,053	\$2,403,330		\$17,361	
112 Cash - Restricted - Modernization and Development	\$0				
113 Cash - Other Restricted	\$0	\$7,716,962			
114 Cash - Tenant Security Deposits	\$784,332				
115 Cash - Restricted for Payment of Current Liabilities	\$0				
100 Total Cash	\$16,686,385	\$10,120,292	\$0	\$17,361	\$0
121 Accounts Receivable - PHA Projects	\$0	\$1,373,665			
122 Accounts Receivable - HUD Other Projects	\$3,346,921	\$47,763,966	\$306,951	\$67,433	\$66,058
124 Accounts Receivable - Other Government	\$0	\$33,509			
125 Accounts Receivable - Miscellaneous	\$2,082,019	\$493,858			
126 Accounts Receivable - Tenants	\$1,502,121	\$0			
126.1 Allowance for Doubtful Accounts - Tenants	-\$1,114,308	\$0			
126.2 Allowance for Doubtful Accounts - Other	\$0	-\$1,269,540	\$0	\$0	\$0
127 Notes, Loans, & Mortgages Receivable - Current	\$0	\$0			
128 Fraud Recovery	\$0	\$0			
128.1 Allowance for Doubtful Accounts - Fraud	\$0	\$0			
129 Accrued Interest Receivable	\$0	\$68,700			
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$5,816,753	\$48,464,158	\$306,951	\$67,433	\$66,058
131 Investments - Unrestricted	\$0	\$21,978,849			
132 Investments - Restricted	\$0	\$0			
135 Investments - Restricted for Payment of Current Liability	\$0	\$0			
142 Prepaid Expenses and Other Assets	\$1,072,448	\$0			
143 Inventories	\$1,367,232	\$0			

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2016

	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	-\$136,723	\$0			
144 Inter Program Due From	\$0	\$1,599,469			
145 Assets Held for Sale	\$0	\$0			
150 Total Current Assets	\$24,806,095	\$82,162,768	\$306,951	\$84,794	\$66,058
161 Land	\$23,394,334	\$149,460			
162 Buildings	\$1,084,431,358	\$272,940,113			
163 Furniture, Equipment & Machinery - Dwellings	\$153,993	\$1,026,970			
164 Furniture, Equipment & Machinery - Administration	\$169,053	\$25,851,796	\$110,058		\$792
165 Leasehold Improvements	\$0	\$0			
166 Accumulated Depreciation	-\$797,853,923	-\$146,608,069	-\$110,058		-\$251
167 Construction in Progress	\$22,253,360	\$29,970,917			
168 Infrastructure	\$0	\$0			
160 Total Capital Assets, Net of Accumulated Depreciation	\$332,548,175	\$183,331,187	\$0	\$0	\$541
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	\$5,771,552	\$0			
176 Investments in Joint Ventures	\$530	\$820			
180 Total Non-Current Assets	\$338,320,257	\$183,332,007	\$0	\$0	\$541
200 Deferred Outflow of Resources	\$0	\$24,527,371			
290 Total Assets and Deferred Outflow of Resources	\$363,126,352	\$290,022,146	\$306,951	\$84,794	\$66,599

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2016

	Project Total	14.881 Moving to Work Demonstration Program	14.870 Resident Opportunity and Supportive Services	14.170 Congregate Housing Service Program	14.889 Choice Neighborhoods Implementation Grants
311 Bank Overdraft	\$0	\$0			
312 Accounts Payable <= 90 Days	\$8,003,673	\$1,678,182	\$1,076	\$13,740	
313 Accounts Payable >90 Days Past Due	\$0	\$0			
321 Accrued Wage/Payroll Taxes Payable	\$1,834,256	\$1,041,174			
322 Accrued Compensated Absences - Current Portion	\$3,736,547	\$1,157,093			
324 Accrued Contingency Liability	\$0	\$0			
325 Accrued Interest Payable	\$0	\$0			
331 Accounts Payable - HUD PHA Programs	\$0	\$0			\$0
332 Account Payable - PHA Projects	\$0	\$0			
333 Accounts Payable - Other Government	\$347,777	\$6,881			
341 Tenant Security Deposits	\$784,332	\$0			
342 Unearned Revenue	\$0	\$0	\$6,902		\$37,840
343 Current Portion of Long-term Debt - Capital	\$0	\$0			
344 Current Portion of Long-term Debt - Operating Borrowings	\$0	\$0			
345 Other Current Liabilities	\$0	\$5,317,416			
346 Accrued Liabilities - Other	\$7,208,870	\$5,701,254			
347 Inter Program - Due To	\$874,297	\$30,783	\$298,973	\$71,054	\$28,218
348 Loan Liability - Current	\$0	\$0			
310 Total Current Liabilities	\$22,789,752	\$14,932,783	\$306,951	\$84,794	\$66,058
351 Long-term Debt, Net of Current - Capital Projects/Mortgage	\$0	\$0			
352 Long-term Debt, Net of Current - Operating Borrowings	\$0	\$0			
353 Non-current Liabilities - Other	\$163,429	\$3,345,987			
354 Accrued Compensated Absences - Non Current	\$2,491,029	\$771,385			
355 Loan Liability - Non Current	\$0	\$0			
356 FASB 5 Liabilities	\$0	\$0			

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2016

	Project Total	14.881 Moving to Work Demonstration Program	14.870 Resident Opportunity and Supportive Services	14.170 Congregate Housing Service Program	14.889 Choice Neighborhoods Implementation Grants
357 Accrued Pension and OPEB Liabilities	\$1,811,833	\$83,816,842			
350 Total Non-Current Liabilities	\$4,466,291	\$87,934,214	\$0	\$0	\$0
300 Total Liabilities	\$27,256,043	\$102,866,997	\$306,951	\$84,794	\$66,058
400 Deferred Inflow of Resources	\$0				
508.3 Nonspendable Fund Balance					
508.4 Net Investment in Capital Assets	\$335,870,309	\$183,331,187			\$541
509.3 Restricted Fund Balance					
510.3 Committed Fund Balance					
511.3 Assigned Fund Balance					
511.4 Restricted Net Position	\$0				
512.3 Unassigned Fund Balance					
512.4 Unrestricted Net Position	\$0	\$3,823,962	\$0	\$0	\$0
513 Total Equity - Net Assets / Position	\$335,870,309	\$187,155,149	\$0	\$0	\$541
600 Total Liabilities, Deferred Inflows of Resources and Equity -	\$363,126,352	\$290,022,146	\$306,951	\$84,794	\$66,599

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2016

	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					\$79,586,706
112 Cash - Restricted - Modernization and Development					\$0
113 Cash - Other Restricted					\$302,639
114 Cash - Tenant Security Deposits					\$3,267
115 Cash - Restricted for Payment of Current Liabilities					\$0
100 Total Cash	\$0	\$0	\$0	\$0	\$79,892,612
121 Accounts Receivable - PHA Projects					\$0
122 Accounts Receivable - HUD Other Projects				\$23,142	\$0
124 Accounts Receivable - Other Government					\$0
125 Accounts Receivable - Miscellaneous					\$4,300,685
126 Accounts Receivable - Tenants					\$3,738
126.1 Allowance for Doubtful Accounts -Tenants					-\$53
126.2 Allowance for Doubtful Accounts - Other				\$0	-\$2,986,551
127 Notes, Loans, & Mortgages Receivable - Current					\$0
128 Fraud Recovery					\$0
128.1 Allowance for Doubtful Accounts - Fraud					\$0
129 Accrued Interest Receivable					\$17,952
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$0	\$0	\$0	\$23,142	\$1,335,771
131 Investments - Unrestricted					\$0
132 Investments - Restricted					\$2,732,598
135 Investments - Restricted for Payment of Current Liability					\$0
142 Prepaid Expenses and Other Assets					\$79,366
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: 03/31/2016

	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	\$2,587,661		\$95,807	\$280,508	\$0
145 Assets Held for Sale					\$0
150 Total Current Assets	\$2,587,661	\$0	\$95,807	\$303,650	\$84,040,347
161 Land					\$0
162 Buildings					\$66,803
163 Furniture, Equipment & Machinery - Dwellings					\$0
164 Furniture, Equipment & Machinery - Administration					\$81,780
165 Leasehold Improvements					\$0
166 Accumulated Depreciation					-\$36,365
167 Construction in Progress					\$12,287,189
168 Infrastructure					\$0
160 Total Capital Assets, Net of Accumulated Depreciation	\$0	\$0	\$0	\$0	\$12,399,407
171 Notes, Loans and Mortgages Receivable - Non-Current					
172 Notes, Loans, & Mortgages Receivable - Non Current - Past					
173 Grants Receivable - Non Current					
174 Other Assets					
176 Investments in Joint Ventures					
180 Total Non-Current Assets	\$0	\$0	\$0	\$0	\$12,399,407
200 Deferred Outflow of Resources					
290 Total Assets and Deferred Outflow of Resources	\$2,587,661	\$0	\$95,807	\$303,650	\$96,439,754
311 Bank Overdraft					\$0

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2016

	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					\$167,831
313 Accounts Payable >90 Days Past Due					\$0
321 Accrued Wage/Payroll Taxes Payable					\$8,654
322 Accrued Compensated Absences - Current Portion					\$59,603
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					\$3,267
342 Unearned Revenue	\$1,161,279				\$0
343 Current Portion of Long-term Debt - Capital					\$0
344 Current Portion of Long-term Debt - Operating Borrowings					\$0
345 Other Current Liabilities					\$826,209
346 Accrued Liabilities - Other					\$3,718,448
347 Inter Program - Due To					\$0
348 Loan Liability - Current					\$0
310 Total Current Liabilities	\$1,161,279	\$0	\$0	\$0	\$4,784,012
351 Long-term Debt, Net of Current - Capital Projects/Mortgage					
352 Long-term Debt, Net of Current - Operating Borrowings					
353 Non-current Liabilities - Other					\$11,812,426
354 Accrued Compensated Absences - Non Current					\$39,736
355 Loan Liability - Non Current					\$0
356 FASB 5 Liabilities					\$0
357 Accrued Pension and OPEB Liabilities					

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2016

	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	\$11,852,162
300 Total Liabilities	\$1,161,279	\$0	\$0	\$0	\$16,636,174
400 Deferred Inflow of Resources					
508.3 Nonspendable Fund Balance					
508.4 Net Investment in Capital Assets					\$12,399,407
509.3 Restricted Fund Balance					
510.3 Committed Fund Balance					
511.3 Assigned Fund Balance					
511.4 Restricted Net Position					\$3,035,237
512.3 Unassigned Fund Balance					
512.4 Unrestricted Net Position	\$1,426,382	\$0	\$95,807	\$303,650	\$64,368,936
513 Total Equity - Net Assets / Position	\$1,426,382	\$0	\$95,807	\$303,650	\$79,803,580
600 Total Liabilities, Deferred Inflows of Resources and Equity -	\$2,587,661	\$0	\$95,807	\$303,650	\$96,439,754

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2016

	1 Business Activities	6.1 Component Unit - Discretely Presented	93.044 Special Programs for the Aging_ Title III, Part B_Grants for Supportive	5 Fiduciary	14.182 N/C S/R Section 8 Programs
111 Cash - Unrestricted	\$3,165,339	\$5,600,357			
112 Cash - Restricted - Modernization and Development		\$0			
113 Cash - Other Restricted		\$31,830,133		\$1,162,963	
114 Cash - Tenant Security Deposits		\$525,484			
115 Cash - Restricted for Payment of Current Liabilities	\$24,289	\$0			
100 Total Cash	\$3,189,628	\$37,955,974	\$0	\$1,162,963	\$0
121 Accounts Receivable - PHA Projects		\$0			
122 Accounts Receivable - HUD Other Projects		\$0			
124 Accounts Receivable - Other Government		\$181,129			
125 Accounts Receivable - Miscellaneous	\$3,687,353	\$145,840		\$54,241	
126 Accounts Receivable - Tenants		\$3,262,275			
126.1 Allowance for Doubtful Accounts -Tenants		-\$911,658			
126.2 Allowance for Doubtful Accounts - Other	\$0	\$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	\$513	\$0			
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$3,687,866	\$2,677,586	\$0	\$54,241	\$0
131 Investments - Unrestricted		\$0			
132 Investments - Restricted		\$0		\$195,547,163	
135 Investments - Restricted for Payment of Current Liability		\$0			
142 Prepaid Expenses and Other Assets		\$512,770			
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: 03/31/2016

	1 Business Activities	6.1 Component Unit - Discretely Presented	93.044 Special Programs for the Aging_ Title III, Part B_Grants for Supportive	5 Fiduciary	14.182 N/C S/R Section 8 Programs
144 Inter Program Due From		\$0			\$22,872
145 Assets Held for Sale		\$0			
150 Total Current Assets	\$6,877,494	\$41,146,330	\$0	\$196,764,367	\$22,872
161 Land	\$40,286	\$5,573,824			
162 Buildings	\$45,456,923	\$581,512,567			
163 Furniture, Equipment & Machinery - Dwellings		\$593,565			
164 Furniture, Equipment & Machinery - Administration	\$33,559	\$3,349,805	\$2,489		
165 Leasehold Improvements		\$0			
166 Accumulated Depreciation	-\$18,815,983	-\$166,776,752	-\$2,489		
167 Construction in Progress	\$4,080,435	\$14,333,674			
168 Infrastructure		\$0			
160 Total Capital Assets, Net of Accumulated Depreciation	\$30,795,220	\$438,586,683	\$0	\$0	\$0
171 Notes, Loans and Mortgages Receivable - Non-Current	\$394,237,439	\$0			
172 Notes, Loans, & Mortgages Receivable - Non Current - Past		\$0			
173 Grants Receivable - Non Current		\$0			
174 Other Assets	\$88,011	\$1,944,426			
176 Investments in Joint Ventures	\$5,075,262	\$0			
180 Total Non-Current Assets	\$430,195,932	\$440,531,109	\$0	\$0	\$0
200 Deferred Outflow of Resources					
290 Total Assets and Deferred Outflow of Resources	\$437,073,426	\$481,677,439	\$0	\$196,764,367	\$22,872
311 Bank Overdraft		\$2,272			

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2016

	1 Business Activities	6.1 Component Unit - Discretely Presented	93.044 Special Programs for the Aging_ Title III, Part B_Grants for Supportive	5 Fiduciary	14.182 N/C S/R Section 8 Programs
312 Accounts Payable <= 90 Days	\$735,359	\$1,637,019			
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	\$945,730	\$0			
331 Accounts Payable - HUD PHA Programs		\$0			
332 Account Payable - PHA Projects		\$0			
333 Accounts Payable - Other Government		\$0			
341 Tenant Security Deposits		\$525,484			
342 Unearned Revenue		\$261,580	\$0		
343 Current Portion of Long-term Debt - Capital	\$5,070,000	\$307,151			
344 Current Portion of Long-term Debt - Operating Borrowings		\$0			
345 Other Current Liabilities	\$489,285	\$7,680,369			
346 Accrued Liabilities - Other	\$761,033	\$1,300,226		\$12,567	
347 Inter Program - Due To	\$1,474,896	\$0			
348 Loan Liability - Current		\$0			
310 Total Current Liabilities	\$9,476,303	\$11,714,101	\$0	\$12,567	\$0
351 Long-term Debt, Net of Current - Capital Projects/Mortgage	\$40,986,800	\$353,823,144			
352 Long-term Debt, Net of Current - Operating Borrowings					
353 Non-current Liabilities - Other		\$65,994,862			
354 Accrued Compensated Absences - Non Current					
355 Loan Liability - Non Current					
356 FASB 5 Liabilities					
357 Accrued Pension and OPEB Liabilities					

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2016

	1 Business Activities	6.1 Component Unit - Discretely Presented	93.044 Special Programs for the Aging_ Title III, Part B_Grants for Supportive	5 Fiduciary	14.182 N/C S/R Section 8 Programs
350 Total Non-Current Liabilities	\$40,986,800	\$419,818,006	\$0	\$0	\$0
300 Total Liabilities	\$50,463,103	\$431,532,107	\$0	\$12,567	\$0
400 Deferred Inflow of Resources					
508.3 Nonspendable Fund Balance					
508.4 Net Investment in Capital Assets	-\$15,261,580	\$84,456,388			
509.3 Restricted Fund Balance					
510.3 Committed Fund Balance					
511.3 Assigned Fund Balance					
511.4 Restricted Net Position				\$196,751,800	
512.3 Unassigned Fund Balance					
512.4 Unrestricted Net Position	\$401,871,903	-\$34,311,056	\$0	\$0	\$22,872
513 Total Equity - Net Assets / Position	\$386,610,323	\$50,145,332	\$0	\$196,751,800	\$22,872
600 Total Liabilities, Deferred Inflows of Resources and Equity -	\$437,073,426	\$481,677,439	\$0	\$196,764,367	\$22,872

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2016

	14.871 Housing Choice Vouchers	2 State/Local	14.CFP MTW Demonstration Program for Capital Fund	14.HCV MTW Demonstration Program for HCV program	14.OPS MTW Demonstration Program for Low Rent
111 Cash - Unrestricted		\$1,986,734			
112 Cash - Restricted - Modernization and Development					
113 Cash - Other Restricted					
114 Cash - Tenant Security Deposits					
115 Cash - Restricted for Payment of Current Liabilities					
100 Total Cash	\$0	\$1,986,734	\$0	\$0	\$0
121 Accounts Receivable - PHA Projects					
122 Accounts Receivable - HUD Other Projects					
124 Accounts Receivable - Other Government					
125 Accounts Receivable - Miscellaneous		\$3,748			
126 Accounts Receivable - Tenants					
126.1 Allowance for Doubtful Accounts -Tenants					
126.2 Allowance for Doubtful Accounts - Other		\$0			
127 Notes, Loans, & Mortgages Receivable - Current					
128 Fraud Recovery					
128.1 Allowance for Doubtful Accounts - Fraud					
129 Accrued Interest Receivable		\$59			
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$0	\$3,807	\$0	\$0	\$0
131 Investments - Unrestricted					
132 Investments - Restricted					
135 Investments - Restricted for Payment of Current Liability					
142 Prepaid Expenses and Other Assets					
143 Inventories					
143.1 Allowance for Obsolete Inventories					

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2016

	14.871 Housing Choice Vouchers	2 State/Local	14.CFP MTW Demonstration Program for Capital Fund	14.HCV MTW Demonstration Program for HCV program	14.OPS MTW Demonstration Program for Low Rent
144 Inter Program Due From					
145 Assets Held for Sale					
150 Total Current Assets	\$0	\$1,990,541	\$0	\$0	\$0
161 Land					
162 Buildings		\$250,000			
163 Furniture, Equipment & Machinery - Dwellings		\$1,319			
164 Furniture, Equipment & Machinery - Administration		\$380,455			
165 Leasehold Improvements					
166 Accumulated Depreciation		-\$233,469			
167 Construction in Progress					
168 Infrastructure					
160 Total Capital Assets, Net of Accumulated Depreciation	\$0	\$398,305	\$0	\$0	\$0
171 Notes, Loans and Mortgages Receivable - Non-Current					
172 Notes, Loans, & Mortgages Receivable - Non Current - Past					
173 Grants Receivable - Non Current					
174 Other Assets					
176 Investments in Joint Ventures					
180 Total Non-Current Assets	\$0	\$398,305	\$0	\$0	\$0
200 Deferred Outflow of Resources					
290 Total Assets and Deferred Outflow of Resources	\$0	\$2,388,846	\$0	\$0	\$0
311 Bank Overdraft					

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2016

	14.871 Housing Choice Vouchers	2 State/Local	14.CFP MTW Demonstration Program for Capital Fund	14.HCV MTW Demonstration Program for HCV program	14.OPS MTW Demonstration Program for Low Rent
312 Accounts Payable <= 90 Days					
313 Accounts Payable >90 Days Past Due					
321 Accrued Wage/Payroll Taxes Payable					
322 Accrued Compensated Absences - Current Portion					
324 Accrued Contingency Liability					
325 Accrued Interest Payable					
331 Accounts Payable - HUD PHA Programs					
332 Account Payable - PHA Projects					
333 Accounts Payable - Other Government					
341 Tenant Security Deposits					
342 Unearned Revenue					
343 Current Portion of Long-term Debt - Capital					
344 Current Portion of Long-term Debt - Operating Borrowings					
345 Other Current Liabilities		\$640,477			
346 Accrued Liabilities - Other		\$663			
347 Inter Program - Due To		\$1,255,260			
348 Loan Liability - Current					
310 Total Current Liabilities	\$0	\$1,896,400	\$0	\$0	\$0
351 Long-term Debt, Net of Current - Capital Projects/Mortgage					
352 Long-term Debt, Net of Current - Operating Borrowings					
353 Non-current Liabilities - Other					
354 Accrued Compensated Absences - Non Current					
355 Loan Liability - Non Current					
356 FASB 5 Liabilities					
357 Accrued Pension and OPEB Liabilities					

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2016

	14.871 Housing Choice Vouchers	2 State/Local	14.CFP MTW Demonstration Program for Capital Fund	14.HCV MTW Demonstration Program for HCV program	14.OPS MTW Demonstration Program for Low Rent
350 Total Non-Current Liabilities	\$0	\$0	\$0	\$0	\$0
300 Total Liabilities	\$0	\$1,896,400	\$0	\$0	\$0
400 Deferred Inflow of Resources					
508.3 Nonspendable Fund Balance					
508.4 Net Investment in Capital Assets		\$398,305			
509.3 Restricted Fund Balance					
510.3 Committed Fund Balance					
511.3 Assigned Fund Balance					
511.4 Restricted Net Position					
512.3 Unassigned Fund Balance					
512.4 Unrestricted Net Position	\$0	\$94,141	\$0	\$0	\$0
513 Total Equity - Net Assets / Position	\$0	\$492,446	\$0	\$0	\$0
600 Total Liabilities, Deferred Inflows of Resources and Equity -	\$0	\$2,388,846	\$0	\$0	\$0

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2016

	93.602 New Assets for Independence Demonstration Program	14.856 Lower Income Housing Assistance Program_Section 8 Moderate	Subtotal	ELIM	Total
111 Cash - Unrestricted		\$1,079,220	\$109,741,100		\$109,741,100
112 Cash - Restricted - Modernization and Development		\$0	\$0		\$0
113 Cash - Other Restricted		\$0	\$41,012,697		\$41,012,697
114 Cash - Tenant Security Deposits		\$0	\$1,313,083		\$1,313,083
115 Cash - Restricted for Payment of Current Liabilities		\$0	\$24,289		\$24,289
100 Total Cash	\$0	\$1,079,220	\$152,091,169	\$0	\$152,091,169
121 Accounts Receivable - PHA Projects		\$0	\$1,373,665		\$1,373,665
122 Accounts Receivable - HUD Other Projects		\$43,587	\$51,618,058		\$51,618,058
124 Accounts Receivable - Other Government		\$0	\$214,638		\$214,638
125 Accounts Receivable - Miscellaneous		\$0	\$10,767,744	-\$3,702,260	\$7,065,484
126 Accounts Receivable - Tenants		\$0	\$4,768,134		\$4,768,134
126.1 Allowance for Doubtful Accounts -Tenants		\$0	-\$2,026,019		-\$2,026,019
126.2 Allowance for Doubtful Accounts - Other		\$0	-\$4,256,091		-\$4,256,091
127 Notes, Loans, & Mortgages Receivable - Current		\$0	\$0		\$0
128 Fraud Recovery		\$0	\$0		\$0
128.1 Allowance for Doubtful Accounts - Fraud		\$0	\$0		\$0
129 Accrued Interest Receivable		\$176	\$87,400		\$87,400
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$0	\$43,763	\$62,547,529	-\$3,702,260	\$58,845,269
131 Investments - Unrestricted		\$0	\$21,978,849		\$21,978,849
132 Investments - Restricted		\$0	\$198,279,761		\$198,279,761
135 Investments - Restricted for Payment of Current Liability		\$0	\$0		\$0
142 Prepaid Expenses and Other Assets		\$0	\$1,664,584		\$1,664,584
143 Inventories		\$0	\$1,367,232		\$1,367,232
143.1 Allowance for Obsolete Inventories		\$0	-\$136,723		-\$136,723

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2016

	93.602 New Assets for Independence Demonstration Program	14.856 Lower Income Housing Assistance Program_Section 8 Moderate	Subtotal	ELIM	Total
144 Inter Program Due From		\$1,940,646	\$6,526,963	-\$6,526,963	\$0
145 Assets Held for Sale		\$0	\$0		\$0
150 Total Current Assets	\$0	\$3,063,629	\$444,319,364	-\$10,229,223	\$434,090,141
161 Land		\$0	\$29,157,904		\$29,157,904
162 Buildings		\$633,750	\$1,985,291,514		\$1,985,291,514
163 Furniture, Equipment & Machinery - Dwellings		\$0	\$1,775,847		\$1,775,847
164 Furniture, Equipment & Machinery - Administration		\$0	\$29,979,787		\$29,979,787
165 Leasehold Improvements		\$0	\$0		\$0
166 Accumulated Depreciation		-\$84,500	-\$1,130,521,859		-\$1,130,521,859
167 Construction in Progress		\$0	\$82,925,575		\$82,925,575
168 Infrastructure		\$0	\$0		\$0
160 Total Capital Assets, Net of Accumulated Depreciation	\$0	\$549,250	\$998,608,768	\$0	\$998,608,768
171 Notes, Loans and Mortgages Receivable - Non-Current		\$0	\$394,237,439	-\$11,812,426	\$382,425,013
172 Notes, Loans, & Mortgages Receivable - Non Current - Past		\$0	\$0		\$0
173 Grants Receivable - Non Current		\$0	\$0		\$0
174 Other Assets		\$0	\$7,803,989		\$7,803,989
176 Investments in Joint Ventures		\$0	\$5,076,612		\$5,076,612
180 Total Non-Current Assets	\$0	\$549,250	\$1,405,726,808	-\$11,812,426	\$1,393,914,382
200 Deferred Outflow of Resources		\$0	\$24,527,371		\$24,527,371
290 Total Assets and Deferred Outflow of Resources	\$0	\$3,612,879	\$1,874,573,543	-\$22,041,649	\$1,852,531,894
311 Bank Overdraft		\$0	\$2,272		\$2,272

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2016

	93.602 New Assets for Independence Demonstration Program	14.856 Lower Income Housing Assistance Program_Section 8 Moderate	Subtotal	ELIM	Total
312 Accounts Payable <= 90 Days		\$0	\$12,236,880		\$12,236,880
313 Accounts Payable >90 Days Past Due		\$0	\$0		\$0
321 Accrued Wage/Payroll Taxes Payable		\$0	\$2,884,084		\$2,884,084
322 Accrued Compensated Absences - Current Portion		\$0	\$4,953,243		\$4,953,243
324 Accrued Contingency Liability		\$0	\$0		\$0
325 Accrued Interest Payable		\$0	\$945,730		\$945,730
331 Accounts Payable - HUD PHA Programs		\$0	\$0		\$0
332 Account Payable - PHA Projects		\$0	\$0		\$0
333 Accounts Payable - Other Government		\$0	\$354,658		\$354,658
341 Tenant Security Deposits		\$0	\$1,313,083		\$1,313,083
342 Unearned Revenue		\$291,471	\$1,759,072		\$1,759,072
343 Current Portion of Long-term Debt - Capital		\$0	\$5,377,151		\$5,377,151
344 Current Portion of Long-term Debt - Operating Borrowings		\$0	\$0		\$0
345 Other Current Liabilities		\$0	\$14,953,756		\$14,953,756
346 Accrued Liabilities - Other		\$8,378	\$18,711,439	-\$3,702,260	\$15,009,179
347 Inter Program - Due To		\$2,493,482	\$6,526,963	-\$6,526,963	\$0
348 Loan Liability - Current		\$0	\$0		\$0
310 Total Current Liabilities	\$0	\$2,793,331	\$70,018,331	-\$10,229,223	\$59,789,108
351 Long-term Debt, Net of Current - Capital Projects/Mortgage		\$0	\$394,809,944		\$394,809,944
352 Long-term Debt, Net of Current - Operating Borrowings		\$0	\$0		\$0
353 Non-current Liabilities - Other		\$0	\$81,316,704	-\$11,812,426	\$69,504,278
354 Accrued Compensated Absences - Non Current		\$0	\$3,302,150		\$3,302,150
355 Loan Liability - Non Current		\$0	\$0		\$0
356 FASB 5 Liabilities		\$0	\$0		\$0
357 Accrued Pension and OPEB Liabilities		\$0	\$85,628,675		\$85,628,675

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2016

	93.602 New Assets for Independence Demonstration Program	14.856 Lower Income Housing Assistance Program_Section 8 Moderate	Subtotal	ELIM	Total
350 Total Non-Current Liabilities	\$0	\$0	\$565,057,473	-\$11,812,426	\$553,245,047
300 Total Liabilities	\$0	\$2,793,331	\$635,075,804	-\$22,041,649	\$613,034,155
400 Deferred Inflow of Resources		\$0	\$0		\$0
508.3 Nonspendable Fund Balance		\$0			
508.4 Net Investment in Capital Assets		\$549,250	\$601,743,807		\$601,743,807
509.3 Restricted Fund Balance		\$0			
510.3 Committed Fund Balance		\$0			
511.3 Assigned Fund Balance		\$0			
511.4 Restricted Net Position		\$0	\$199,787,037		\$199,787,037
512.3 Unassigned Fund Balance		\$0			
512.4 Unrestricted Net Position	\$0	\$270,298	\$437,966,895		\$437,966,895
513 Total Equity - Net Assets / Position	\$0	\$819,548	\$1,239,497,739	\$0	\$1,239,497,739
600 Total Liabilities, Deferred Inflows of Resources and Equity -	\$0	\$3,612,879	\$1,874,573,543	-\$22,041,649	\$1,852,531,894

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2016

	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	\$25,235,595	\$0			
70400 Tenant Revenue - Other	\$660,512	\$0			
70500 Total Tenant Revenue	\$25,896,107	\$0	\$0	\$0	\$0
70600 HUD PHA Operating Grants		\$0	\$899,629	\$104,424	\$161,417
70610 Capital Grants					
70710 Management Fee					
70720 Asset Management Fee					
70730 Book Keeping Fee					
70740 Front Line Service Fee					
70750 Other Fees					
70700 Total Fee Revenue					
70800 Other Government Grants	\$0	\$0			\$279,058
71100 Investment Income - Unrestricted	\$106,339	\$132,135			
71200 Mortgage Interest Income	\$0	\$0			
71300 Proceeds from Disposition of Assets Held for Sale	\$0	\$0			
71310 Cost of Sale of Assets	\$0	\$0			
71400 Fraud Recovery	\$171,716	\$404,136			
71500 Other Revenue	\$75,347	\$436,754		\$26,106	
71600 Gain or Loss on Sale of Capital Assets	-\$11,369,572	-\$4,515,703			
72000 Investment Income - Restricted	\$0	\$0			
70000 Total Revenue	\$14,879,937	-\$3,542,678	\$899,629	\$130,530	\$440,475
91100 Administrative Salaries	\$8,048,285	\$24,505,720	\$346,339		\$34,053

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2016

	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	\$482,503			
91300 Management Fee	\$0				
91310 Book-keeping Fee					
91400 Advertising and Marketing	\$0	\$75,955			
91500 Employee Benefit contributions - Administrative	\$3,623,782	\$20,495,546	\$80,442		\$15,957
91600 Office Expenses	\$955,567	\$3,731,521	\$43,818	\$13,886	
91700 Legal Expense	\$1,654,161	\$1,101			
91800 Travel	\$45,356	\$119,086	\$4,002		\$24,400
91810 Allocated Overhead	\$21,212,999	-\$21,212,999			
91900 Other	\$662,589	\$11,737,532	\$67,296		\$339,775
91000 Total Operating - Administrative	\$36,202,739	\$39,935,965	\$541,897	\$13,886	\$414,185
92000 Asset Management Fee					
92100 Tenant Services - Salaries	\$39,829	\$383,710	\$264,560	\$39,464	
92200 Relocation Costs	\$1,420,729	\$0			
92300 Employee Benefit Contributions - Tenant Services	\$17,772	\$242,129	\$61,448		
92400 Tenant Services - Other	\$214,148	\$1,060,710	\$415	\$76,812	\$25,949
92500 Total Tenant Services	\$1,692,478	\$1,686,549	\$326,423	\$116,276	\$25,949
93100 Water	\$10,766,625	\$83,194			
93200 Electricity	\$4,776,617	\$352,149			
93300 Gas	\$3,654,527	\$1,321,909			
93400 Fuel	\$0	\$0			
93500 Labor	\$58,015	\$0			
93600 Sewer	\$0	\$0			
93700 Employee Benefit Contributions - Utilities	\$25,992	\$0			

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2016

	Project Total	14.881 Moving to Work Demonstration Program	14.870 Resident Opportunity and Supportive Services	14.170 Congregate Housing Service Program	14.889 Choice Neighborhoods Implementation Grants
93800 Other Utilities Expense	\$14,645	\$0			
93000 Total Utilities	\$19,296,421	\$1,757,252	\$0	\$0	\$0
94100 Ordinary Maintenance and Operations - Labor	\$34,838,012	\$882,920			
94200 Ordinary Maintenance and Operations - Materials and	\$6,429,036	\$102,214			
94300 Ordinary Maintenance and Operations Contracts	\$6,771,687	\$731,741	\$0	\$0	\$0
94500 Employee Benefit Contributions - Ordinary Maintenance	\$15,777,256	\$210,870			
94000 Total Maintenance	\$63,815,991	\$1,927,745	\$0	\$0	\$0
95100 Protective Services - Labor	\$6,652,114	\$97,919			
95200 Protective Services - Other Contract Costs	\$2,050,199	\$452,137			
95300 Protective Services - Other	\$104,490	\$511			
95500 Employee Benefit Contributions - Protective Services	\$2,968,663	\$39,563			
95000 Total Protective Services	\$11,775,466	\$590,130	\$0	\$0	\$0
96110 Property Insurance	\$6,030,243	\$113,373			
96120 Liability Insurance	\$522,113	\$0			
96130 Workmen's Compensation	\$2,923,239	\$2,099,480	\$3,188	\$368	\$341
96140 All Other Insurance	\$126,551	\$21,810			
96100 Total insurance Premiums	\$9,602,146	\$2,234,663	\$3,188	\$368	\$341
96200 Other General Expenses	\$16,546,037	\$767,361			
96210 Compensated Absences	\$0	\$0			
96300 Payments in Lieu of Taxes	\$0	\$0			
96400 Bad debt - Tenant Rents	\$535,976	\$0			
96500 Bad debt - Mortgages	\$0	\$0			

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2016

	Project Total	14.881 Moving to Work Demonstration Program	14.870 Resident Opportunity and Supportive Services	14.170 Congregate Housing Service Program	14.889 Choice Neighborhoods Implementation Grants
96600 Bad debt - Other	\$0	\$0			
96800 Severance Expense	\$283,079	\$63,744			
96000 Total Other General Expenses	\$17,365,092	\$831,105	\$0	\$0	\$0
96710 Interest of Mortgage (or Bonds) Payable		\$0			
96720 Interest on Notes Payable (Short and Long Term)	\$0				
96730 Amortization of Bond Issue Costs					
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$0	\$0
96900 Total Operating Expenses	\$159,750,333	\$48,963,409	\$871,508	\$130,530	\$440,475
97000 Excess of Operating Revenue over Operating Expenses	-\$144,870,396	-\$52,506,087	\$28,121	\$0	\$0
97100 Extraordinary Maintenance	\$7,506,133	-\$135,002	\$28,121		
97200 Casualty Losses - Non-capitalized	\$0	\$0			
97300 Housing Assistance Payments	\$0	\$152,924,935			
97350 HAP Portability-In		\$0			
97400 Depreciation Expense	\$32,536,641	\$13,791,508			\$159
97500 Fraud Losses					
97600 Capital Outlays - Governmental Funds					
97700 Debt Principal Payment - Governmental Funds					
97800 Dwelling Units Rent Expense					
90000 Total Expenses	\$199,793,107	\$215,544,850	\$899,629	\$130,530	\$440,634
10010 Operating Transfer In	\$159,044,863	\$332,041,164			
10020 Operating transfer Out	\$0	-\$127,952,345			

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2016

	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	-\$14,958,455			
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					
10080 Special Items (Net Gain/Loss)					
10091 Inter Project Excess Cash Transfer In					
10092 Inter Project Excess Cash Transfer Out					
10093 Transfers between Program and Project - In					
10094 Transfers between Project and Program - Out					
10100 Total Other financing Sources (Uses)	\$159,044,863	\$189,130,364	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total	-\$25,868,307	-\$29,957,164	\$0	\$0	-\$159
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0	\$0
11030 Beginning Equity	\$361,738,616	\$264,455,446	\$0	\$0	\$700
11040 Prior Period Adjustments, Equity Transfers and Correction	\$0	-\$47,343,133	\$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	135829	215730			

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2016

	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	116244	215730			
11270 Excess Cash	-\$13,069,392				
11610 Land Purchases	\$0				
11620 Building Purchases	\$19,222,882				
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	\$21,280,072				

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2016

	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					\$151,807
70400 Tenant Revenue - Other					\$0
70500 Total Tenant Revenue	\$0	\$0	\$0	\$0	\$151,807
70600 HUD PHA Operating Grants	\$1,661,545	\$0	\$0	\$527,010	\$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		\$201,835			\$0
71100 Investment Income - Unrestricted					\$4,613
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		\$423,902			\$2,639,696
71600 Gain or Loss on Sale of Capital Assets					\$0
72000 Investment Income - Restricted					\$39,200
70000 Total Revenue	\$1,661,545	\$625,737	\$0	\$527,010	\$2,835,316
91100 Administrative Salaries	\$15,117				\$728,559
91200 Auditing Fees					\$26,500

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2016

	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					
91310 Book-keeping Fee					
91400 Advertising and Marketing					\$0
91500 Employee Benefit contributions - Administrative	\$7,239				\$300,865
91600 Office Expenses		\$1,935			\$13,572
91700 Legal Expense					\$6,176
91800 Travel		\$2,543			\$2,912
91810 Allocated Overhead					
91900 Other					\$234,014
91000 Total Operating - Administrative	\$22,356	\$4,478	\$0	\$0	\$1,312,598
92000 Asset Management Fee					
92100 Tenant Services - Salaries		\$144,178			\$0
92200 Relocation Costs					\$0
92300 Employee Benefit Contributions - Tenant Services					\$0
92400 Tenant Services - Other		\$477,081			\$48,417
92500 Total Tenant Services	\$0	\$621,259	\$0	\$0	\$48,417
93100 Water					\$12,129
93200 Electricity					\$910
93300 Gas					\$1,043
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: 03/31/2016

	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	\$14,082
94100 Ordinary Maintenance and Operations - Labor					\$216,106
94200 Ordinary Maintenance and Operations - Materials and					\$1,954
94300 Ordinary Maintenance and Operations Contracts	\$0	\$0	\$0	\$0	\$0
94500 Employee Benefit Contributions - Ordinary Maintenance					\$0
94000 Total Maintenance	\$0	\$0	\$0	\$0	\$218,060
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					\$31,000
96120 Liability Insurance					\$0
96130 Workmen's Compensation	\$153				\$7,963
96140 All Other Insurance					\$26,782
96100 Total insurance Premiums	\$153	\$0	\$0	\$0	\$65,745
96200 Other General Expenses	\$275,016			\$573	\$56,353
96210 Compensated Absences					\$0
96300 Payments in Lieu of Taxes					\$0
96400 Bad debt - Tenant Rents					\$53
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: 03/31/2016

	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					\$296
96000 Total Other General Expenses	\$275,016	\$0	\$0	\$573	\$56,702
96710 Interest of Mortgage (or Bonds) Payable					\$112,592
96720 Interest on Notes Payable (Short and Long Term)					
96730 Amortization of Bond Issue Costs					
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$0	\$112,592
96900 Total Operating Expenses	\$297,525	\$625,737	\$0	\$573	\$1,828,196
97000 Excess of Operating Revenue over Operating Expenses	\$1,364,020	\$0	\$0	\$526,437	\$1,007,120
97100 Extraordinary Maintenance					\$0
97200 Casualty Losses - Non-capitalized					\$0
97300 Housing Assistance Payments	\$1,336,728			\$489,578	\$0
97350 HAP Portability-In					\$0
97400 Depreciation Expense					\$12,866
97500 Fraud Losses					
97600 Capital Outlays - Governmental Funds					
97700 Debt Principal Payment - Governmental Funds					
97800 Dwelling Units Rent Expense					
90000 Total Expenses	\$1,634,253	\$625,737	\$0	\$490,151	\$1,841,062
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: 03/31/2016

	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					\$7,749,125
10050 Proceeds from Notes, Loans and Bonds					
10060 Proceeds from Property Sales					
10070 Extraordinary Items, Net Gain/Loss					
10080 Special Items (Net Gain/Loss)					
10091 Inter Project Excess Cash Transfer In					
10092 Inter Project Excess Cash Transfer Out					
10093 Transfers between Program and Project - In					
10094 Transfers between Project and Program - Out					
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0	\$0	\$7,749,125
10000 Excess (Deficiency) of Total Revenue Over (Under) Total	\$27,292	\$0	\$0	\$36,859	\$8,743,379
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0	\$0
11030 Beginning Equity	\$1,399,090	\$0	\$95,807	\$266,791	\$71,060,201
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			781	

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2016

	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: 03/31/2016

	1 Business Activities	6.1 Component Unit - Discretely Presented	93.044 Special Programs for the Aging_ Title III, Part B_Grants for Supportive	5 Fiduciary	14.182 N/C S/R Section 8 Programs
70300 Net Tenant Rental Revenue	\$41,790	\$24,847,494			
70400 Tenant Revenue - Other		\$0			
70500 Total Tenant Revenue	\$41,790	\$24,847,494	\$0	\$0	\$0
70600 HUD PHA Operating Grants	\$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			
71100 Investment Income - Unrestricted	\$1,498	\$20,091			
71200 Mortgage Interest Income	\$5,820,546	\$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	\$509,828	\$24,243,767		\$6,919,066	
71600 Gain or Loss on Sale of Capital Assets	-\$2,389,027	\$0			
72000 Investment Income - Restricted		\$340		\$793,131	
70000 Total Revenue	\$3,984,635	\$49,111,692	\$0	\$7,712,197	\$0
91100 Administrative Salaries		\$3,775,312			
91200 Auditing Fees		\$627,874			

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2016

	1 Business Activities	6.1 Component Unit - Discretely Presented	93.044 Special Programs for the Aging_ Title III, Part B_Grants for Supportive	5 Fiduciary	14.182 N/C S/R Section 8 Programs
91300 Management Fee		\$1,939,543			
91310 Book-keeping Fee					
91400 Advertising and Marketing		\$56,326			
91500 Employee Benefit contributions - Administrative		\$416,526			
91600 Office Expenses		\$460,700			
91700 Legal Expense		\$368,497			
91800 Travel		\$0			
91810 Allocated Overhead		\$0			
91900 Other	\$23,151	\$453,595		\$842,624	
91000 Total Operating - Administrative	\$23,151	\$8,098,373	\$0	\$842,624	\$0
92000 Asset Management Fee					
92100 Tenant Services - Salaries		\$186,996			
92200 Relocation Costs		\$0			
92300 Employee Benefit Contributions - Tenant Services		\$0			
92400 Tenant Services - Other	\$1,000	\$89,885			
92500 Total Tenant Services	\$1,000	\$276,881	\$0	\$0	\$0
93100 Water	\$1,164	\$2,589,773			
93200 Electricity	\$10,698	\$1,137,702			
93300 Gas	\$600	\$546,075			
93400 Fuel		\$0			
93500 Labor		\$0			
93600 Sewer		\$122,775			
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: 03/31/2016

	1 Business Activities	6.1 Component Unit - Discretely Presented	93.044 Special Programs for the Aging_ Title III, Part B_Grants for Supportive	5 Fiduciary	14.182 N/C S/R Section 8 Programs
93000 Total Utilities	\$12,462	\$4,396,325	\$0	\$0	\$0
94100 Ordinary Maintenance and Operations - Labor		\$2,385,554			
94200 Ordinary Maintenance and Operations - Materials and		\$104			
94300 Ordinary Maintenance and Operations Contracts	\$0	\$8,670,410	\$0	\$0	\$0
94500 Employee Benefit Contributions - Ordinary Maintenance		\$167,488			
94000 Total Maintenance	\$0	\$11,223,556	\$0	\$0	\$0
95100 Protective Services - Labor		\$0			
95200 Protective Services - Other Contract Costs		\$0			
95300 Protective Services - Other		\$0			
95500 Employee Benefit Contributions - Protective Services		\$0			
95000 Total Protective Services	\$0	\$0	\$0	\$0	\$0
96110 Property Insurance		\$2,156,878			
96120 Liability Insurance		\$0			
96130 Workmen's Compensation		\$14,137			
96140 All Other Insurance		\$12,128			
96100 Total insurance Premiums	\$0	\$2,183,143	\$0	\$0	\$0
96200 Other General Expenses		\$950,706		\$22,866,239	
96210 Compensated Absences		\$0			
96300 Payments in Lieu of Taxes		\$0			
96400 Bad debt - Tenant Rents		\$274,633			
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: 03/31/2016

	1 Business Activities	6.1 Component Unit - Discretely Presented	93.044 Special Programs for the Aging_ Title III, Part B_Grants for Supportive	5 Fiduciary	14.182 N/C S/R Section 8 Programs
96800 Severance Expense		\$0			
96000 Total Other General Expenses	\$0	\$1,225,339	\$0	\$22,866,239	\$0
96710 Interest of Mortgage (or Bonds) Payable	\$2,519,685	\$6,047,671			
96720 Interest on Notes Payable (Short and Long Term)					
96730 Amortization of Bond Issue Costs					
96700 Total Interest Expense and Amortization Cost	\$2,519,685	\$6,047,671	\$0	\$0	\$0
96900 Total Operating Expenses	\$2,556,298	\$33,451,288	\$0	\$23,708,863	\$0
97000 Excess of Operating Revenue over Operating Expenses	\$1,428,337	\$15,660,404	\$0	-\$15,996,666	\$0
97100 Extraordinary Maintenance	-\$287,730	\$0			
97200 Casualty Losses - Non-capitalized		\$0			
97300 Housing Assistance Payments		\$0			
97350 HAP Portability-In		\$0			
97400 Depreciation Expense	\$2,401,322	\$16,961,674			
97500 Fraud Losses					
97600 Capital Outlays - Governmental Funds					
97700 Debt Principal Payment - Governmental Funds					
97800 Dwelling Units Rent Expense					
90000 Total Expenses	\$4,669,890	\$50,412,962	\$0	\$23,708,863	\$0
10010 Operating Transfer In	\$16,934,063	\$0			
10020 Operating transfer Out		\$0			
10030 Operating Transfers from/to Primary Government	\$7,209,330	\$0			

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2016

	1 Business Activities	6.1 Component Unit - Discretely Presented	93.044 Special Programs for the Aging_ Title III, Part B_Grants for Supportive	5 Fiduciary	14.182 N/C S/R Section 8 Programs
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					
10080 Special Items (Net Gain/Loss)					
10091 Inter Project Excess Cash Transfer In					
10092 Inter Project Excess Cash Transfer Out					
10093 Transfers between Program and Project - In					
10094 Transfers between Project and Program - Out					
10100 Total Other financing Sources (Uses)	\$24,143,393	\$0	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total	\$23,458,138	-\$1,301,270	\$0	-\$15,996,666	\$0
11020 Required Annual Debt Principal Payments	\$4,815,000	\$16,735,480	\$0	\$0	\$0
11030 Beginning Equity	\$363,152,185	\$51,446,602	\$0	\$212,748,466	\$22,872
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	60	38100			
11210 Number of Unit Months Leased	55	37032			

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2016

	1 Business Activities	6.1 Component Unit - Discretely Presented	93.044 Special Programs for the Aging_ Title III, Part B_Grants for Supportive	5 Fiduciary	14.182 N/C S/R Section 8 Programs
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: 03/31/2016

	14.871 Housing Choice Vouchers	2 State/Local	14.CFP MTW Demonstration Program for Capital Fund	14.HCV MTW Demonstration Program for HCV program	14.OPS MTW Demonstration Program for Low Rent
70300 Net Tenant Rental Revenue					
70400 Tenant Revenue - Other					
70500 Total Tenant Revenue	\$0	\$0	\$0	\$0	\$0
70600 HUD PHA Operating Grants	\$0		\$35,382,113	\$202,409,526	\$121,582,368
70610 Capital Grants			\$19,222,882		
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		\$308,320			
71100 Investment Income - Unrestricted	\$0				
71200 Mortgage Interest Income					
71300 Proceeds from Disposition of Assets Held for Sale					
71310 Cost of Sale of Assets					
71400 Fraud Recovery	\$0				
71500 Other Revenue		\$295			
71600 Gain or Loss on Sale of Capital Assets		\$875			
72000 Investment Income - Restricted	\$0				
70000 Total Revenue	\$0	\$309,490	\$54,604,995	\$202,409,526	\$121,582,368
91100 Administrative Salaries		\$11,920			
91200 Auditing Fees					

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2016

	14.871 Housing Choice Vouchers	2 State/Local	14.CFP MTW Demonstration Program for Capital Fund	14.HCV MTW Demonstration Program for HCV program	14.OPS MTW Demonstration Program for Low Rent
91300 Management Fee					
91310 Book-keeping Fee					
91400 Advertising and Marketing					
91500 Employee Benefit contributions - Administrative		\$9,831			
91600 Office Expenses					
91700 Legal Expense					
91800 Travel		\$500			
91810 Allocated Overhead					
91900 Other		\$543			
91000 Total Operating - Administrative	\$0	\$22,794	\$0	\$0	\$0
92000 Asset Management Fee					
92100 Tenant Services - Salaries					
92200 Relocation Costs					
92300 Employee Benefit Contributions - Tenant Services					
92400 Tenant Services - Other		\$32,000			
92500 Total Tenant Services	\$0	\$32,000	\$0	\$0	\$0
93100 Water					
93200 Electricity					
93300 Gas					
93400 Fuel					
93500 Labor					
93600 Sewer					
93700 Employee Benefit Contributions - Utilities					
93800 Other Utilities Expense					

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2016

	14.871 Housing Choice Vouchers	2 State/Local	14.CFP MTW Demonstration Program for Capital Fund	14.HCV MTW Demonstration Program for HCV program	14.OPS MTW Demonstration Program for Low Rent
93000 Total Utilities	\$0	\$0	\$0	\$0	\$0
94100 Ordinary Maintenance and Operations - Labor					
94200 Ordinary Maintenance and Operations - Materials and					
94300 Ordinary Maintenance and Operations Contracts					
94500 Employee Benefit Contributions - Ordinary Maintenance					
94000 Total Maintenance	\$0	\$0	\$0	\$0	\$0
95100 Protective Services - Labor					
95200 Protective Services - Other Contract Costs					
95300 Protective Services - Other					
95500 Employee Benefit Contributions - Protective Services					
95000 Total Protective Services	\$0	\$0	\$0	\$0	\$0
96110 Property Insurance					
96120 Liability Insurance					
96130 Workmen's Compensation		\$263			
96140 All Other Insurance					
96100 Total insurance Premiums	\$0	\$263	\$0	\$0	\$0
96200 Other General Expenses		\$26,199			
96210 Compensated Absences					
96300 Payments in Lieu of Taxes					
96400 Bad debt - Tenant Rents					
96500 Bad debt - Mortgages					
96600 Bad debt - Other					

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2016

	14.871 Housing Choice Vouchers	2 State/Local	14.CFP MTW Demonstration Program for Capital Fund	14.HCV MTW Demonstration Program for HCV program	14.OPS MTW Demonstration Program for Low Rent
96800 Severance Expense					
96000 Total Other General Expenses	\$0	\$26,199	\$0	\$0	\$0
96710 Interest of Mortgage (or Bonds) Payable					
96720 Interest on Notes Payable (Short and Long Term)					
96730 Amortization of Bond Issue Costs					
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$0	\$0
96900 Total Operating Expenses	\$0	\$81,256	\$0	\$0	\$0
97000 Excess of Operating Revenue over Operating Expenses	\$0	\$228,234	\$54,604,995	\$202,409,526	\$121,582,368
97100 Extraordinary Maintenance		\$155,529			
97200 Casualty Losses - Non-capitalized					
97300 Housing Assistance Payments	\$0				
97350 HAP Portability-In					
97400 Depreciation Expense		\$62,979			
97500 Fraud Losses					
97600 Capital Outlays - Governmental Funds					
97700 Debt Principal Payment - Governmental Funds					
97800 Dwelling Units Rent Expense					
90000 Total Expenses	\$0	\$299,764	\$0	\$0	\$0
10010 Operating Transfer In					
10020 Operating transfer Out		-\$1,370,856	-\$54,604,995	-\$202,409,526	-\$121,582,368
10030 Operating Transfers from/to Primary Government					

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2016

	14.871 Housing Choice Vouchers	2 State/Local	14.CFP MTW Demonstration Program for Capital Fund	14.HCV MTW Demonstration Program for HCV program	14.OPS MTW Demonstration Program for Low Rent
10040 Operating Transfers from/to Component Unit					
10050 Proceeds from Notes, Loans and Bonds					
10060 Proceeds from Property Sales					
10070 Extraordinary Items, Net Gain/Loss					
10080 Special Items (Net Gain/Loss)					
10091 Inter Project Excess Cash Transfer In					
10092 Inter Project Excess Cash Transfer Out					
10093 Transfers between Program and Project - In					
10094 Transfers between Project and Program - Out					
10100 Total Other financing Sources (Uses)	\$0	-\$1,370,856	-\$54,604,995	-\$202,409,526	-\$121,582,368
10000 Excess (Deficiency) of Total Revenue Over (Under) Total	\$0	-\$1,361,130	\$0	\$0	\$0
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0	\$0
11030 Beginning Equity	\$10,787,666	\$1,853,576	\$0	\$0	\$0
11040 Prior Period Adjustments, Equity Transfers and Correction	-\$10,787,666				
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	\$0				
11180 Housing Assistance Payments Equity	\$0				
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: 03/31/2016

	14.871 Housing Choice Vouchers	2 State/Local	14.CFP MTW Demonstration Program for Capital Fund	14.HCV MTW Demonstration Program for HCV program	14.OPS MTW Demonstration Program for Low Rent
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: 03/31/2016

	93.602 New Assets for Independence Demonstration Program	14.856 Lower Income Housing Assistance Program_Section 8 Moderate	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue		\$0	\$50,276,686		\$50,276,686
70400 Tenant Revenue - Other		\$0	\$660,512		\$660,512
70500 Total Tenant Revenue	\$0	\$0	\$50,937,198	\$0	\$50,937,198
70600 HUD PHA Operating Grants		\$1,832,946	\$364,560,978		\$364,560,978
70610 Capital Grants		\$0	\$19,222,882		\$19,222,882
70710 Management Fee		\$0			
70720 Asset Management Fee		\$0			
70730 Book Keeping Fee		\$0			
70740 Front Line Service Fee		\$0			
70750 Other Fees		\$0			
70700 Total Fee Revenue		\$0	\$0	\$0	\$0
70800 Other Government Grants	\$100,000	\$0	\$889,213		\$889,213
71100 Investment Income - Unrestricted		\$521	\$265,197		\$265,197
71200 Mortgage Interest Income		\$0	\$5,820,546		\$5,820,546
71300 Proceeds from Disposition of Assets Held for Sale		\$0	\$0		\$0
71310 Cost of Sale of Assets		\$0	\$0		\$0
71400 Fraud Recovery		\$0	\$575,852		\$575,852
71500 Other Revenue		\$0	\$35,274,761		\$35,274,761
71600 Gain or Loss on Sale of Capital Assets		\$0	-\$18,273,427		-\$18,273,427
72000 Investment Income - Restricted		\$0	\$832,671		\$832,671
70000 Total Revenue	\$100,000	\$1,833,467	\$460,105,871	\$0	\$460,105,871
91100 Administrative Salaries		\$14,057	\$37,479,362		\$37,479,362
91200 Auditing Fees		\$0	\$1,136,877		\$1,136,877

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2016

	93.602 New Assets for Independence Demonstration Program	14.856 Lower Income Housing Assistance Program_Section 8 Moderate	Subtotal	ELIM	Total
91300 Management Fee		\$0	\$1,939,543		\$1,939,543
91310 Book-keeping Fee		\$0			
91400 Advertising and Marketing		\$0	\$132,281		\$132,281
91500 Employee Benefit contributions - Administrative		\$6,726	\$24,956,914		\$24,956,914
91600 Office Expenses		\$0	\$5,220,999		\$5,220,999
91700 Legal Expense		\$0	\$2,029,935		\$2,029,935
91800 Travel		\$0	\$198,799		\$198,799
91810 Allocated Overhead		\$0	\$0		\$0
91900 Other		\$0	\$14,361,119		\$14,361,119
91000 Total Operating - Administrative	\$0	\$20,783	\$87,455,829	\$0	\$87,455,829
92000 Asset Management Fee		\$0			
92100 Tenant Services - Salaries		\$0	\$1,058,737		\$1,058,737
92200 Relocation Costs		\$0	\$1,420,729		\$1,420,729
92300 Employee Benefit Contributions - Tenant Services		\$0	\$321,349		\$321,349
92400 Tenant Services - Other		\$0	\$2,026,417		\$2,026,417
92500 Total Tenant Services	\$0	\$0	\$4,827,232	\$0	\$4,827,232
93100 Water		\$0	\$13,452,885		\$13,452,885
93200 Electricity		\$0	\$6,278,076		\$6,278,076
93300 Gas		\$0	\$5,524,154		\$5,524,154
93400 Fuel		\$0	\$0		\$0
93500 Labor		\$0	\$58,015		\$58,015
93600 Sewer		\$0	\$122,775		\$122,775
93700 Employee Benefit Contributions - Utilities		\$0	\$25,992		\$25,992
93800 Other Utilities Expense		\$0	\$14,645		\$14,645

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2016

	93.602 New Assets for Independence Demonstration Program	14.856 Lower Income Housing Assistance Program_Section 8 Moderate	Subtotal	ELIM	Total
93000 Total Utilities	\$0	\$0	\$25,476,542	\$0	\$25,476,542
94100 Ordinary Maintenance and Operations - Labor		\$0	\$38,322,592		\$38,322,592
94200 Ordinary Maintenance and Operations - Materials and		\$0	\$6,533,308		\$6,533,308
94300 Ordinary Maintenance and Operations Contracts		\$0	\$16,173,838		\$16,173,838
94500 Employee Benefit Contributions - Ordinary Maintenance		\$0	\$16,155,614		\$16,155,614
94000 Total Maintenance	\$0	\$0	\$77,185,352	\$0	\$77,185,352
95100 Protective Services - Labor		\$0	\$6,750,033		\$6,750,033
95200 Protective Services - Other Contract Costs		\$0	\$2,502,336		\$2,502,336
95300 Protective Services - Other		\$0	\$105,001		\$105,001
95500 Employee Benefit Contributions - Protective Services		\$0	\$3,008,226		\$3,008,226
95000 Total Protective Services	\$0	\$0	\$12,365,596	\$0	\$12,365,596
96110 Property Insurance		\$0	\$8,331,494		\$8,331,494
96120 Liability Insurance		\$0	\$522,113		\$522,113
96130 Workmen's Compensation		\$150	\$5,049,282		\$5,049,282
96140 All Other Insurance		\$0	\$187,271		\$187,271
96100 Total insurance Premiums	\$0	\$150	\$14,090,160	\$0	\$14,090,160
96200 Other General Expenses		-\$7,364	\$41,481,120		\$41,481,120
96210 Compensated Absences		\$0	\$0		\$0
96300 Payments in Lieu of Taxes		\$0	\$0		\$0
96400 Bad debt - Tenant Rents		\$0	\$810,662		\$810,662
96500 Bad debt - Mortgages		\$0	\$0		\$0
96600 Bad debt - Other		\$0	\$0		\$0

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2016

	93.602 New Assets for Independence Demonstration Program	14.856 Lower Income Housing Assistance Program_Section 8 Moderate	Subtotal	ELIM	Total
96800 Severance Expense		\$0	\$347,119		\$347,119
96000 Total Other General Expenses	\$0	-\$7,364	\$42,638,901	\$0	\$42,638,901
96710 Interest of Mortgage (or Bonds) Payable		\$0	\$8,679,948		\$8,679,948
96720 Interest on Notes Payable (Short and Long Term)		\$0	\$0		\$0
96730 Amortization of Bond Issue Costs		\$0			
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$8,679,948	\$0	\$8,679,948
96900 Total Operating Expenses	\$0	\$13,569	\$272,719,560	\$0	\$272,719,560
97000 Excess of Operating Revenue over Operating Expenses	\$100,000	\$1,819,898	\$187,386,311	\$0	\$187,386,311
97100 Extraordinary Maintenance		\$0	\$7,267,051		\$7,267,051
97200 Casualty Losses - Non-capitalized		\$0	\$0		\$0
97300 Housing Assistance Payments		\$1,588,073	\$156,339,314		\$156,339,314
97350 HAP Portability-In		\$0	\$0		\$0
97400 Depreciation Expense		\$42,250	\$65,809,399		\$65,809,399
97500 Fraud Losses		\$0			
97600 Capital Outlays - Governmental Funds		\$0			
97700 Debt Principal Payment - Governmental Funds		\$0			
97800 Dwelling Units Rent Expense		\$0			
90000 Total Expenses	\$0	\$1,643,892	\$502,135,324	\$0	\$502,135,324
10010 Operating Transfer In		\$0	\$508,020,090	-\$508,020,090	\$0
10020 Operating transfer Out	-\$100,000	\$0	-\$508,020,090	\$508,020,090	\$0
10030 Operating Transfers from/to Primary Government		\$0	-\$7,749,125	\$7,749,125	\$0

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2016

	93.602 New Assets for Independence Demonstration Program	14.856 Lower Income Housing Assistance Program_Section 8 Moderate	Subtotal	ELIM	Total
10040 Operating Transfers from/to Component Unit		\$0	\$7,749,125	-\$7,749,125	\$0
10050 Proceeds from Notes, Loans and Bonds		\$0			
10060 Proceeds from Property Sales		\$0			
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)	-\$100,000	\$0	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total	\$0	\$189,575	-\$42,029,453	\$0	-\$42,029,453
11020 Required Annual Debt Principal Payments	\$0	\$0	\$21,550,480		\$21,550,480
11030 Beginning Equity	\$0	\$629,973	\$1,339,657,991		\$1,339,657,991
11040 Prior Period Adjustments, Equity Transfers and Correction		\$0	-\$58,130,799		-\$58,130,799
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	\$0		\$0
11180 Housing Assistance Payments Equity		\$0	\$0		\$0
11190 Unit Months Available		2964	397457		397457
11210 Number of Unit Months Leased		2964	376790		376790

Philadelphia Housing Authority (PA002)

PHILADELPHIA, PA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2016

	93.602 New Assets for Independence Demonstration Program	14.856 Lower Income Housing Assistance Program_Section 8 Moderate	Subtotal	ELIM	Total
11270 Excess Cash		\$0	-\$13,069,392		-\$13,069,392
11610 Land Purchases		\$0	\$0		\$0
11620 Building Purchases		\$0	\$19,222,882		\$19,222,882
11630 Furniture & Equipment - Dwelling Purchases		\$0	\$0		\$0
11640 Furniture & Equipment - Administrative Purchases		\$0	\$0		\$0
11650 Leasehold Improvements Purchases		\$0	\$0		\$0
11660 Infrastructure Purchases		\$0	\$0		\$0
13510 CFFP Debt Service Payments		\$0	\$0		\$0
13901 Replacement Housing Factor Funds		\$0	\$21,280,072		\$21,280,072

Other Supplementary Information

Philadelphia Housing Authority
Combining Statement of Net Position
March 31, 2016

	State and Local Grants	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	Section 8 Modern Rehab Prg No. 5
Assets									
Current Assets									
Cash and cash equivalents	\$ 1,986,734	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted cash	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-
Receivables, net	3,807	-	-	23,142	7,410	-	-	-	-
Due from other governments	-	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	280,508	163,230	507,652	607,998	31,663	11,991
Other assets	-	-	-	-	-	-	-	-	-
Total current assets	1,990,541	-	-	303,650	170,640	507,652	607,998	31,663	11,991
Noncurrent Assets									
Mortgage receivable	-	-	-	-	-	-	-	-	-
Restricted cash	-	-	-	-	-	-	-	-	-
Restricted investments	-	-	-	-	-	-	-	-	-
Capital assets, net of depreciation	398,305	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-
Total noncurrent assets	398,305	-	-	-	-	-	-	-	-
Deferred outflows of resources									
	-	-	-	-	-	-	-	-	-
Total assets and deferred outflows	\$ 2,388,846	\$ -	\$ -	\$ 303,650	\$ 170,640	\$ 507,652	\$ 607,998	\$ 31,663	\$ 11,991
Liabilities and Net Position									
Current Liabilities									
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	663	-	-	-	-	-	-	-	-
Current portion of long-term debt	-	-	-	-	-	-	-	-	-
Due to other government agencies	-	-	-	-	-	-	-	-	-
Due to other funds	1,255,260	-	-	-	-	-	-	-	-
Compensated absences	-	-	-	-	-	-	-	-	-
Trust and deposits	-	-	-	-	-	-	-	-	-
Unearned revenues and other current liabilities	640,477	-	-	-	-	3,410	116,443	-	-
Total current liabilities	1,896,400	-	-	-	-	3,410	116,443	-	-
Noncurrent liabilities									
Compensated absences	-	-	-	-	-	-	-	-	-
Bonds, notes and loans payable	-	-	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-	-	-	-
Total noncurrent liabilities	-	-	-	-	-	-	-	-	-
Total liabilities	1,896,400	-	-	-	-	3,410	116,443	-	-
Net Position									
Net investment in capital assets	398,305	-	-	-	-	-	-	-	-
Restricted for Section 8	-	-	-	-	-	-	-	-	-
Restricted for development	-	-	-	-	-	-	-	-	-
Unrestricted (deficit)	94,141	-	-	303,650	170,640	504,242	491,555	31,663	11,991
Total net position	492,446	-	-	303,650	170,640	504,242	491,555	31,663	11,991
Total liabilities and net position	\$ 2,388,846	\$ -	\$ -	\$ 303,650	\$ 170,640	\$ 507,652	\$ 607,998	\$ 31,663	\$ 11,991

Philadelphia Housing Authority
Combining Statement of Net Position (Continued)
March 31, 2016

	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 Single Room Occupancy Program
Assets						
Current Assets						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 1,079,220	\$ -
Restricted cash	-	-	-	-	-	-
Investments	-	-	-	-	-	-
Receivables, net	-	21,872	14,305	-	176	-
Due from other governments	-	-	-	-	-	-
Due from other funds	21,217	90,855	102,808	403,232	-	2,587,661
Other assets	-	-	-	-	-	-
Total current assets	21,217	112,727	117,113	403,232	1,079,396	2,587,661
Noncurrent Assets						
Mortgage receivable	-	-	-	-	-	-
Restricted cash	-	-	-	-	-	-
Restricted investments	-	-	-	-	-	-
Capital assets, net of depreciation	-	-	-	-	549,250	-
Other assets	-	-	-	-	-	-
Total noncurrent assets	-	-	-	-	549,250	-
Deferred outflows of resources						
	-	-	-	-	-	-
Total assets and deferred outflows	\$ 21,217	\$ 112,727	\$ 117,113	\$ 403,232	\$ 1,628,646	\$ 2,587,661
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	-	-	-	171,618	-	1,161,279
Total current liabilities	-	-	-	171,618	2,501,860	1,161,279
Noncurrent liabilities						
Compensated absences	-	-	-	-	-	-
Bonds, notes and loans payable	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
Total noncurrent liabilities	-	-	-	-	-	-
Total liabilities	-	-	-	171,618	2,501,860	1,161,279
Net Position						
Net investment in capital assets	-	-	-	-	549,250	-
Restricted for Section 8	-	-	-	-	-	-
Restricted for development	-	-	-	-	-	-
Unrestricted (deficit)	21,217	112,727	117,113	231,614	(1,422,464)	1,426,382
Total net position	21,217	112,727	117,113	231,614	(873,214)	1,426,382
Total liabilities and net position	\$ 21,217	\$ 112,727	\$ 117,113	\$ 403,232	\$ 1,628,646	\$ 2,587,661

Philadelphia Housing Authority
Combining Statement of Net Position (Continued)
March 31, 2016

	Section 8 New Construction Programs	Congregate Housing Program	Resident Opportunity and Self-Sufficiency Program	Disaster Funding Program	Choice Neighborhood Program	Veterans Affairs Program	Modern Rehab Prg No. 3	ARRA Competitive Programs	Healthy Homes Program
Assets									
Current Assets									
Cash and cash equivalents	\$ -	\$ 17,361	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted cash	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-
Receivables, net	-	67,433	306,951	-	66,058	-	-	-	-
Due from other governments	-	-	-	-	-	-	-	-	-
Due from other funds	22,872	-	-	95,807	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-
Total current assets	22,872	84,794	306,951	95,807	66,058	-	-	-	-
Noncurrent Assets									
Mortgage receivable	-	-	-	-	-	-	-	-	-
Restricted cash	-	-	-	-	-	-	-	-	-
Restricted investments	-	-	-	-	-	-	-	-	-
Capital assets, net of depreciation	-	-	-	-	541	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-
Total noncurrent assets	-	-	-	-	541	-	-	-	-
Deferred outflows of resources	-	-	-	-	-	-	-	-	-
Total assets and deferred outflows	\$ 22,872	\$ 84,794	\$ 306,951	\$ 95,807	\$ 66,599	\$ -	\$ -	\$ -	\$ -
Liabilities and Net Position									
Current Liabilities									
Accounts payable	\$ -	\$ 13,740	\$ 1,076	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-	-	-	-	-	-
Current portion of long-term debt	-	-	-	-	-	-	-	-	-
Due to other government agencies	-	-	-	-	-	-	-	-	-
Due to other funds	-	71,054	298,973	-	28,218	-	-	-	-
Compensated absences	-	-	-	-	-	-	-	-	-
Trust and deposits	-	-	-	-	-	-	-	-	-
Unearned revenues and other current liabilities	-	-	6,902	-	37,840	-	-	-	-
Total current liabilities	-	84,794	306,951	-	66,058	-	-	-	-
Noncurrent liabilities									
Compensated absences	-	-	-	-	-	-	-	-	-
Bonds, notes and loans payable	-	-	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-	-	-	-
Total noncurrent liabilities	-	-	-	-	-	-	-	-	-
Total liabilities	-	84,794	306,951	-	66,058	-	-	-	-
Net Position									
Net investment in capital assets	-	-	-	-	541	-	-	-	-
Restricted for Section 8	-	-	-	-	-	-	-	-	-
Restricted for development	-	-	-	-	-	-	-	-	-
Unrestricted (deficit)	22,872	-	-	95,807	-	-	-	-	-
Total net position	22,872	-	-	95,807	541	-	-	-	-
Total liabilities and net position	\$ 22,872	\$ 84,794	\$ 306,951	\$ 95,807	\$ 66,599	\$ -	\$ -	\$ -	\$ -

Philadelphia Housing Authority
Combining Statement of Net Position (Continued)
March 31, 2016

	Moving to Work Program	Project Totals	Other Business Activities	Long Term Notes Receivable	Debt Service Fund	General Purpose Bonds	Blended Component Units	Total PHA Programs
Assets								
Current Assets								
Cash and cash equivalents	\$ 2,403,330	\$ 15,902,053	\$ 3,012,458	\$ -	\$ 147,709	\$ 5,172	\$ 79,586,706	\$ 104,140,743
Restricted cash	7,716,962	784,332	24,289	-	-	-	305,906	8,831,489
Investments	21,978,849	-	-	-	-	-	-	21,978,849
Receivables, net	48,464,158	5,816,753	3,687,843	-	23	-	1,335,771	59,815,702
Due from other governments	-	-	-	-	-	-	-	-
Due from other funds	1,599,469	-	-	-	-	-	-	6,526,963
Other assets	-	2,302,957	-	-	-	-	79,366	2,382,323
Total current assets	82,162,768	24,806,095	6,724,590	-	147,732	5,172	81,307,749	203,676,069
Noncurrent Assets								
Mortgage receivable	-	-	-	394,237,439	-	-	-	394,237,439
Restricted cash	-	-	-	-	-	-	-	-
Restricted investments	-	-	-	-	-	-	2,732,598	2,732,598
Capital assets, net of depreciation	183,331,187	332,548,175	9,557,798	-	20,477,377	760,045	12,399,407	560,022,085
Other assets	820	5,772,082	88,012	5,075,261	-	-	-	10,936,175
Total noncurrent assets	183,332,007	338,320,257	9,645,810	399,312,700	20,477,377	760,045	15,132,005	967,928,297
Deferred outflows of resources	24,527,371	-	-	-	-	-	-	24,527,371
Total assets and deferred outflows	\$ 290,022,146	\$ 363,126,352	\$ 16,370,400	\$ 399,312,700	\$ 20,625,109	\$ 765,217	\$ 96,439,754	\$ 1,196,131,737
Liabilities and Net Position								
Current Liabilities								
Accounts payable	\$ 1,678,182	\$ 8,003,673	\$ 735,359	\$ -	\$ -	\$ -	\$ 167,831	\$ 10,599,861
Accrued liabilities	6,742,428	9,043,126	761,033	-	771,563	174,167	3,727,102	21,228,460
Current portion of long-term debt	-	-	-	-	5,070,000	-	-	5,070,000
Due to other government agencies	6,881	347,777	-	-	-	-	-	354,658
Due to other funds	30,783	874,297	1,499,524	-	(24,628)	-	-	6,526,963
Compensated absences	1,157,093	3,736,547	-	-	-	-	59,603	4,953,243
Trust and deposits	-	784,332	-	-	-	-	3,267	787,599
Unearned revenues and other current liabilities	5,317,416	-	489,285	-	-	-	826,209	8,770,879
Total current liabilities	14,932,783	22,789,752	3,485,201	-	5,816,935	174,167	4,784,012	58,291,663
Noncurrent liabilities								
Compensated absences	771,385	2,491,029	-	-	-	-	39,736	3,302,150
Bonds, notes and loans payable	-	-	-	-	29,986,800	11,000,000	-	40,986,800
Other liabilities	87,162,829	1,975,262	-	-	-	-	11,812,426	100,950,517
Total noncurrent liabilities	87,934,214	4,466,291	-	-	29,986,800	11,000,000	11,852,162	145,239,467
Total liabilities	102,866,997	27,256,043	3,485,201	-	35,803,735	11,174,167	16,636,174	203,531,130
Net Position								
Net investment in capital assets	183,331,187	335,870,309	9,557,798	-	(14,579,423)	(10,239,955)	12,399,407	517,287,419
Restricted for Section 8	-	-	-	-	-	-	-	-
Restricted for development	-	-	-	-	-	-	3,035,237	3,035,237
Unrestricted (deficit)	3,823,962	-	3,327,401	399,312,700	(599,203)	(168,995)	64,368,936	472,277,951
Total net position	187,155,149	335,870,309	12,885,199	399,312,700	(15,178,626)	(10,408,950)	79,803,580	992,600,607
Total liabilities, deferred inflows and net position	\$ 290,022,146	\$ 363,126,352	\$ 16,370,400	\$ 399,312,700	\$ 20,625,109	\$ 765,217	\$ 96,439,754	\$ 1,196,131,737

Philadelphia Housing Authority
Combining Statement of Net Position (Continued)
March 31, 2016

	Reclassification	Elimination	Totals
Assets			
Current Assets			
Cash and cash equivalents	\$ -	\$ -	\$ 104,140,743
Restricted cash	-	-	8,831,489
Investments	-	-	21,978,849
Receivables, net	-	(3,702,260)	56,113,442
Due from other governments	-	-	-
Due from other funds	-	(6,526,963)	-
Other assets	-	-	2,382,323
Total current assets	-	(10,229,223)	193,446,846
Noncurrent Assets			
Mortgage receivable	-	(11,812,426)	382,425,013
Restricted cash	-	-	-
Restricted investments	-	-	2,732,598
Capital assets, net of depreciation	-	-	560,022,085
Other assets	-	-	10,936,175
Total noncurrent assets	-	(11,812,426)	956,115,871
Deferred outflows of resources	-	-	24,527,371
Total assets and deferred outflows	\$ -	\$ (22,041,649)	\$ 1,174,090,088
Liabilities and Net Position			
Current Liabilities			
Accounts payable	\$ -	\$ -	\$ 10,599,861
Accrued liabilities	-	(3,702,260)	17,526,200
Current portion of long-term debt	-	-	5,070,000
Due to other government agencies	-	-	354,658
Due to other funds	-	(6,526,963)	-
Compensated absences	-	-	4,953,243
Trust and deposits	-	-	787,599
Unearned revenues and other current liabilities	-	-	8,770,879
Total current liabilities	-	(10,229,223)	48,062,440
Noncurrent liabilities			
Compensated absences	-	-	3,302,150
Bonds, notes and loans payable	-	-	40,986,800
Other liabilities	-	(11,812,426)	89,138,091
Total noncurrent liabilities	-	(11,812,426)	133,427,041
Total liabilities	-	(22,041,649)	181,489,481
Net Position			
Net investment in capital assets	-	-	517,287,419
Restricted for Section 8	-	-	-
Restricted for development	-	-	3,035,237
Unrestricted (deficit)	-	-	472,277,951
Total net position	-	-	992,600,607
Total liabilities, deferred inflows and net position	\$ -	\$ (22,041,649)	\$ 1,174,090,088

Philadelphia Housing Authority
Combining Statement of Revenues, Expenses and Changes in Net Position
March 31, 2016

	State and Local Grants	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	Section 8 Modern Rehab Prg No. 5
Operating Revenue									
Total tenant revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating subsidies	308,320	100,000	-	527,010	371,702	534,748	431,582	-	-
Other income	295	-	-	-	-	-	-	-	-
Total operating revenue	308,615	100,000	-	527,010	371,702	534,748	431,582	-	-
Operating Expenses									
Administrative	22,794	-	-	-	3,141	4,639	4,723	-	-
Tenant services	32,000	-	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-	-	-
Maintenance	155,529	-	-	-	-	-	-	-	-
Protective services	-	-	-	-	-	-	-	-	-
General	26,462	-	-	573	22	42	34	-	-
Housing assistance programs	-	-	-	489,578	328,081	470,308	370,115	-	-
Depreciation and amortization	62,979	-	-	-	-	-	-	-	-
Total operating expenses	299,764	-	-	490,151	331,244	474,989	374,872	-	-
Operating income (loss)	8,851	100,000	-	36,859	40,458	59,759	56,710	-	-
Nonoperating Revenue and (Expenses)									
Interest and investment earnings	-	-	-	-	-	-	-	-	-
Other revenue/charges	875	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-	-
Net nonoperating revenue	875	-	-	-	-	-	-	-	-
Income (loss) before capital contributions	9,726	100,000	-	36,859	40,458	59,759	56,710	-	-
Capital contributions									
HUD capital subsidies	-	-	-	-	-	-	-	-	-
Other nonoperating contributions	(1,370,856)	(100,000)	-	-	-	-	-	-	-
Partners contributions	-	-	-	-	-	-	-	-	-
	(1,370,856)	(100,000)	-	-	-	-	-	-	-
Change in net position	(1,361,130)	-	-	36,859	40,458	59,759	56,710	-	-
Net position, beginning									
As previously reported	1,853,576	-	10,787,666	266,791	130,182	444,483	434,845	31,663	11,991
Prior period adjustments and equity transfers	-	-	(10,787,666)	-	-	-	-	-	-
As restated	1,853,576	-	-	266,791	130,182	444,483	434,845	31,663	11,991
Net position, ending	\$ 492,446	\$ -	\$ -	\$ 303,650	\$ 170,640	\$ 504,242	\$ 491,555	\$ 31,663	\$ 11,991

Philadelphia Housing Authority
Combining Statement of Revenues, Expenses and Changes in Net Position (Continued)
March 31, 2016

	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	-	69,961	196,451	228,502	-	-	-	1,661,545	-
Other income	-	-	-	-	-	-	-	-	-
Total operating revenue	-	69,961	196,451	228,502	-	-	-	1,661,545	-
Operating Expenses									
Administrative	-	416	1,440	6,424	-	-	-	22,356	-
Tenant services	-	-	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-	-	-
Maintenance	-	-	-	-	-	-	-	-	-
Protective services	-	-	-	-	-	-	-	-	-
General	-	(7,048)	(327)	63	-	-	-	275,169	-
Housing assistance programs	-	60,047	174,641	184,881	-	-	-	1,336,728	-
Depreciation and amortization	-	-	-	-	42,250	-	-	-	-
Total operating expenses	-	53,415	175,754	191,368	42,250	-	-	1,634,253	-
Operating income (loss)	-	16,546	20,697	37,134	(42,250)	-	-	27,292	-
Nonoperating Revenue and (Expenses)									
Interest and investment earnings	-	-	-	-	521	-	-	-	-
Other revenue/charges	-	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-	-
Net nonoperating revenue	-	-	-	-	521	-	-	-	-
Income (loss) before capital contributions	-	16,546	20,697	37,134	(41,729)	-	-	27,292	-
Capital contributions									
HUD capital subsidies	-	-	-	-	-	-	-	-	-
Other nonoperating contributions	-	-	-	-	-	-	-	-	-
Partners contributions	-	-	-	-	-	-	-	-	-
Change in net position	-	16,546	20,697	37,134	(41,729)	-	-	27,292	-
Net position, beginning									
As previously reported	21,217	96,181	96,416	194,480	(831,485)	-	-	1,399,090	22,872
Prior period adjustments and equity trans	-	-	-	-	-	-	-	-	-
As restated	21,217	96,181	96,416	194,480	(831,485)	-	-	1,399,090	22,872
Net position, ending	\$ 21,217	\$ 112,727	\$ 117,113	\$ 231,614	\$ (873,214)	\$ -	\$ -	\$ 1,426,382	\$ 22,872

Philadelphia Housing Authority
Combining Statement of Revenues, Expenses and Changes in Net Position (Continued)
March 31, 2016

	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	-	104,424	201,835	899,629	-	440,475	-	-	-	-
Other income	-	26,106	423,902	-	-	-	-	-	-	-
Total operating revenue	-	130,530	625,737	899,629	-	440,475	-	-	-	-
Operating Expenses										
Administrative	-	13,886	4,478	541,897	-	414,185	-	-	-	-
Tenant services	-	116,276	621,259	326,423	-	25,949	-	-	-	-
Utilities	-	-	-	-	-	-	-	-	-	-
Maintenance	-	-	-	28,121	-	-	-	-	-	-
Protective services	-	-	-	-	-	-	-	-	-	-
General	-	368	-	3,188	-	341	-	-	-	-
Housing assistance programs	-	-	-	-	-	-	-	-	-	-
Depreciation and amortization	-	-	-	-	-	159	-	-	-	-
Total operating expenses	-	130,530	625,737	899,629	-	440,634	-	-	-	-
Operating income (loss)	-	-	-	-	-	(159)	-	-	-	-
Nonoperating Revenue and (Expenses)										
Interest and investment earnings	-	-	-	-	-	-	-	-	-	-
Other revenue/charges	-	-	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-	-	-
Net nonoperating revenue	-	-	-	-	-	-	-	-	-	-
Income (loss) before capital contributions	-	-	-	-	-	(159)	-	-	-	-
Capital contributions										
HUD capital subsidies	-	-	-	-	-	-	-	-	-	-
Other nonoperating contributions	-	-	-	-	-	-	-	-	-	-
Partners contributions	-	-	-	-	-	-	-	-	-	-
Change in net position	-	-	-	-	-	(159)	-	-	-	-
Net position, beginning										
As previously reported	-	-	-	-	95,807	700	-	-	-	-
Prior period adjustments and equity tran:	-	-	-	-	-	-	-	-	-	-
As restated	-	-	-	-	95,807	700	-	-	-	-
Net position, ending	\$ -	\$ -	\$ -	\$ -	\$ 95,807	\$ 541	\$ -	\$ -	\$ -	\$ -

Philadelphia Housing Authority
Combining Statement of Revenues, Expenses and Changes in Net Position (Continued)
March 31, 2016

	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	\$ -	\$ 25,896,107	\$ 41,790	\$ -	\$ -	\$ -	\$ 151,807	\$ 26,089,704
Operating subsidies	359,374,007	-	-	-	-	-	-	365,450,191
Other income	436,754	75,347	509,828	-	-	-	2,639,696	4,111,928
Total operating revenue	359,810,761	25,971,454	551,618	-	-	-	2,791,503	395,651,823
Operating Expenses								
Administrative	39,935,965	36,202,739	23,151	-	-	-	1,312,598	78,514,832
Tenant services	1,686,549	1,692,478	1,000	-	-	-	48,417	4,550,351
Utilities	1,757,252	19,296,421	12,462	-	-	-	14,082	21,080,217
Maintenance	1,792,743	71,322,124	(287,730)	-	-	-	218,060	73,228,847
Protective services	590,130	11,775,466	-	-	-	-	-	12,365,596
General	3,065,768	26,967,238	-	-	-	-	122,447	30,454,340
Housing assistance programs	152,924,935	-	-	-	-	-	-	156,339,314
Depreciation and amortization	13,791,508	32,536,641	124,591	-	2,253,652	23,079	12,866	48,847,725
Total operating expenses	215,544,850	199,793,107	(126,526)	-	2,253,652	23,079	1,728,470	425,381,222
Operating income (loss)	144,265,911	(173,821,653)	678,144	-	(2,253,652)	(23,079)	1,063,033	(29,729,399)
Nonoperating Revenue and (Expenses)								
Interest and investment earnings	132,135	106,339	1,430	5,820,546	68	-	43,813	6,104,852
Other revenue/charges	(4,111,567)	(11,197,856)	(225,001)	-	(2,164,026)	-	-	(17,697,575)
Interest expense	-	-	-	-	(1,992,185)	(527,500)	(112,592)	(2,632,277)
Net nonoperating revenue	(3,979,432)	(11,091,517)	(223,571)	5,820,546	(4,156,143)	(527,500)	(68,779)	(14,225,000)
Income (loss) before capital contributions	140,286,479	(184,913,170)	454,573	5,820,546	(6,409,795)	(550,579)	994,254	(43,954,399)
Capital contributions								
HUD capital subsidies	19,222,882	-	-	-	-	-	-	19,222,882
Other nonoperating contributions	(189,466,525)	159,044,863	4,940,156	11,770,962	6,904,775	527,500	7,749,125	-
Partners contributions	-	-	-	-	-	-	-	-
	(170,243,643)	159,044,863	4,940,156	11,770,962	6,904,775	527,500	7,749,125	19,222,882
Change in net position	(29,957,164)	(25,868,307)	5,394,729	17,591,508	494,980	(23,079)	8,743,379	(24,731,517)
Net position, beginning								
As previously reported	264,455,446	361,738,616	7,490,470	381,721,192	(15,673,606)	(10,385,871)	71,060,201	1,075,462,923
Prior period adjustments and equity transfers	(47,343,133)	-	-	-	-	-	-	(58,130,799)
As restated	217,112,313	361,738,616	7,490,470	381,721,192	(15,673,606)	(10,385,871)	71,060,201	1,017,332,124
Net position, ending	\$ 187,155,149	\$ 335,870,309	\$ 12,885,199	\$ 399,312,700	\$ (15,178,626)	\$ (10,408,950)	\$ 79,803,580	\$ 992,600,607

Philadelphia Housing Authority
Component Units
Combining Statement of Net Position
March 31, 2016

	Neumann North	New Courtland Apartments at Allegheny	Raymond Rosen Assoc. t/a 8 Diamonds Townhouses	Ridge Avenue Housing	St. Anthony's Senior Residences	St. Ignatius Senior Housing I	St. Ignatius Senior Housing II	Southwark Plaza
Assets								
Current Assets								
Cash	\$ 3,878	\$ 61,012	\$ 76,801	\$ 143,018	\$ 133,369	\$ 542,337	\$ 534,713	\$ -
Restricted cash	382,620	29,804	1,559,504	384,777	166,483	487,445	1,099,629	292,910
Investments	-	-	-	-	-	-	-	-
Receivables, net	9,188	34,344	51,298	18,931	2,572	2,193	5,363	56,474
Due from other governments	-	-	-	-	-	-	-	171,278
Due from other funds	-	-	-	-	-	-	-	-
Other assets	5,701	38,849	21,329	39,290	11,065	10,406	8,356	52,178
Total current assets	401,387	164,009	1,708,932	586,016	313,489	1,042,381	1,648,061	572,840
Noncurrent Assets								
Mortgage receivable	-	-	-	-	-	-	-	-
Restricted Cash	-	-	-	-	-	-	-	-
Restricted investments	-	-	-	-	-	-	-	-
Capital assets, net of depreciation	7,513,413	16,687,545	11,482,307	1,620,327	2,426,643	5,373,685	6,519,946	32,337,887
Other assets	188	202,290	33,170	241,202	-	-	6,703	-
Total noncurrent assets	7,513,601	16,889,835	11,515,477	1,861,529	2,426,643	5,373,685	6,526,649	32,337,887
Total assets	\$ 7,914,988	\$ 17,053,844	\$ 13,224,409	\$ 2,447,545	\$ 2,740,132	\$ 6,416,066	\$ 8,174,710	\$ 32,910,727
Liabilities and Net Position								
Current Liabilities								
Accounts payable	\$ 36,679	\$ 117,373	\$ 96,012	\$ 30,514	\$ 2,308	\$ 46,401	\$ 16,384	\$ 630,276
Bank Overdraft	-	-	-	-	-	-	-	2,272
Accrued liabilities	33,166	47,494	7,570	28,912	15,898	-	18,763	20,906
Current portion of long-term debt	307,151	10,242,645	-	-	-	-	-	-
Due to other government agencies	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-
Compensated absences	-	-	-	-	-	-	-	-
Trust and deposits	33,744	6,507	76,054	37,477	15,386	23,004	5,346	58,493
Unearned revenues and other current liabilities	38,005	1,386,210	16,185	1,524,636	6,851	1,310	10,902	68,384
Total current liabilities	448,745	11,800,229	195,821	1,621,539	40,443	70,715	51,395	780,331
Noncurrent liabilities								
Compensated absences	-	-	-	-	-	-	-	-
Bonds, notes and loans payable	3,896,706	4,798,301	15,968,970	18,369,277	1,650,000	2,451,089	1,150,000	38,682,801
Other liabilities	1,650,682	141,396	1,298,846	711,483	207,960	931,583	459,589	775,391
Total noncurrent liabilities	5,547,388	4,939,697	17,267,816	19,080,760	1,857,960	3,382,672	1,609,589	39,458,192
Total liabilities	5,996,133	16,739,926	17,463,637	20,702,299	1,898,403	3,453,387	1,660,984	40,238,523
Net Position								
Net investment in capital assets	3,309,556	1,646,599	(4,486,663)	(16,748,950)	776,643	2,922,596	5,369,946	(6,344,914)
Restricted	-	-	-	-	-	-	-	-
Unrestricted (deficit)	(1,390,701)	(1,332,681)	247,435	(1,505,804)	65,086	40,083	1,143,780	(982,882)
Total net position	1,918,855	313,918	(4,239,228)	(18,254,754)	841,729	2,962,679	6,513,726	(7,327,796)
Total liabilities and net position	\$ 7,914,988	\$ 17,053,844	\$ 13,224,409	\$ 2,447,545	\$ 2,740,132	\$ 6,416,066	\$ 8,174,710	\$ 32,910,727

Philadelphia Housing Authority
Component Units
Combining Statement of Net Position (Continued)
March 31, 2016

	Spring Garden Housing I	Spring Garden Historic	Uni-Penn Housing Partnership I	Uni-Penn Housing Partnership II	Cambridge Plaza I	Cambridge Plaza II	Cambridge Plaza III	Germantown House
Assets								
Current Assets								
Cash	\$ 43,734	\$ 204,058	\$ 17,581	\$ 15,065	\$ 68,979	\$ 32,902	\$ 108,557	\$ 218,971
Restricted cash	86,763	399,421	68,388	276,277	290,306	589,271	560,859	1,392,365
Investments	-	-	-	-	-	-	-	-
Receivables, net	2,181	22,733	1,817	32,487	12,102	4,350	52,451	181,133
Due from other governments	-	9,851	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-
Other assets	20,208	8,108	22,709	13,983	-	-	-	9,245
Total current assets	152,886	644,171	110,495	337,812	371,387	626,523	721,867	1,801,714
Noncurrent Assets								
Mortgage receivable	-	-	-	-	-	-	-	-
Restricted cash	-	-	-	-	-	-	-	-
Restricted investments	-	-	-	-	-	-	-	-
Capital assets, net of depreciation	8,933,803	14,521,779	134,498	427,466	4,589,037	5,923,103	6,060,454	14,510,366
Other assets	5,916	81,694	6,252	6,004	20,499	37,033	18,839	42,150
Total noncurrent assets	8,939,719	14,603,473	140,750	433,470	4,609,536	5,960,136	6,079,293	14,552,516
Total assets	\$ 9,092,605	\$ 15,247,644	\$ 251,245	\$ 771,282	\$ 4,980,923	\$ 6,586,659	\$ 6,801,160	\$ 16,354,230
Liabilities and Net Position								
Current Liabilities								
Accounts payable	\$ 41,718	\$ 305,693	\$ 19,578	\$ 61,647	\$ 13,960	\$ 14,253	\$ 13,741	\$ 25,547
Bank Overdraft	-	-	-	-	-	-	-	-
Accrued liabilities	64,563	33,861	11,911	7,400	5,980	16,914	16,831	83,228
Current portion of long-term debt	-	-	-	-	-	-	-	-
Due to other government agencies	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-
Compensated absences	-	-	-	-	-	-	-	-
Trust and deposits	18,893	33,567	12,397	13,281	4,293	4,356	3,961	14,104
Unearned revenues and other current liabilities	1,225	10,363	3,455	3,909	7,374	4,562	4,624	-
Total current liabilities	126,399	383,484	47,341	86,237	31,607	40,085	39,157	122,879
Noncurrent liabilities								
Compensated absences	-	-	-	-	-	-	-	-
Bonds, notes and loans payable	7,046,317	8,842,425	2,459,439	3,213,383	2,579,029	3,593,093	3,041,325	8,187,912
Other liabilities	6,407,298	1,514,208	2,252,923	3,478,887	1,935,644	2,183,064	1,677,781	2,113,945
Total noncurrent liabilities	13,453,615	10,356,633	4,712,362	6,692,270	4,514,673	5,776,157	4,719,106	10,301,857
Total liabilities	13,580,014	10,740,117	4,759,703	6,778,507	4,546,280	5,816,242	4,758,263	10,424,736
Net Position								
Net investment in capital assets	1,887,486	5,679,354	(2,324,941)	(2,785,917)	2,010,008	2,330,010	3,019,129	6,322,454
Restricted	-	-	-	-	-	-	-	-
Unrestricted (deficit)	(6,374,895)	(1,171,827)	(2,183,517)	(3,221,308)	(1,575,365)	(1,559,593)	(976,232)	(392,960)
Total net position	(4,487,409)	4,507,527	(4,508,458)	(6,007,225)	434,643	770,417	2,042,897	5,929,494
Total liabilities and net position	\$ 9,092,605	\$ 15,247,644	\$ 251,245	\$ 771,282	\$ 4,980,923	\$ 6,586,659	\$ 6,801,160	\$ 16,354,230

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

	Lucien E. Blackwell Homes Phase II	Lucien E. Blackwell Homes Phase III	Ludlow Scattered	Mantua I	Mantua II	Marshall Shepard	Mill Creek Phase I	Mt. Olivet
Assets								
Current Assets								
Cash	\$ 282,892	\$ 157,482	\$ 94,666	\$ 64,104	\$ 102,505	\$ 108,166	\$ 201,350	\$ 118,819
Restricted cash	979,103	551,115	860,725	770,033	746,192	871,645	1,084,885	1,868,489
Investments	-	-	-	-	-	-	-	-
Receivables, net	85,512	107,058	51,456	73,262	37,339	158,404	64,548	170,714
Due from other governments	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-
Other assets	9,090	-	9,090	9,090	56,222	9,090	-	9,759
Total current assets	1,356,597	815,655	1,015,937	916,489	942,258	1,147,305	1,350,783	2,167,781
Noncurrent Assets								
Mortgage receivable	-	-	-	-	-	-	-	-
Restricted ash	-	-	-	-	-	-	-	-
Restricted investments	-	-	-	-	-	-	-	-
Capital assets, net of depreciation	11,969,932	10,383,290	18,726,094	14,385,160	13,115,908	16,037,852	11,977,192	10,521,677
Other assets	34,687	76,366	39,741	88,868	126,751	401,896	23,719	150,938
Total noncurrent assets	12,004,619	10,459,656	18,765,835	14,474,028	13,242,659	16,439,748	12,000,911	10,672,615
Total assets	\$ 13,361,216	\$ 11,275,311	\$ 19,781,772	\$ 15,390,517	\$ 14,184,917	\$ 17,587,053	\$ 13,351,694	\$ 12,840,396
Liabilities and Net Position								
Current Liabilities								
Accounts payable	\$ 19,118	\$ 15,926	\$ 12,875	\$ 202	\$ 617	\$ 12,875	\$ 1,587	\$ 22,569
Bank Overdraft	-	-	-	-	-	-	-	-
Accrued liabilities	19,663	17,160	17,628	71,790	26,795	40,601	31,007	138,040
Current portion of long-term debt	-	-	-	-	-	-	-	-
Due to other government agencies	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-
Compensated absences	-	-	-	-	-	-	-	-
Trust and deposits	6,534	4,257	6,534	4,950	4,752	6,831	7,920	15,246
Unearned revenues and other current liabilities	7,980	3,274	7,235	1,700	42,650	4,370	1,702	12,617
Total current liabilities	53,295	40,617	44,272	78,642	74,814	64,677	42,216	188,472
Noncurrent liabilities								
Compensated absences	-	-	-	-	-	-	-	-
Bonds, notes and loans payable	4,201,075	2,944,341	11,545,499	8,399,180	11,685,589	14,395,705	6,103,752	9,740,166
Other liabilities	1,653,081	1,199,210	3,082,633	1,180,908	-	3,387,479	3,400,313	4,111,579
Total noncurrent liabilities	5,854,156	4,143,551	14,628,132	9,580,088	11,685,589	17,783,184	9,504,065	13,851,745
Total liabilities	5,907,451	4,184,168	14,672,404	9,658,730	11,760,403	17,847,861	9,546,281	14,040,217
Net Position								
Net investment in capital assets	7,768,857	7,438,949	7,180,595	5,985,980	1,430,319	1,642,147	5,873,440	781,511
Restricted	-	-	-	-	-	-	-	-
Unrestricted (deficit)	(315,092)	(347,806)	(2,071,227)	(254,193)	994,195	(1,902,955)	(2,068,027)	(1,981,332)
Total net position	7,453,765	7,091,143	5,109,368	5,731,787	2,424,514	(260,808)	3,805,413	(1,199,821)
Total liabilities and net position	\$ 13,361,216	\$ 11,275,311	\$ 19,781,772	\$ 15,390,517	\$ 14,184,917	\$ 17,587,053	\$ 13,351,694	\$ 12,840,396

Philadelphia Housing Authority
Component Units
Combining Statement of Net Position (Continued)
March 31, 2016

	Nellie Reynolds	Norris Apartments LP	Paschall I	Paschall II	Richard Allen Phase III	Suffolk Manor	Tasker I	Tasker II
Assets								
Current Assets								
Cash	\$ 83,866	\$ 76,312	\$ 19,612	\$ 554,352	\$ 73,219	\$ 519,909	\$ 196,749	\$ 458,877
Restricted cash	612,315	496,250	562,824	562,807	1,671,466	460,204	1,912,665	896,288
Investments	-	-	-	-	-	-	-	-
Receivables, net	129,632	57,512	47,704	65,736	32,915	187,460	292,702	305,576
Due from other governments	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-
Other assets	69,147	9,090	9,090	9,090	-	9,291	10,476	9,810
Total current assets	894,960	639,164	639,230	1,191,985	1,777,600	1,176,864	2,412,592	1,670,551
Noncurrent Assets								
Mortgage receivable	-	-	-	-	-	-	-	-
Restricted cash	-	-	-	-	-	-	-	-
Restricted investments	-	-	-	-	-	-	-	-
Capital assets, net of depreciation	14,796,951	18,405,447	16,363,290	16,344,844	21,664,283	16,681,698	30,963,988	22,060,248
Other assets	24,336	85,967	80,323	40,919	33,200	10,962	65,040	43,764
Total noncurrent assets	14,821,287	18,491,414	16,443,613	16,385,763	21,697,483	16,692,660	31,029,028	22,104,012
Total assets	\$ 15,716,247	\$ 19,130,578	\$ 17,082,843	\$ 17,577,748	\$ 23,475,083	\$ 17,869,524	\$ 33,441,620	\$ 23,774,563
Liabilities and Net Position								
Current Liabilities								
Accounts payable	\$ 25,011	\$ 4,562	\$ 13,177	\$ 13,481	\$ 16,226	\$ 14,085	\$ 38,856	\$ 28,893
Bank Overdraft	-	-	-	-	-	-	-	-
Accrued liabilities	110,634	30,742	11,666	16,842	30,121	90,885	111,628	56,370
Current portion of long-term debt	-	-	-	-	-	-	-	-
Due to other government agencies	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-
Compensated absences	-	-	-	-	-	-	-	-
Trust and deposits	6,138	4,851	4,851	4,455	18,367	17,562	25,961	17,267
Unearned revenues and other current liabilities	2,496	13,948	73,981	74,425	10,343	9,758	10,854	7,298
Total current liabilities	144,279	54,103	103,675	109,203	75,057	132,290	187,299	109,828
Noncurrent liabilities								
Compensated absences	-	-	-	-	-	-	-	-
Bonds, notes and loans payable	2,848,291	12,207,241	10,657,385	14,698,348	22,190,978	10,453,027	32,370,784	20,983,881
Other liabilities	1,066,673	1,231,311	1,581,753	2,469,477	480,184	6,750,216	638,087	567,411
Total noncurrent liabilities	3,914,964	13,438,552	12,239,138	17,167,825	22,671,162	17,203,243	33,008,871	21,551,292
Total liabilities	4,059,243	13,492,655	12,342,813	17,277,028	22,746,219	17,335,533	33,196,170	21,661,120
Net Position								
Net investment in capital assets	11,948,660	6,198,206	5,705,905	1,646,496	(526,695)	6,228,671	(1,406,796)	1,076,367
Restricted	-	-	-	-	-	-	-	-
Unrestricted (deficit)	(291,656)	(560,283)	(965,875)	(1,345,776)	1,255,559	(5,694,680)	1,652,246	1,037,076
Total net position	11,657,004	5,637,923	4,740,030	300,720	728,864	533,991	245,450	2,113,443
Total liabilities and net position	\$ 15,716,247	\$ 19,130,578	\$ 17,082,843	\$ 17,577,748	\$ 23,475,083	\$ 17,869,524	\$ 33,441,620	\$ 23,774,563

Philadelphia Housing Authority
Component Units
Combining Statement of Net Position (Continued)
March 31, 2016

	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	\$ 152,453	\$ 88,159	\$ 27,746	\$ 7,366	\$ 67,790	\$ 5,661,369
Restricted cash	425,549	754,455	483,791	7,747,798	-	32,385,421
Investments	-	-	-	-	-	-
Receivables, net	50,790	39,383	81,026	1,835	620	2,530,801
Due from other governments	-	-	-	-	-	181,129
Due from other funds	-	-	-	-	-	-
Other assets	9,090	9,090	37,485	-	6,192	551,619
Total current assets	637,882	891,087	630,048	7,756,999	74,602	41,310,339
Noncurrent Assets						
Mortgage receivable	-	-	-	-	-	-
Restricted cash	-	-	-	-	-	-
Restricted investments	-	-	-	-	-	-
Capital assets, net of depreciation	6,613,771	14,468,047	12,705,271	14,190,596	3,836,430	455,274,228
Other assets	17,761	54,863	44,675	-	-	2,146,716
Total noncurrent assets	6,631,532	14,522,910	12,749,946	14,190,596	3,836,430	457,420,944
Total assets	\$ 7,269,414	\$ 15,413,997	\$ 13,379,994	\$ 21,947,595	\$ 3,911,032	\$ 498,731,283
Liabilities and Net Position						
Current Liabilities						
Accounts payable	\$ 1,786	\$ 27,522	\$ 12,875	\$ 65	\$ -	\$ 1,754,392
Bank overdraft	-	-	-	-	-	2,272
Accrued liabilities	37,092	21,743	53,916	-	-	1,347,720
Current portion of long-term debt	-	-	-	-	-	10,549,796
Due to other government agencies	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Compensated absences	-	-	-	-	-	-
Trust and deposits	4,059	5,247	4,455	891	-	531,991
Unearned revenues and other current liabilities	2,732	1,514	3,534	4,170,212	1,777,541	9,328,159
Total current liabilities	45,669	56,026	74,780	4,171,168	1,777,541	23,514,330
Noncurrent liabilities						
Compensated absences	-	-	-	-	-	-
Bonds, notes and loans payable	3,351,430	7,842,724	7,254,139	17,157,161	1,660,682	358,621,445
Other liabilities	1,624,497	916,191	2,803,341	251,234	-	66,136,258
Total noncurrent liabilities	4,975,927	8,758,915	10,057,480	17,408,395	1,660,682	424,757,703
Total liabilities	5,021,596	8,814,941	10,132,260	21,579,563	3,438,223	448,272,033
Net Position						
Net investment in capital assets	3,262,341	6,625,323	5,451,132	(2,966,565)	2,175,748	86,102,987
Restricted	-	-	-	-	-	-
Unrestricted (deficit)	(1,014,523)	(26,267)	(2,203,398)	3,334,597	(1,702,939)	(35,643,737)
Total net position	2,247,818	6,599,056	3,247,734	368,032	472,809	50,459,250
Total liabilities and net position	\$ 7,269,414	\$ 15,413,997	\$ 13,379,994	\$ 21,947,595	\$ 3,911,032	\$ 498,731,283

Philadelphia Housing Authority
Component Units
Combining Statement of Revenues, Expenses and Changes in Net Position
March 31, 2016

	Neumann North	New Courtland Apartments at Allegheny	Raymond Rosen Assoc. t/a 8 Diamonds Townhouses	Ridge Avenue Housing	St. Anthony's Senior Residences	St. Ignatius Senior Housing I	St. Ignatius Senior Housing II	Southwark Plaza
Operating Revenue								
Total tenant revenue	\$ 514,630	\$ 22,836	\$ 541,135	\$ 1,018,615	\$ 349,069	\$ 557,137	\$ 456,030	\$ 906,597
Operating subsidies	-	-	-	-	-	-	-	-
Other income	188,426	-	653,272	12,238	5,727	15,775	3,017	2,144,055
Total operating revenue	703,056	22,836	1,194,407	1,030,853	354,796	572,912	459,047	3,050,652
Operating Expenses								
Administrative	158,411	39,386	282,037	324,366	134,348	168,018	92,986	879,718
Tenant services	21,595	-	64,103	26,432	-	-	-	106,349
Utilities	185,262	44,784	212,151	126,235	40,142	119,916	86,756	644,229
Maintenance	178,193	21,679	460,099	420,176	105,343	90,128	66,347	1,298,967
Protective services	-	-	-	-	-	-	-	-
General	45,598	57,569	152,063	114,258	49,629	82,423	62,931	385,396
Housing assistance programs	-	-	-	-	-	-	-	-
Depreciation and amortization	263,220	87,749	909,875	83,485	201,768	254,159	217,051	1,466,963
Total operating expenses	852,279	251,167	2,080,328	1,094,952	531,230	714,644	526,071	4,781,622
Operating income (loss)	(149,223)	(228,331)	(885,921)	(64,099)	(176,434)	(141,732)	(67,024)	(1,730,970)
Nonoperating Revenue and (Expenses)								
Interest and investment earnings	1,389	-	3,131	3	274	2,568	-	1,852
Other revenue/charges	-	-	57,899	-	-	-	-	-
Interest expense	(148,786)	(32,544)	(79,845)	(18,188)	(18,224)	(99,554)	(66,756)	-
Net nonoperating revenue	(147,397)	(32,544)	(18,815)	(18,185)	(17,950)	(96,986)	(66,756)	1,852
Income (loss) before capital contributions	(296,620)	(260,875)	(904,736)	(82,284)	(194,384)	(238,718)	(133,780)	(1,729,118)
Capital contributions								
HUD capital subsidies	-	-	-	-	-	-	-	-
Other nonoperating contributions	-	-	-	-	-	-	-	-
Partner distributions	-	-	-	-	-	-	-	-
Partners contributions	-	574,793	-	-	-	-	-	-
	-	574,793	-	-	-	-	-	-
Change in net position	(296,620)	313,918	(904,736)	(82,284)	(194,384)	(238,718)	(133,780)	(1,729,118)
Net position, beginning								
As previously reported	2,215,475	-	(3,334,492)	(18,172,470)	1,036,113	3,201,397	6,647,506	(5,598,678)
Prior period adjustments	-	-	-	-	-	-	-	-
As restated	2,215,475	-	(3,334,492)	(18,172,470)	1,036,113	3,201,397	6,647,506	(5,598,678)
Net position, ending	\$ 1,918,855	\$ 313,918	\$ (4,239,228)	\$ (18,254,754)	\$ 841,729	\$ 2,962,679	\$ 6,513,726	\$ (7,327,796)

Philadelphia Housing Authority
Component Units
Combining Statement of Revenues, Expenses and Changes in Net Position (Continued)
March 31, 2016

	Spring Garden Housing I	Spring Garden Historic	Uni-Penn Housing Partnership I	Uni-Penn Housing Partnership II	Cambridge Plaza I	Cambridge Plaza II	Cambridge Plaza III	Germantown House
Operating Revenue								
Total tenant revenue	\$ 699,826	\$ 467,319	\$ 348,733	\$ 301,369	\$ 367,239	\$ 416,990	\$ 399,792	\$ 1,393,186
Operating subsidies	-	-	-	-	-	-	-	-
Other income	3,696	10,618	408	3,782	1,165	914	2,137	11,046
Total operating revenue	703,522	477,937	349,141	305,151	368,404	417,904	401,929	1,404,232
Operating Expenses								
Administrative	189,498	196,631	133,809	96,861	93,363	139,136	139,133	485,754
Tenant services	58,371	-	31	-	-	-	-	-
Utilities	100,059	76,512	34,180	56,647	41,198	61,119	48,386	258,909
Maintenance	183,668	126,393	171,908	115,588	154,992	144,335	149,893	516,986
Protective services	-	-	-	-	-	-	-	-
General	110,332	101,349	44,207	38,921	60,039	51,676	44,041	75,806
Housing assistance programs	-	-	-	-	-	-	-	-
Depreciation and amortization	343,228	460,292	6,501	15,600	209,405	261,740	244,699	481,209
Total operating expenses	985,156	961,177	390,636	323,617	558,997	658,006	626,152	1,818,664
Operating income (loss)	(281,634)	(483,240)	(41,495)	(18,466)	(190,593)	(240,102)	(224,223)	(414,432)
Nonoperating Revenue and (Expenses)								
Interest and investment earnings	21	1,969	-	534	54	82	77	251
Other revenue/charges	-	-	-	-	-	-	-	-
Interest expense	(664,068)	(102,000)	(161,837)	(137,538)	(140,815)	(187,919)	(159,061)	(142,909)
Net nonoperating revenue	(664,047)	(100,031)	(161,837)	(137,004)	(140,761)	(187,837)	(158,984)	(142,658)
Income (loss) before capital contributions	(945,681)	(583,271)	(203,332)	(155,470)	(331,354)	(427,939)	(383,207)	(557,090)
Capital contributions								
HUD capital subsidies	-	-	-	-	-	-	-	-
Other nonoperating contributions	-	-	-	-	-	-	-	-
Partner distributions	-	(452,060)	-	-	-	-	-	-
Partners contributions	-	-	-	-	-	-	-	-
	-	(452,060)	-	-	-	-	-	-
Change in net position	(945,681)	(1,035,331)	(203,332)	(155,470)	(331,354)	(427,939)	(383,207)	(557,090)
Net position, beginning								
As previously reported	(3,541,728)	5,542,858	(4,305,126)	(5,851,755)	765,997	1,198,356	2,426,104	6,486,584
Prior period adjustments	-	-	-	-	-	-	-	-
As restated	(3,541,728)	5,542,858	(4,305,126)	(5,851,755)	765,997	1,198,356	2,426,104	6,486,584
Net position, ending	\$ (4,487,409)	\$ 4,507,527	\$ (4,508,458)	\$ (6,007,225)	\$ 434,643	\$ 770,417	\$ 2,042,897	\$ 5,929,494

Philadelphia Housing Authority
Component Units
Combining Statement of Revenues, Expenses and Changes in Net Position (Continued)
March 31, 2016

	Lucien E. Blackwell Homes Phase II	Lucien E. Blakcwell Homes Phase III	Ludlow Scattered	Mantua I	Mantua II	Marshall Shepard	Mill Creek Phase I	Mt. Olivet
Operating Revenue								
Total tenant revenue	\$ 684,727	\$ 565,487	\$ 617,254	\$ 577,056	\$ 401,811	\$ 827,103	\$ 669,838	\$ 1,823,661
Operating subsidies								
Other income	6,952	4,047	8,236	1,273	3,937	9,623	158,939	6,594
Total operating revenue	691,679	569,534	625,490	578,329	405,748	836,726	828,777	1,830,255
Operating Expenses								
Administrative	125,877	203,109	223,720	149,877	86,285	312,136	215,590	600,038
Tenant services	-	-	-	-	-	-	-	-
Utilities	66,263	44,562	72,979	44,918	80,185	102,231	87,550	311,406
Maintenance	391,846	214,186	240,206	300,965	150,689	310,288	207,217	746,449
Protective services								
General	66,353	82,577	51,265	58,604	63,480	73,340	115,743	105,944
Housing assistance programs								
Depreciation and amortization	533,166	371,994	616,229	573,045	534,701	666,586	505,481	385,667
Total operating expenses	1,183,505	916,428	1,204,399	1,127,409	915,340	1,464,581	1,131,581	2,149,504
Operating income (loss)	(491,826)	(346,894)	(578,909)	(549,080)	(509,592)	(627,855)	(302,804)	(319,249)
Nonoperating Revenue and (Expenses)								
Interest and investment earnings	196	101	104	2,223	1,434	130	167	225
Other revenue/charges								
Interest expense	(143,532)	(98,756)	(345,167)	(207,355)	(660)	(431,871)	(290,138)	(332,747)
Net nonoperating revenue	(143,336)	(98,655)	(345,063)	(205,132)	774	(431,741)	(289,971)	(332,522)
Income (loss) before capital contributions	(635,162)	(445,549)	(923,972)	(754,212)	(508,818)	(1,059,596)	(592,775)	(651,771)
Capital contributions								
HUD capital subsidies	-	-	-	-	-	-	-	-
Other nonoperating contributions	-	-	-	-	-	-	-	-
Partner distributions	-	-	-	-	-	-	-	-
Partners contributions	-	-	-	-	603,551	-	-	-
	-	-	-	-	603,551	-	-	-
Change in net position	(635,162)	(445,549)	(923,972)	(754,212)	94,733	(1,059,596)	(592,775)	(651,771)
Net position, beginning								
As previously reported	8,088,927	7,536,692	6,033,340	6,485,999	2,329,781	798,788	4,398,188	(548,050)
Prior period adjustments	-	-	-	-	-	-	-	-
As restated	8,088,927	7,536,692	6,033,340	6,485,999	2,329,781	798,788	4,398,188	(548,050)
Net position, ending	\$ 7,453,765	\$ 7,091,143	\$ 5,109,368	\$ 5,731,787	\$ 2,424,514	\$ (260,808)	\$ 3,805,413	\$ (1,199,821)

Philadelphia Housing Authority
Component Units
Combining Statement of Revenues, Expenses and Changes in Net Position (Continued)
March 31, 2016

	Nellie Reynolds	Norris Apartments LP	Paschall I	Paschall II	Richard Allen Phase III	Suffolk Manor	Tasker I	Tasker II
Operating Revenue								
Total tenant revenue	\$ 726,772	\$ 466,522	\$ 441,007	\$ 433,572	\$ 1,319,613	\$ 1,570,386	\$ 2,181,876	\$ 1,453,767
Operating subsidies								
Other income	1,171	2,026	3,831	4,892	7,152	9,086	9,052	88,065
Total operating revenue	727,943	468,548	444,838	438,464	1,326,765	1,579,472	2,190,928	1,541,832
Operating Expenses								
Administrative	177,511	164,052	79,921	185,259	562,437	587,619	351,098	275,576
Tenant services								
Utilities	156,988	58,556	58,229	61,138	166,070	246,637	352,774	188,297
Maintenance	280,390	166,014	225,766	115,743	406,000	601,661	1,201,024	834,490
Protective services								
General	90,467	56,650	58,745	52,732	117,397	85,573	154,060	140,850
Housing assistance programs								
Depreciation and amortization	454,981	646,830	688,057	723,314	814,485	601,199	1,325,569	921,495
Total operating expenses	1,160,337	1,092,102	1,110,718	1,138,186	2,066,389	2,122,689	3,384,525	2,360,708
Operating income (loss)	(432,394)	(623,554)	(665,880)	(699,722)	(739,624)	(543,217)	(1,193,597)	(818,876)
Nonoperating Revenue and (Expenses)								
Interest and investment earnings	85	255	1,774	356	191	277	231	221
Other revenue/charges								
Interest expense	(146,687)	(244,145)	(213,148)	(293,967)	(22,191)	(500,292)	(32,381)	(20,990)
Net nonoperating revenue	(146,602)	(243,890)	(211,374)	(293,611)	(22,000)	(500,015)	(32,150)	(20,769)
Income (loss) before capital contributions	(578,996)	(867,444)	(877,254)	(993,333)	(761,624)	(1,043,232)	(1,225,747)	(839,645)
Capital contributions								
HUD capital subsidies	-	-	-	-	-	-	-	-
Other nonoperating contributions	-	-	-	-	-	-	-	-
Partner distributions	-	-	-	-	-	-	-	-
Partners contributions	-	8,425,493	7,154,662	3,980,954	-	-	-	-
	-	8,425,493	7,154,662	3,980,954	-	-	-	-
Change in net position	(578,996)	7,558,049	6,277,408	2,987,621	(761,624)	(1,043,232)	(1,225,747)	(839,645)
Net position, beginning								
As previously reported	12,236,000	(1,920,126)	(1,537,378)	(2,686,901)	1,490,488	1,577,223	1,471,197	2,953,088
Prior period adjustments								
As restated	12,236,000	(1,920,126)	(1,537,378)	(2,686,901)	1,490,488	1,577,223	1,471,197	2,953,088
Net position, ending	\$ 11,657,004	\$ 5,637,923	\$ 4,740,030	\$ 300,720	\$ 728,864	\$ 533,991	\$ 245,450	\$ 2,113,443

Philadelphia Housing Authority
Component Units
Combining Statement of Revenues, Expenses and Changes in Net Position (Continued)
March 31, 2016

	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	\$ 328,245	\$ 489,689	\$ 530,497	\$ 944	\$ -	\$ 24,870,330
Operating subsidies	-	-	-	-	-	-
Other income	3,165	2,463	5,228	-	-	3,392,008
Total operating revenue	331,410	492,152	535,725	944	-	28,262,338
Operating Expenses						
Administrative	64,559	90,234	127,904	1,502	-	8,137,759
Tenant services	-	-	-	-	-	276,881
Utilities	53,255	53,476	99,110	-	-	4,441,109
Maintenance	151,799	276,241	219,566	-	-	11,245,235
Protective services	-	-	-	-	-	-
General	40,084	46,546	72,343	5,000	-	3,013,991
Housing assistance programs	-	-	-	-	-	-
Depreciation and amortization	262,742	480,033	424,693	12,212	-	17,049,423
Total operating expenses	572,439	946,530	943,616	18,714	-	44,164,398
Operating income (loss)	(241,029)	(454,378)	(407,891)	(17,770)	-	(15,902,060)
Nonoperating Revenue and (Expenses)						
Interest and investment earnings	89	94	72	1	-	20,431
Other revenue/charges	-	-	-	-	-	57,899
Interest expense	(151,486)	(137,400)	(307,258)	-	-	(6,080,215)
Net nonoperating revenue	(151,397)	(137,306)	(307,186)	1	-	(6,001,885)
Income (loss) before capital contributions	(392,426)	(591,684)	(715,077)	(17,769)	-	(21,903,945)
Capital contributions						
HUD capital subsidies	-	-	-	-	-	-
Other nonoperating contributions	-	-	-	-	-	-
Partner distributions	-	-	-	-	-	(452,060)
Partners contributions	-	156,381	-	10	472,809	21,368,653
	-	156,381	-	10	472,809	20,916,593
Change in net position	(392,426)	(435,303)	(715,077)	(17,759)	472,809	(987,352)
Net position, beginning						
As previously reported	2,640,244	7,034,359	3,962,811	385,791	-	51,446,602
Prior period adjustments	-	-	-	-	-	-
As restated	2,640,244	7,034,359	3,962,811	385,791	-	51,446,602
Net position, ending	\$ 2,247,818	\$ 6,599,056	\$ 3,247,734	\$ 368,032	\$ 472,809	\$ 50,459,250

Single Audit Section

Philadelphia Housing Authority

**Schedule of Expenditures of Federal Awards
Year Ended March 31, 2016**

	Federal CFDA Number	Pass-Through Grantor Number	Pass Through Subrecipients	Federal Expenditures
<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>				
<u>U.S. Department of Housing and Urban Development</u>				
Congregate Housing Services Program	14.170	N/A	\$ -	\$ 104,424
Section 8 Project-Based Cluster				
Section 8 Moderate Rehabilitation Single Room Occupancy	14.249	N/A	-	1,661,545
Lower Income Housing Assistance Program_Section 8 Moderate Rehabilitation	14.856	N/A	-	1,832,946
Total Section 8 Project-Based Cluster			-	3,494,491
Moving to Work Demonstration Program				
Section 8 Housing Choice Vouchers			-	202,409,526
Public and Indian Housing			16,299,029	121,582,368
Public Housing Capital Fund			-	54,604,995
Total Moving to Work Demonstration Program	14.881	N/A	16,299,029	378,596,889
Resident Opportunity and Supportive Services - Service Coordinators	14.870	N/A	-	899,629
Choice Neighborhoods Implementation Grants	14.889	N/A	-	161,417
Housing Voucher Cluster				
Mainstream Vouchers	14.879	N/A	-	527,010
Total Housing Voucher Cluster			-	527,010
<u>U.S. Department of Health and Human Services</u>				
Assets for Independence Demonstration Program	93.602	N/A	-	32,000
<u>U.S. Department of Agriculture</u>				
<u>Pass-Through Commonwealth of Pennsylvania</u>				
Summer Food Service Program for Children	10.559	N/A	-	201,835
			\$ 16,299,029	\$ 384,017,695

See notes to schedule of expenditures of federal awards.

Philadelphia Housing Authority

Notes to Schedule of Expenditures of Federal Awards Year Ended March 31, 2016

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, 2016. 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, 2016**

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.	\$ 180,358		
		Cambridge Plaza II, L.P.	362,304		
		Cambridge III, L.P.	260,391		
				(Falls Ridge) Ridge Avenue	554,805
				Germantown House	880,754
				Lucien E. Blackwell Homes Phase II, L.P.	319,396
				Lucien E. Blackwell Homes Phase III, L.P.	381,745
				Ludlow Scattered Sites Phase III, L.P.	231,269
				Mantua Phase I, L.P.	370,775
				Mantua Phase II, L.P.	194,000
				Marshall Shepard Village, L.P.	598,865
				Mill Creek	362,098
				Mt. Olivet L.P.	1,017,861
				Nellie Reynolds Gardens, L.P.	479,762
				Neuman North, L.P.	268,530
				Norris Apartments, L.P.	242,934
				Paschall L.P. Phase I	221,240
				Paschall L.P. Phase II	290,313
				Raymond Rosen (8 Diamonds)	636,361
				Richard Allen Phase III	663,952
				Southwark (Courtyards)	2,061,383
				Spring Garden Housing Limited Partnership	370,457
				Spring Garden II	116,652
				St. Anthony's Senior Residences Associates, L.P.	163,690
				St. Ignatius Senior Housing I, L.P. (Angela Court I)	274,819
				St. Ignatius Senior Housing II, L.P. (Angela Court II)	206,988
				Suffolk Manor	1,051,424
				Tasker I	1,400,480
				Tasker II	957,338
				Uni-Penn (MLK I) I	218,965
				Uni-Penn (MLK II) II	180,279
				Uni-Penn (MLK IV) IV	182,865
				Warnock Phase I	260,694
		Warnock Phase II	335,282		
			<u><u>\$ 16,299,029</u></u>		

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

To the Board of Commissioners
Philadelphia Housing Authority
Philadelphia, Pennsylvania

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the proprietary fund type, the aggregate discretely presented component units and aggregate remaining fund information of Philadelphia Housing Authority (PHA), as of and for the year ended March 31, 2016, and the related notes to the financial statements, which collectively comprise PHA's basic financial statements, and have issued our report thereon dated November 28, 2016. Our report includes an emphasis of matter relating to PHA's adoption of Government Accounting Standards Board (GASB) Statements No. 68 and 71. Our report also includes a reference to other auditors who audited the financial statements of the fiduciary fund type and the discretely presented component units, as described in our report on PHA's financial statements. The financial statements of the discretely presented component units were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether PHA's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

RSM US LLP

Blue Bell, Pennsylvania
November 28, 2016

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 each of PHA's major federal programs for the year ended March 31, 2016. PHA's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, contracts, 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 each of PHA's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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 each major federal program. However, our audit does not provide a legal determination of PHA's compliance.

Opinion on Each Major Federal Program

In our opinion, PHA complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended March 31, 2016.

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 items No. 2016-001, 2016-002, 2016-003, 2016-004 and 2016-005. Our opinion on each major federal program is not modified with respect to these matters.

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 each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with 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 certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items No.2016-001, 2016-002, 2016-003, 2016-004 and 2016-005 that we consider to be significant deficiencies.

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 US LLP

Blue Bell, Pennsylvania
November 28, 2016

Philadelphia Housing Authority

**Schedule of Findings and Questioned Costs
Year Ended March 31, 2016**

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
Section 8 Project Based Cluster

14.881
14.249 / 14.856

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 (Continued) Year Ended March 31, 2016

II. Financial Statement Findings

None identified.

III. Findings and Questioned Costs for Federal Awards

This section identifies the audit findings required to be reported by 2 CFR 200.516 (a) (for example, material weaknesses, significant deficiencies, and material instances of noncompliance, including questioned costs), as well as any abuse findings involving federal awards that are material to a major program.

Finding #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.

Philadelphia Housing Authority

Schedule of Findings and Questioned Costs (Continued) Year Ended March 31, 2016

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) Unknown
- (c) \$1,232 of additional annual income reported for 2 tenants. No effect on remaining 2 LPH tenant files.
- (d) Unknown
- (e) None
- (f) None
- (g) None
- (h) None

Philadelphia Housing Authority

Schedule of Findings and Questioned Costs (Continued) Year Ended March 31, 2016

- (i) \$956.58 of additional rent due from the tenants at March 31, 2016
- (j) \$149.42 rent credit due to tenant for period September 1, 2015 to March 7, 2016

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

Philadelphia Housing Authority

Schedule of Findings and Questioned Costs (Continued) Year Ended March 31, 2016

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.

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

Federal program information

U.S. Department of Housing and Urban Development

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

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

Program Number: 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

Philadelphia Housing Authority

Schedule of Findings and Questioned Costs (Continued) Year Ended March 31, 2016

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

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:

Philadelphia Housing Authority

Schedule of Findings and Questioned Costs (Continued) Year Ended March 31, 2016

- (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) 1 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 Jul 14 and Jul 15 2016 (Administrative Plan Training)

Philadelphia Housing Authority

Schedule of Findings and Questioned Costs (Continued) Year Ended March 31, 2016

- 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)

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.

Philadelphia Housing Authority

Schedule of Findings and Questioned Costs (Continued) Year Ended March 31, 2016

- (b) 1 tenant file for discrete component units was 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 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.

Philadelphia Housing Authority

Schedule of Findings and Questioned Costs (Continued) Year Ended March 31, 2016

Finding #2016-005 –Contract Rent Adjustments

Federal program information

U.S. Department of Housing and Urban Development

CFDA 14.249 Section 8 Moderate Rehabilitation Single Room Occupancy
Program Year: April 1, 2015 to March 31, 2016
Program Number: 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

Philadelphia Housing Authority

Schedule of Prior Year Findings Year Ended March 31, 2016

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

Federal program information

U.S. Department of Housing and Urban Development

CFDA 14.881 Moving to Work Demonstration Program
Section 8 Housing Choice Vouchers
Program Year: April 1, 2014 to March 31, 2015
Program Number: PA002VOW
Public and Indian Housing
Program Year: April 1, 2014 to March 31, 2015
Program Number: PA002-00000114D and PA002-00000115D

Criteria

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

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

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

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

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

Philadelphia Housing Authority

Schedule of Prior Year Findings Year Ended March 31, 2016

Statement of Condition

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

Housing Choice Voucher Program

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

Low Rent Public Housing Program

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

Known and Likely Questioned Costs

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

Housing Choice Voucher Program

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

Philadelphia Housing Authority

Schedule of Prior Year Findings Year Ended March 31, 2016

Low Rent Public Housing Program

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

Cause of Condition

The causes of conditions noted were:

Housing Choice Voucher Program

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

Low Rent Public Housing

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

Recommendation

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

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

Philadelphia Housing Authority

Schedule of Prior Year Findings Year Ended March 31, 2016

Current Status

As a result of last fiscal year's audit findings, the *Housing Choice Voucher (HCV) Program and Low-Rent Public Housing Program (LPH)* expanded and strengthened processes to comply with 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.

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.

As of date, all noted findings for both LIPH and HCV Programs have been corrected.

Philadelphia Housing Authority

**Corrective Action Plan
Year Ended March 31, 2016**

See attached Corrective Action Plan.



**Philadelphia Housing Authority
Annual Audit Corrective Action Plan
Year End March 31, 2016**

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) Unknown
- (c) \$1,232 of additional annual income reported for 2 tenants. No effect on remaining 2 LPH tenant files.
- (d) Unknown
- (e) None
- (f) None
- (g) None
- (h) None
- (i) \$956.58 of additional rent due from the tenants at March 31, 2016
- (j) \$149.42 rent credit due to tenant for period September 1, 2015 to March 7, 2016

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.

Corrective Action Plan

Housing Choice Voucher Program:

- (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:

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.

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

Federal program information

U.S. Department of Housing and Urban Development

CFDA 14.249 Section 8 Moderate Rehabilitation Single Room Occupancy (SRO)
Program Year: April 1, 2015 to March 31,
2016 Program Number: 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 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.

Corrective Action Plan

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 Projecto 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

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) 1 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.

Corrective Action Plan

- 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)

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.

Corrective Action Plan

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 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.

Finding #2016-005 –Contract Rent Adjustments

Federal program information

U.S. Department of Housing and Urban Development

CFDA 14.249 Section 8 Moderate Rehabilitation Single Room Occupancy

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

Program Number: 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.

Corrective Action Plan

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