

Allegheny County Housing Authority

Single Audit

September 30, 2013

MaherDuessel
Certified Public Accountants

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ALLEGHENY COUNTY HOUSING AUTHORITY

FOR THE YEARS ENDED SEPTEMBER 30, 2013 AND 2012

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ALLEGHENY COUNTY HOUSING AUTHORITY

FOR THE YEARS ENDED SEPTEMBER 30, 2013 AND 2012

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Independent Auditor's Report

Board of Directors
Allegheny County Housing Authority

Report on the Financial Statements

We have audited the accompanying financial statements of the Allegheny County Housing Authority (Authority), as of and for the years ended September 30, 2013 and 2012, and the related notes to the financial statements, which collectively comprise the 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 an opinion on these financial statements based on our audits. We conducted our audits 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 audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of September 30, 2013 and 2012, and the changes in financial

position, and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages i through x 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 audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The financial data schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The financial data schedules and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate 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 financial data schedules and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

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

Mahe Duessel

Pittsburgh, Pennsylvania
June 18, 2014

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR ALLEGHENY COUNTY HOUSING AUTHORITY

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 34, Allegheny County Housing Authority (the Authority) is providing this Management's Discussion and Analysis (MD&A) report. This MD&A should be considered in conjunction with the Authority-Wide Financial Statements and with the Authority's Financial Data Schedule (FDS) for the fiscal year ending September 30, 2013. The Authority's MD&A is designed to:

1. Assist the reader in focusing on significant financial issues,
2. Provide an overview of the Authority's financial activity,
3. Identify changes in the Authority's financial position and discuss its ability to address the next and subsequent year challenges, and
4. Identify issues or concerns.

The MD&A is designed to focus on the current year's activities, resulting changes, and currently known facts. The Authority consists of a standalone Enterprise Fund. Under GAAP, Enterprise Funds utilize the full accrual basis of accounting and are similar to accounting utilized by the private sector. Within the Enterprise Fund, the Authority maintains many distinct programs.

SINGLE AUDIT HIGHLIGHTS

The Authority is subject to a Single Audit under OMB Circular A-133. A summary of the auditor's results can be found on page 61. There were no findings noted for the year ended September 30, 2013.

FINANCIAL HIGHLIGHTS

- During 2013, the Enterprise Fund's total assets decreased by \$4.3 million (or 2.0%). Total assets were \$202.5 million and \$206.8 million for 2013 and 2012, respectively. The \$4.3 million decrease is comprised of three factors, changes in current assets, changes in capital assets and changes in other assets. Capital assets decreased by \$1.4 million. Other assets decreased \$0.7 million. Current assets decreased \$2.2 million. The net decrease in capital assets is due to the normal depreciation of \$7.8 million which was offset by the normal modernization activities which increased buildings by \$3.5 million, land by \$0.2 million, equipment by \$0.4 million, and construction in progress by \$2.3 million. The majority of the construction in progress is related to Carnegie. Current assets decreased due to accounts and notes receivable of \$3.6 million which was offset by an increase in cash and cash equivalents and investments of \$1.4 million.
- The Enterprise Fund had a decrease in net position of \$3.9 million (or 2.0%). Total net position was \$184.3 and \$188.2 million for 2013 and 2012, respectively. Unrestricted net position decreased by \$1.3 million while restricted net position decreased \$0.5 million, and net investment in capital assets decreased by \$2.1 million. The change in unrestricted net position represents the need to use unrestricted reserves to fund expenses in 2013. The decrease in net investment in capital assets is, again, related to the normal depreciation of \$7.8 million, the normal modernization activities which increased buildings by \$3.5 million, land by \$0.2 million, equipment by \$0.4 million, and construction in progress by \$2.3 million. The majority of the construction in progress is related to Carnegie. The decline in restricted net position can be contributed mainly to HUD's use of these funds to fund Housing Assistance Payments.
- The Enterprise Fund's total revenues decreased by \$0.7 million (or 1%) from \$64.1 million in fiscal year 2012 to \$63.4 million in fiscal year 2013. The \$0.7 million decrease is related to the following main factors. Capital grants increased by \$1.7 million. Operating subsidies decreased by \$0.9 million. Tenant revenue increased by \$0.5 million due to increased leasing and additional units coming on-line in 2013. Other revenue decreased by \$2.0 million.
- The Enterprise Fund's total operating expenses decreased by \$1.0 million (or 2.0%). Total operating expenses were \$58.3 million and \$59.3 million for 2013 and 2012, respectively. Decreases in operating expenses occurred mainly in ordinary maintenance and operations – contract costs of \$1.1 million.
- The Enterprise Fund's total non-operating expenses remained consistent. Total non-operating expenses were (\$9.0) million and (\$8.8) million for 2013 and 2012, respectively.

- The Enterprise Fund’s total capital contributions increased \$1.7 million (or 71%) in 2013 as compared to 2012. Total capital contributions were \$4.1 million and \$2.4 million for 2013 and 2012, respectively. This increase is mainly due to the award of multiple CDBG grants for capital projects.

USING THIS ANNUAL REPORT

The following graphic outlines the format of the Annual Report:

<p>MD&A</p> <p>~ Management’s Discussion and Analysis ~</p>
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<p>Basic Financial Statements</p> <p>~ Authority-Wide Financial Statements – pps 1-6 ~ Notes to Financial Statements – pps 7-36</p>
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Authority-Wide Financial Statements

The Authority-Wide Financial Statements include the Statements of Net Position, which are similar to a Balance Sheet. The Statements of Net Position report all financial and capital resources for the Authority. These statements are presented in the format where assets equal liabilities plus net position. Assets and liabilities are presented in order of liquidity and are classified as “current” (convertible into cash within one year) and “noncurrent.”

Net position is reported in three broad categories:

Net Investment in Capital Assets: This component of net position consists of all capital assets, 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.

Restricted Net Position: This component of net position consists of restricted assets, whose use is constrained by the terms and conditions of agreements entered into by the Authority. The largest portion of the Authority’s restricted net position relates to its mixed finance development transactions and debt agreements, and also for use in the Housing Choice Voucher Program.

Unrestricted Net Position: Consists of net position that does not meet the definition of “Net Investment in Capital Assets” or “Restricted Net Position,” and represents the net available liquid assets, net of liabilities for the Authority.

The Authority-Wide Financial Statements also include the Statements of Revenues, Expenses, and Changes in Net Position (similar to an income statement). These statements include operating revenues (such as rental income and government grants), operating expenses (such as housing assistance payments, administrative, utilities, and maintenance), and non-operating revenue and expenses (such as capital grant revenue, depreciation, and interest expense).

The focus of the Statements of Revenues, Expenses, and Changes in Net Position is the “change in net position,” which is similar to net income or loss.

Finally, the Statements of Cash Flows are included, which disclose net cash provided by or used in operating activities, non-capital and related financing activities, capital and related financing activities, and investing activities.

Allegheny County Housing Authority’s Programs

Low Income Public Housing - Under the Low Income Public Housing Program (LIPH), the Authority rents apartments that it owns to low-income households. The LIPH Program is operated under an Annual Contributions Contract (ACC) with the U.S. Department of Housing and Urban Development (HUD) and HUD provides Operating Subsidy funding to enable the PHA to provide the housing at a rent that is based upon 30% of household income. All Capital Program activity is required to be reported within the Low-Income Public Housing Program on the Financial Data Schedule.

Capital Fund Program - Under the Capital Fund Program, the Authority receives funding to rehabilitate and repair existing housing stock and to develop new housing. The Capital Fund Program operates under annual grants from HUD. These grants are formula based and not competitive awards. The Capital Fund Program is the primary funding source for physical and management improvements to the Authority’s properties. All Capital Fund Program activity is required to be reported within the Low-Income Public Housing Program on the Financial Data Schedule.

Housing Choice Voucher Program - Under the Housing Choice Voucher Program (HCV), the Authority administers contracts with independent landlords that own the property. The Authority subsidizes the family’s rent through a Housing Assistance Payment made to the landlord. The HCV program is administered under an ACC with HUD. HUD provides Annual Contributions Funding to enable the Authority to structure a lease that sets the participants’ rent at 30% of household income.

Supportive Housing for Persons with Disabilities Program - Under the Supportive Housing for Persons with Disabilities Program, the Authority administers contracts to provide supportive housing for persons with disabilities with independent landlords.

KDHAP - Represents Katrina Disaster Housing Assistance Program, which is HUD funds used to provide temporary rental assistance to families displaced as a result of Hurricane Katrina.

Section 8 Moderate Rehabilitation Program - A program of housing assistance payments administered by the Authority under the Section 8 Program.

CDBG and HOME Programs - Represents Community Development Block Grants and HOME Grants, which are HUD funds passed through the Allegheny County Department of Economic Development.

Resident Opportunities and Supportive Services (ROSS) - A grant program awarded by HUD to foster resident business opportunities and supportive services.

Homelessness Prevention and Rapid Re-Housing Program (HPRP): A grant program awarded by HUD to provide assistance to homeless individuals and families.

Other Federal and State and Local Programs: Represents other grant programs not included above, that vary from year to year in amount and nature.

Business Activities - The Business Activities include a myriad of partnerships created with outside investors designed to take advantage of tax credit regulations. These partnerships allowed the Authority to undertake major rehabilitation and total rebuilding projects, that otherwise would not have been possible, due to limited government funding.

AUTHORITY-WIDE FINANCIAL STATEMENTS

Statements of Net Position

The following table reflects the Statement of Net Position compared to the prior year.

TABLE 1

STATEMENTS OF NET POSITION

	2013 (in millions of dollars)	2012 (in millions of dollars)
Current Assets	\$ 25.6	\$ 27.8
Capital Assets	160.0	161.4
Other Assets	16.9	17.6
Total Assets	<u>\$ 202.5</u>	<u>\$ 206.8</u>
Current Liabilities	\$ 4.2	\$ 5.8
Noncurrent Liabilities	14.0	12.8
Total Liabilities	<u>\$ 18.2</u>	<u>\$ 18.6</u>
Net Position:		
Net Investment in		
Capital Assets	\$ 146.4	\$ 148.5
Restricted	25.8	26.3
Unrestricted	12.1	13.4
Total Net Position	<u>\$ 184.3</u>	<u>\$ 188.2</u>

For more detailed information see pages 1 and 2 for the Statements of Net Position.

Major Factors Affecting the Statements of Net Position

Current assets decreased \$2.2 million in fiscal year 2013. Cash and investments increased by \$1.4 million. Accounts and notes receivable decreased by \$3.6 million. Prepaid assets and inventory remained static.

Capital assets decreased \$1.4 million due to the normal depreciation of \$7.8 million, which was offset by the normal modernization activities which increased buildings by \$3.5 million, land by \$0.2 million, equipment by \$0.4 million, and construction in progress by \$2.3 million. The majority of the construction in progress is related to Carnegie.

Total liabilities decreased \$0.4 million. Total current liabilities dropped \$1.6 million and total non-current liabilities increased \$1.2 million. The most significant activity affecting liabilities was the decline in principle on the Authority’s outstanding notes.

Table 2 presents details on the change in unrestricted net position.

TABLE 2
CHANGE IN UNRESTRICTED NET POSITION

	Millions of Dollars	Millions of Dollars
Unrestricted Net Position as of September 30, 2012		\$ 13.4
Operating Income	\$ 1.0	
Non-Operating Revenue (Expenses)	(9.0)	
Capital Contributions	4.1	
Net Decrease in Net Position		(3.9)
<u>Other Changes in Net Position</u>		
Change in Net Investment in Capital Assets	2.1	
Change in Restricted Net Position	0.5	
		2.6
Unrestricted Net Position as of September 30, 2013		\$ 12.1

This table demonstrates that the change in net position of \$3.9 million was comprised of as follows: the Authority increased its net investment in capital assets by \$2.1 million, its restricted net position by \$0.5 million, and decreased unrestricted net position by \$1.3 million.

TABLE 3

**STATEMENTS OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION**

The following schedule compares the revenues and expenses for the current and previous fiscal year:

	2013 (in millions of dollars)	2012 (in millions of dollars)
Revenues:		
Resident revenue - rents and other	\$ 9.7	\$ 9.2
Operating subsidies and grant	45.8	46.7
Capital grants	4.1	2.4
Investment income	0.1	0.1
Partnership contributions	-	-
Other revenue	3.7	5.7
Total revenues	63.4	64.1
Expenses:		
Administrative	11.3	11.8
Tenant services	0.4	0.6
Utilities	4.8	4.6
Maintenance	8.1	9.2
Protective services	0.8	0.9
Insurance	1.3	1.2
General	1.4	1.9
Housing assistance payments	30.1	29.2
Depreciation and amortization	8.5	8.3
Interest expense	0.5	0.5
Total expenses	67.2	68.2
Net increase (decrease)	\$ (3.8)	\$ (4.1)

**MAJOR FACTORS AFFECTING THE STATEMENTS OF REVENUES,
EXPENSES, AND CHANGES IN NET POSITION**

Total revenues decreased by \$0.7 million (as compared to the previous year) primarily due to the following: Capital grants increased by \$1.7 million. Operating subsidies and grants decreased by \$0.9 million. Tenant revenue increased by \$0.5 million due to

increased leasing and additional units coming on-line in 2013. Other revenue decreased by \$2.0 million.

Total expenses decreased by \$1.0 million in fiscal year 2013. Administrative expenses decreased by \$0.5 million. Tenant services fell by \$0.2 million. Utilities rose by \$0.2 million. Maintenance fell by \$1.1 million. Protective Services declined by \$0.1 million. Insurance increased by \$0.1 million. General expenses fell by \$0.5 million. HAP expense increased by \$0.9 million. Depreciation expense increased by \$0.2 million and interest expenses remained static.

CAPITAL ASSETS AND DEBT ADMINISTRATION

TABLE 4

CAPITAL ASSETS AT YEAR-END (NET OF DEPRECIATION AND AMORTIZATION)

	<u>2013</u> (in millions of dollars)	<u>2012</u> (in millions of dollars)
Land	\$ 10.1	\$ 9.9
Buildings	261.2	257.7
Equipment - dwellings	12.4	12.4
Equipment - administrative	1.8	1.4
Accumulated depreciation	(132.4)	(124.6)
Construction in progress	<u>6.9</u>	<u>4.6</u>
 Total	 <u><u>\$ 160.0</u></u>	 <u><u>\$ 161.4</u></u>

Capital Assets

As of September 30, 2013, the Authority had \$160.0 million invested in a variety of capital assets as reflected in the table above, which represents a net decrease (addition, deductions, and depreciation) of \$1.4 million from \$161.4 million at September 30, 2012. This decrease was due to the normal depreciation of \$7.8 million, which was tempered by increases in construction in progress of \$2.3 million, land of \$0.2 million, buildings of \$3.5 million, and equipment of \$0.4 million.

TABLE 5
OUTSTANDING DEBT, AT YEAR-END
(IN MILLIONS)

	Totals	
	2013	2012
Current portion of long-term debt	\$ 0.8	\$ 1.3
Noncurrent portion of long-term debt	12.8	11.5
Total debt	\$ 13.6	\$ 12.8

Debt Outstanding

As of year-end, the Authority had \$13.6 million in debt outstanding, compared to \$12.8 million in 2012. The increase is due to the long-term mixed financing debt associated with the acquisition of Forest Glen.

ECONOMIC FACTORS

Significant economic factors affecting the Authority are as follows:

- Federal funding of the Department of Housing and Urban Development by the U.S. Congress.
- Local labor supply and demand, which can affect salary and wage rates.
- Local inflationary, recessionary, and employment trends, which can affect resident incomes and therefore the amount of rental income.
- Inflationary pressure on utility rates, supplies, and other costs.

CONTACTING THE AUTHORITY’S FINANCIAL MANAGEMENT

Questions concerning this report or requests for additional information should be directed, in writing, to:

Allegheny County Housing Authority
Finance Department
625 Stanwix Street
Pittsburgh, PA 15222

ALLEGHENY COUNTY HOUSING AUTHORITY

STATEMENTS OF NET POSITION

SEPTEMBER 30, 2013 AND 2012

Assets		
	2013	2012
Current assets:		
Cash and cash equivalents:		
Cash - unrestricted	\$ 13,163,149	\$ 6,087,642
Cash - other restricted	9,850,118	9,800,095
Cash - tenant security deposits	694,394	656,516
Total cash and cash equivalents	23,707,661	16,544,253
Accounts and notes receivables, net of allowances for doubtful accounts:		
Accounts receivable - HUD other projects	418,286	2,545,681
Accounts receivable - miscellaneous	366,361	1,873,084
Accounts receivable - tenants - dwelling rents	128,128	117,549
Allowance for doubtful accounts - dwelling rents and other	(43,022)	(28,528)
Total accounts and notes receivables, net of allowances for doubtful accounts	869,753	4,507,786
Investments:		
Investments - unrestricted	527,178	6,457,969
Investments - restricted	144,229	-
Total current investments	671,407	6,457,969
Prepaid expenses and other assets	369,834	309,900
Inventories	2,187	2,187
Total current assets	25,620,842	27,822,095
Noncurrent assets:		
Capital assets:		
Land	10,051,272	9,867,610
Buildings	261,270,069	257,699,309
Furniture, equipment, and machinery - dwellings	12,372,476	12,382,412
Furniture, equipment, and machinery - administration	1,806,806	1,447,545
Accumulated depreciation	(132,385,011)	(124,645,013)
Construction in progress	6,858,616	4,603,394
Total capital assets, net of accumulated depreciation	159,974,228	161,355,257
Investment in mixed finance activities, net of accumulated amortization	15,920,448	16,458,299
Notes and mortgages receivable - non-current	741,983	874,186
Investment in partnership	245,000	245,000
Total noncurrent assets	176,881,659	178,932,742
Total Assets	\$ 202,502,501	\$ 206,754,837

(Continued)

See accompanying notes to financial statements.

ALLEGHENY COUNTY HOUSING AUTHORITY

STATEMENTS OF NET POSITION

SEPTEMBER 30, 2013 AND 2012

(Continued)

Liabilities and Net Position

	2013	2012
Liabilities:		
Current liabilities:		
Accounts payable	\$ 1,574,454	\$ 1,523,217
Accrued wage/payroll taxes payable	365,032	194,914
Accrued compensated absences - current	164,923	169,737
Accounts payable - HUD PHA programs	89,500	572,402
Accounts payable - other government	259,956	214,192
Tenant security deposits	694,394	656,516
Unearned revenue	80,611	137,501
Current portion - capital lease obligations/debt	752,472	1,364,395
Other current liabilities	208,239	606,114
Accrued liabilities - other	-	313,265
Total current liabilities	4,189,581	5,752,253
Noncurrent liabilities:		
Noncurrent portion - capital lease obligations/debt	12,813,227	11,460,282
Accrued compensated absences - noncurrent	659,699	678,956
Other noncurrent liabilities	552,328	684,002
Total noncurrent liabilities	14,025,254	12,823,240
Total Liabilities	18,214,835	18,575,493
Net Position:		
Net investment in capital assets	146,408,529	148,530,580
Restricted for:		
Business Activities Loans	16,481,718	17,114,347
Partnership reserves	6,533,360	6,272,538
Housing Choice Voucher Program	2,794,585	2,948,093
Unrestricted net position	12,069,474	13,313,786
Total Net Position	184,287,666	188,179,344
Total Liabilities and Net Position	\$ 202,502,501	\$ 206,754,837

(Concluded)

See accompanying notes to financial statements.

ALLEGHENY COUNTY HOUSING AUTHORITY

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

FOR THE YEARS ENDED SEPTEMBER 30, 2013 AND 2012

	2013	2012
Operating Revenues:		
<hr/>		
Tenant revenue:		
Net tenant rental revenue	\$ 9,577,087	\$ 9,100,891
Tenant revenue - other	114,328	114,866
	<hr/>	<hr/>
Total tenant revenue	9,691,415	9,215,757
	<hr/>	<hr/>
HUD PHA operating grants	45,795,704	45,247,442
Other governmental operating grants	21,839	1,415,485
Investment income - unrestricted	41,678	47,928
Other revenue	3,737,401	5,731,077
Investment income - restricted	8,899	9,063
	<hr/>	<hr/>
Total operating revenues	59,296,936	61,666,752
	<hr/>	<hr/>
Operating Expenses:		
<hr/>		
Housing assistance payments	30,145,372	29,206,341
Administrative:		
Administrative salaries	4,881,971	5,410,590
Auditing fees	219,999	215,940
Advertising and marketing	18,502	24,479
Employee benefit contributions - administrative	2,012,775	2,172,533
Office expenses	1,180,879	1,278,136
Legal expense	535,491	402,878
Travel	125,840	160,541
Other operating - administrative	2,365,730	2,150,809
Tenant services:		
Tenant services - salaries	137,677	246,426
Relocation costs	3,749	-
Employee benefit contributions - tenant services	48,814	88,959
Tenant services - other	191,141	212,120
Utilities:		
Water	717,543	623,811
Electricity	1,774,232	1,813,341
Gas	1,044,080	1,020,165
Sewer	1,214,067	1,104,680
Ordinary maintenance and operations:		
Ordinary maintenance and operations - labor	3,386,240	3,227,919
Ordinary maintenance and operations - materials and other	1,386,462	1,404,539
Ordinary maintenance and operations - contract costs	2,063,452	3,178,317
Employee benefit contributions - ordinary maintenance	1,247,466	1,338,366
Protective services:		
Protective services - labor	507,558	498,652
Protective services - other contract costs	52,465	-
Protective services - other	37,180	256,043
Employee benefit contributions - protective services	155,374	165,624

(Continued)

See accompanying notes to financial statements.

ALLEGHENY COUNTY HOUSING AUTHORITY

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

FOR THE YEARS ENDED SEPTEMBER 30, 2013 AND 2012

(Continued)

	2013	2012
Insurance expense:		
Property insurance	715,052	627,522
Liability insurance	220,368	175,335
Workmen's compensation insurance	234,266	306,620
Other insurance	136,757	125,879
General expenses:		
Other general expenses	1,014,002	1,329,304
Payments in lieu of taxes	337,278	388,428
Bad debt	177,107	134,829
Total operating expenses	58,288,889	59,289,126
Operating Income (Loss)	1,008,047	2,377,626
Non-Operating Revenue (Expenses):		
Casualty losses - non-capitalized	(75,423)	(46,691)
Interest expense	(418,102)	(514,517)
Gain (loss) on disposal of capital asset	-	79,199
Depreciation and amortization expense	(8,460,225)	(8,334,763)
Total non-operating revenue (expenses)	(8,953,750)	(8,816,772)
Capital Contributions:		
HUD capital grants	4,054,025	2,368,875
Total capital contributions	4,054,025	2,368,875
Change in Net Position	(3,891,678)	(4,070,271)
Total net position - beginning	188,179,344	192,249,615
Total net position - ending	\$ 184,287,666	\$ 188,179,344

(Concluded)

See accompanying notes to financial statements.

ALLEGHENY COUNTY HOUSING AUTHORITY

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED SEPTEMBER 30, 2013 AND 2012

	2013	2012
Cash Flows From Operating Activities:		
Operating grants received	\$ 46,750,736	\$ 44,816,961
Receipts from tenants	9,733,208	9,260,003
Other receipts	5,187,234	3,893,481
Housing assistance payments	(30,145,372)	(29,206,341)
Payments for good and services	(16,571,389)	(16,424,933)
Payments to employees	(12,231,828)	(13,128,648)
	<u>2,722,589</u>	<u>(789,477)</u>
Cash Flows From Noncapital and Related Financing Activities:		
Loan repayments received	132,203	30,046
Cash Flows From Capital and Related Financing Activities:		
HUD and other capital grants	4,765,325	2,565,614
Acquisition of fixed assets and construction of capital assets	(4,782,650)	(4,216,555)
Investment in mixed finance development activities	12,258	14,046
Capital lease/debt principal paid	(1,105,354)	(2,393,217)
Interest paid	(418,102)	(514,517)
	<u>(1,528,523)</u>	<u>(4,544,629)</u>
Cash Flows From Investing Activities:		
Purchase (sale) of investments	5,786,562	3,273,227
Interest income	50,577	56,991
	<u>5,837,139</u>	<u>3,330,218</u>
Net Increase (Decrease) in Cash and Cash Equivalents	7,163,408	(1,973,842)
Cash and Cash Equivalents:		
Beginning of year	16,544,253	18,518,095
End of year	<u>\$ 23,707,661</u>	<u>\$ 16,544,253</u>
Noncash Investment, Capital, and Financing Activities:		
Acquisition of capital assets by assuming directly related debt	\$ 2,019,686	\$ 3,553,203

(Continued)

See accompanying notes to financial statements.

ALLEGHENY COUNTY HOUSING AUTHORITY

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED SEPTEMBER 30, 2013 AND 2012

(Continued)

	<u>2013</u>	<u>2012</u>
Reconciliation of Operating Income (Loss) to Net Cash and Cash Equivalents From Operating Activities:		
Operating income (loss)	\$ 1,008,047	\$ 2,377,626
Adjustments to reconcile operating income (loss) to cash and cash equivalents provided by (used in) operating activities:		
Investment (income) loss	(50,577)	(56,991)
Change in assets and liabilities:		
Accounts receivable	2,926,733	(2,473,914)
Prepaid expenses and other assets	(59,934)	9,639
Accounts payable and accrued liabilities	(1,044,790)	(397,165)
Unearned revenue	(56,890)	(248,672)
Total adjustments	<u>1,714,542</u>	<u>(3,167,103)</u>
Net cash and cash equivalents provided by (used in) operating activities	<u>\$ 2,722,589</u>	<u>\$ (789,477)</u>

(Concluded)

See accompanying notes to financial statements.

ALLEGHENY COUNTY HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2013 AND 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The governing body of the Allegheny County Housing Authority (Authority) is its Board of Directors (Board), which is comprised of five members appointed by the County Executive with approval made by the County Council of Allegheny (County). The Board appoints an executive director to administer the affairs of the Authority. The County does not have the ability to significantly influence Authority operations, does not subsidize the Authority's operations, and does not guarantee any Authority debt service. The operations of the Authority are subsidized primarily by the federal government.

The Authority is not considered to be a component unit of the County because, although the County appoints the governing body of the Authority, the County cannot impose its will on the Authority, and there is no financial burden or benefit relationship between the County and the Authority.

The Authority was incorporated as a public corporation of the Commonwealth of Pennsylvania, organized and existing under the Housing Authority Law. The Authority is charged with the responsibility to provide decent, safe, and sanitary housing for its tenants in the most efficient and economical manner, as defined by its annual contribution contracts.

Component Units

The criteria used by the Authority to evaluate the possible inclusion of related entities within its reporting entity are financial accountability and the nature and significance of the relationship. In determining financial accountability in a given case, the Authority reviews the applicability of the following criteria:

The Authority is financially accountable for:

1. Organizations that make up its legal entity.
2. Legally separate organizations if the Authority officials appoints a voting majority of the organizations' governing body and the Authority is able to impose its will on the organization or if there is a potential for the organization to provide

ALLEGHENY COUNTY HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2013 AND 2012

specific financial benefits to, or impose specific financial burdens on the Authority, as defined below.

- a. *Impose its will* - If the Authority can significantly influence the programs, projects, or activities, or the level of services performed or provided by, the organization.
 - b. *Financial benefit or burden* - If the Authority (1) is entitled to the organization's resources, (2) is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide support to, the organization, or (3) is obligated in some manner for the debt of the organization.
3. Organizations that are fiscally dependent on the Authority. Fiscal dependency is established if the organization is unable to adopt its budget, levy taxes or set rates or charges, or issue bonded debt without approval by the Authority.

A blended component unit, although a legally separate entity is, in substance, part of the government's operations and so data from this unit is combined with data of the primary government.

Blended Component Units:

Glenshaw Gardens, Inc.

The Authority exercises "oversight responsibilities" and is the owner of a for-profit corporation known as Glenshaw Gardens, Inc. (Glenshaw) that operates a market rate housing unit. Glenshaw also serves as the property management agency for six additional housing sites, and receives a management fee for its services. Stand-alone financial statements for Glenshaw are not issued.

Other Blended Component Units

The Authority has other non-profit organizations (Three Rivers Communities, Inc., Three Rivers GP Corp., Ohio Valley Housing GP Corp., Waterfront Housing GP Corp., and Fox Hill Management, Inc., and Waterfront Fraser, LLC) that were formed in conjunction with certain Authority endeavors. To the extent these non-profits have activity, the activity is presented as part of the business activities program. Additionally, the Authority has various interests in numerous partnerships that are considered to be component units. Separately issued audited

ALLEGHENY COUNTY HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2013 AND 2012

financial statements for the years ended December 31st are available at the Authority's administrative office at 625 Stanwix Street, 12th Floor, Pittsburgh, PA 15222. For further information refer to Note 3 – Partnerships.

Basis of Accounting

The Authority is accounted for as a proprietary fund and is considered to be an Enterprise Fund and, as such, uses the accrual basis of accounting. Accordingly, revenues are recognized when earned and expenses are recognized when incurred.

The Enterprise Fund of the Authority is made up of the following programs:

Low Income Public Housing: Under the Low Income Public Housing (LIPH) Program, the Authority rents apartments that it owns to low-income households. The LIPH Program is operated under an Annual Contributions Contract (ACC) with the U.S. Department of Housing and Urban Development (HUD), and HUD provides operating subsidy funding to enable the Public Housing Authority (PHA) to provide the housing at a rent that is based upon 30% of household income.

Capital Fund Program: Under the Capital Fund Program, the Authority receives funding to rehabilitate and repair existing housing stock and to develop new housing. The Capital Fund Program operates under annual grants from HUD. These grants are formula based and not competitive awards. The Capital Fund Program is the primary funding source for physical and management improvements to the Authority's properties.

All Capital Fund Program activity is required to be reported together with the LIPH Program on the Financial Data Schedule.

Housing Choice Voucher Program: Under the Housing Choice Voucher (HCV) Program, the Authority administers contracts with independent landlords that own the property. The Authority subsidizes the family's rent through a Housing Assistance Payment made to the landlord. The HCV Program is administered under an ACC with HUD. HUD provides Annual Contributions Funding to enable the Authority to structure a lease that sets the participant's rent at 30% of household income.

Supportive Housing for Persons with Disabilities Program: Under the Supportive Housing for Persons with Disabilities Program, the Authority administers

ALLEGHENY COUNTY HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2013 AND 2012

contracts to provide supportive housing for persons with disabilities with independent landlords.

KDHAP: Represents Katrina Disaster Housing Assistance Program (KDHAAP), which is HUD funds used to provide temporary rental assistance to families displaced as a result of Hurricane Katrina.

Section 8 Moderate Rehabilitation Program: A program of Housing Assistance Payments administered by the Authority under the Section 8 Program.

CDBG and HOME Programs: Represents Community Development Block Grants (CDBG) and HOME Grants, which are HUD funds passed through the Allegheny County Department of Economic Development.

Residential Opportunity Supportive Services (ROSS): A grant program awarded by HUD to foster resident business opportunities and supportive services.

Homelessness Prevention and Rapid Re-Housing Program (HPRP): A grant program awarded by HUD to provide assistance to homeless individuals and families.

Other Federal and State and Local Programs: Represents other grants programs not included above, that vary from year to year in amount and nature.

Business Activities: The Business Activities (as further described in Note 3) include a myriad of partnerships created with outside investors designed to take advantage of tax credit regulations. These partnerships allowed the Authority to undertake major rehabilitation and total rebuilding projects, that otherwise would not have been possible, due to limited government funding. Also included were the non-profits (Three Rivers Communities, Inc., Three Rivers GP Corp., Ohio Valley Housing GP Corp., Waterfront Housing GP Corp., Fox Hill Management, Inc., and Waterfront Fraser, LLC), that were created to support the Authority in serving the low income residents of the County.

Operating Revenues and Expenses

Operating revenues and expenses consist of those revenues and expenses that result from ongoing principal operations of the Authority. Operating revenues consist of users' fees and governmental grants used for operating purposes. Non-operating

ALLEGHENY COUNTY HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2013 AND 2012

revenues and expenses consist of those revenues and expenses relating to capital items.

Non-Operating Revenue - Partnership Contribution

To the extent that partnerships received funds to construct capital assets from an entity other than the Authority, this income is shown as a capital contribution.

Budgets

The Authority's activities are governed by budgets established with its grantor agencies, chiefly HUD.

Statements of Cash Flows

For purposes of the statements of cash flows, the Authority considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents, unless funds are meant as long-term investments.

Accounts Receivable

The Authority records the total amount of revenue billed or accrued in accounts receivable. The portion of accounts receivable not expected to be collected is offset by an allowance for uncollectible accounts, estimated based on historical experience.

Investments

The Authority's investments are stated at fair value.

Capital Assets

The Authority capitalizes fixed assets with a value of \$5,000 or greater and useful lives exceeding beyond one year. Fixed assets are valued at historical or estimated historical cost. Depreciation is computed using the straight-line method over their estimated useful lives: 25-40 years for buildings and extensive modernization efforts; 12 years for standard modernization efforts; five years for vehicles; three years for dwelling equipment; and three years for computer equipment.

ALLEGHENY COUNTY HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2013 AND 2012

Compensated Absences

Unused employee vacation time is accumulated and paid upon resignation, retirement, or termination. The amount of the compensated absence liability is accrued and expensed as earned. Unused sick leave is not paid and, therefore, is not subject to accrual.

Inventories

Materials and supplies are expensed when purchased.

Classifications of Net Position

The following are the three categories of net position:

- Net investment in capital assets – The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position. If there are significant unspent related debt proceeds or deferred inflows of resources at the end of the reporting period, the portion of the debt or deferred inflows of resources attributable to the unspent amount is not included in the calculation of net investment in capital assets. Instead, that portion of the debt or deferred inflow of resources is included in the same net position component (restricted or unrestricted) as the unspent amount.
- Restricted – The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Generally, a liability relates to restricted assets if the asset results from a resource flow that also results in the recognition of a liability or if the liability will be liquidated with the restricted assets reported.

The Authority's restricted net position as of September 30, 2013 consisted of \$16,481,718 restricted in accordance with mixed financing and loan agreements as discussed in Notes 5 and 6, respectively, \$6,533,360 restricted

ALLEGHENY COUNTY HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2013 AND 2012

per various partnership escrow agreements in the LIPH Program, and \$2,794,585 of net position restricted in the Housing Choice Voucher Program, as this portion of net position is available only for future housing assistance payments.

The Authority's restricted net position as of September 30, 2012 consisted of \$17,144,347 restricted in accordance with mixed financing and loan agreements as discussed in Notes 5 and 6, respectively, \$6,272,538 restricted per various partnership escrow agreements in the LIPH Program, and \$2,948,093 of net position restricted in the Housing Choice Voucher Program as this portion of net position is available only for future housing assistance payments.

- Unrestricted – The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted components of net position.

Adopted Pronouncements

The Authority has adopted GASB Statement No. 61, "*The Financial Reporting Entity.*" The objective of this Statement is to have financial reporting entity financial statements be more relevant by improving guidance for including, presenting, and disclosing information about component units and equity interest transactions of a financial reporting entity.

The Authority has adopted GASB Statement No. 63, "*Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position.*" This statement establishes guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position. As a result of reporting these additional elements, the residual balances will be considered as net position, rather than net assets. As of September 30, 2013, the Authority had no items that qualified for reporting in the deferred inflow of resources or deferred outflow of resources categories.

Pending Pronouncements

GASB has issued Statement No. 65, "*Items Previously Reported as Assets and Liabilities,*" effective for periods beginning after December 15, 2012 (the Authority's

ALLEGHENY COUNTY HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2013 AND 2012

fiscal year ending September 30, 2014). This Statement reclassifies certain items currently being reported as assets and liabilities as deferred outflows of resources and deferred inflows of resources. In addition, this Statement recognizes certain items currently being reported as assets and liabilities as outflows of resources and inflows of resources.

GASB has issued Statement No. 70, “*Accounting and Financial Reporting for Non-exchange Financial Guarantees*,” effective for financial statements for periods beginning after June 15, 2013 (the Authority’s fiscal year ending September 30, 2014). This statement specifies the information required to be disclosed by governments that extend non-exchange financial guarantees, and requires a government that extends a non-exchange financial guarantee to recognize a liability when qualitative factors and historical data, if any, indicate that it is more likely than not that the government will be required to make a payment on the guarantee.

Management has not yet determined the impact of these Statements on the Authority’s financial statements.

2. CASH AND INVESTMENTS

Cash

Statutes allow the Authority to invest in direct obligations of the federal government backed by the full faith and credit of the United States of America, obligations of federal government agencies, securities of government-sponsored agencies, and demand and savings deposits. The Authority's depositories are required by statute to continuously and fully secure all deposits in excess of the amounts insured under federal or state plans by the deposit or setting aside of collateral of the types, and in the manner as is prescribed by state law for the security of public funds. Such collateral shall at all times be of a market value at least equal to the amount of deposits so secured.

The following is a description of the Authority’s deposit risks:

Custodial Credit Risk – For a deposit custodial credit risk is the risk that in the event of a bank failure, the Authority’s deposits may not be returned to it. The Authority does not have a formal deposit policy for custodial credit risk.

ALLEGHENY COUNTY HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2013 AND 2012

As of September 30, 2013, \$1,156,284 of the Authority's \$23,799,595 bank balance was insured by the Federal Deposit Insurance Corporation. The remaining bank balance was exposed to custodial credit risk, which is collateralized in accordance with Act 72 of the Pennsylvania state legislature, which requires the institution to pool collateral for all governmental deposits and have the collateral held by an approved custodian in the institution's name. These deposits have carrying amounts of \$22,878,318 as of September 30, 2013.

Excluded from the above amounts, but presented as cash and cash equivalents on the statement of net position, are investments of \$829,343 (book and bank value), described in more detail under the investments section below.

As of September 30, 2012, \$6,446,285 of the Authority's \$16,791,394 bank balance was insured by the Federal Deposit Insurance Corporation. The remaining bank balance was exposed to custodial credit risk, which is collateralized in accordance with Act 72 of the Pennsylvania state legislature, which requires the institution to pool collateral for all governmental deposits and have the collateral held by an approved custodian in the institution's name. These deposits have carrying amounts of \$15,621,864 as of September 30, 2012.

Excluded from the above amounts, but presented as cash and cash equivalents on the statement of net position, are investments of \$922,389 (book and bank value) described in more detail under the investments section below.

Investments

Investments consisted of the following at September 30, 2013 and 2012:

<u>Investment Type</u>	<u>Fair Market Value</u>	
	<u>2013</u>	<u>2012</u>
INVEST	\$ 16,004	\$ 15,995
U.S. Agencies	813,339	674,363
Mutual fund - BlackRock	671,407	6,690,000
	<u>\$ 1,500,750</u>	<u>\$ 7,380,358</u>

As of September 30, 2013, the entire investments in INVEST and U.S. Agencies of \$16,004 and \$813,339, respectively, are considered to be cash equivalents for

ALLEGHENY COUNTY HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2013 AND 2012

presentation on the statements of net position. As of September 30, 2012, the entire investments in INVEST and U.S. Agencies of \$15,995 and \$674,363, respectively, as well as \$232,031 of the mutual fund investment are considered to be cash equivalents for presentation on the statements of net position.

The fair value of the Authority's investments is the same as their carrying amount. The fair value of the Authority's investments in the external investment pool (INVEST) is the same as the value of the pool shares.

The following is a description of the Authority's investment risks:

Credit risk. The risk that an issuer or other counterparty to an investment will not fulfill its obligations is called credit risk. The Authority has no formal investment policy that would limit its investment choices based on credit ratings by nationally recognized statistical rating organizations. As of September 30, 2013 and 2012, investments in BlackRock have received an AAA rating from Standard & Poor's.

Custodial Credit Risk – For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside entity. The Authority does not have a formal investment policy for custodial credit risk. The Authority's investments in Blackrock are not exposed to custodial credit risk because they are not evidenced by securities that exist in physical or book entry form.

Concentration of Credit Risk – The Authority places no limit on the amount the Authority may invest in any one issuer. The Authority has no investments of greater than 5% with one issuer.

Interest Rate Risk – The Authority has no formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. All investments have an average maturity of less than one year.

3. PARTNERSHIPS

Because of the Authority's ongoing involvement and regulatory authority with the partnerships discussed below, HUD limitations on use of the properties, and because

ALLEGHENY COUNTY HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2013 AND 2012

the outside entities involved in the partnerships do not benefit in the risks and rewards of ownership, except under certain limited circumstances, all the below partnerships are considered component units of the Authority.

The related financial information of these partnerships is reflected in the Authority's financial statements and is considered to be part of the LIPH program. Transactions between the Authority and the partnerships have been eliminated in the financial statements. Contributions by the other entities involved in the partnerships are treated as non-operating revenue (partnership contribution) to the Authority.

During development of these sites, it is the Authority's policy to record only the activity funded by the Authority's contributions to the partnership until development is substantially complete. At that time, and after completion of a cost certification, the Authority records the entire partnership for presentation in the financial statements.

The Authority, through its wholly-owned non-profit subsidiary, Three Rivers GP Corp., is the general partner of Hays Manor Associates (HMA), a limited partnership formed to facilitate private investment in the Hays Manor LIPH site. The Authority has retained responsibility for the operations of Hays Manor and under certain conditions, can be compelled to reacquire the property.

The Authority, through its wholly-owned non-profit subsidiary, Ohio Valley Housing GP Corp., is the co-general partner, along with Pennrose Equities, Ralph A. Falbo, Inc., and Halliday Properties, of Groveton Housing Partnership, L.P., a limited partnership formed to facilitate private investment in the Groveton Village site. The Groveton Village site was leased to Groveton Housing Partnership in December 2001. The admission of a third-party independent investor (Related Direct SLP, L.L.C.) also took place in December 2001. The partnership has retained responsibility for the operation of residential portion of the Groveton Village apartment complex, with the Authority acting as management agent. The Authority may, under certain circumstances, be compelled to reacquire the property.

The Authority, through its wholly-owned nonprofit subsidiary, Three Rivers Communities, Inc., is the co-general partner, along with Trek Development, of five limited partnerships. The partnerships are formed to facilitate private investment in low income and tax credit housing at various sites in Allegheny County. The limited partnerships use mixed financing funding sources including tax credits, private equity funding, bank loans, and HUD Capital Program Funding and HUD HOPE VI

ALLEGHENY COUNTY HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2013 AND 2012

Program Funding for the construction of the housing units. The third-party independent investor in all of the partnerships is Columbia Housing SLP Corporation, except for the Sharpsburg Housing Limited Partnership, where the third-party investor is PNC Capital. The partnerships have retained operational responsibility for the buildings and have appointed the Authority as the management agent. The Authority may, under certain circumstances, be compelled to reacquire the property. The partnerships are as follows:

	<u>Number of Units</u>
Sharpsburg Housing Limited Partnership	36
Homestead Housing Limited Partnership I	60
Homestead Housing Limited Partnership II	59
Homestead Housing Limited Partnership III	60
Homestead Housing Limited Partnership IV	52

The Authority, through its wholly-owned nonprofit subsidiary, Waterfront Housing G.P. Corp., is the co-general partner, along with Trek Development, of Felix Negley Limited Partnership. The partnership was formed to facilitate private investment in 26 units of low income and tax credit housing using mixed financing funding sources including tax credits and private equity funding. The third-party equity investor and limited partner is PNC Bank. The partnership has retained operational responsibility for the buildings and the Authority is the management agent. The Authority may, under certain circumstances, be compelled to reacquire the property.

The Authority, through its wholly-owned nonprofit subsidiary, Fox Hill Management, Inc., is the sole general partner in two entities, the Ohioview I Limited Partnership and the Ohioview II Limited Partnership. The limited partner in both partnerships is Related Capital Company. The partnerships were formed to facilitate the development of 112 units (80 public) of housing at Ohioview I and 69 (43 public) units of housing at Ohioview II using mixed financing sources including tax credits, private equity, and HUD Hope VI Program funding. The partnerships have retained operational responsibility for the buildings and the Authority is the management agent. The Authority may, under certain circumstances, be compelled to reacquire the property.

ALLEGHENY COUNTY HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2013 AND 2012

The Authority, through its wholly-owned nonprofit subsidiary, Fox Hill Management, Inc., is the co-general partner, along with Pennrose Equities and Halliday Properties, of Dumplin Hall Housing Partnership, L.P. I, a limited partnership formed to facilitate private investment in the Dumplin Hall site. The limited partner is Related Capital Company. The partnerships were formed to facilitate the development of 46 units of public housing using mixed financing sources including tax credits, private equity, and HUD Hope VI Program funding. The partnership has retained operational responsibility for the building and also acts as the management agent. The Authority may, under certain circumstances, be compelled to reacquire the property.

The Authority, through its wholly-owned nonprofit subsidiary, Waterfront Fraser, LLC, is the co-general partner, along with Trek Development, of Fraser Housing Limited Partnership, a limited partnership formed to facilitate private investment in the Fraser Hall site. The limited partners are S&T Bank and Colton Enterprises, Inc. The partnerships were formed to facilitate the development of 68 public housing units and four project based voucher units using mixed financing sources including tax credits, private equity, HOME funding, and Capital Program funding. The partnership has retained operational responsibility for the building and also acts as the management agent. The Authority may, under certain circumstances, be compelled to reacquire the property.

During the year ending September 30, 2004, West Pine Affordable Housing, Inc., a wholly-owned subsidiary of the Authority, became a limited partner in West Pine Associates at a cost of \$225,000, and during the year ended September 30, 2008, increased their investment to \$245,000. The low-income housing apartment complex consists of 38 units, of which eight units will be occupied by public housing tenants, under a regulatory and operating agreement. The Authority, under no circumstances, can be compelled to acquire the property or acquire operational responsibility. The \$245,000 investment is shown on the statements of net position as investment in partnership as of September 30, 2013 and 2012.

4. CAPITAL ASSETS/ACCUMULATED DEPRECIATION

A summary of changes in capital assets during fiscal year 2013 for the Authority is as follows:

ALLEGHENY COUNTY HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2013 AND 2012

	September 30, 2012	Increases/ Transfers	Decreases/ Transfers	September 30, 2013
Capital assets, not being depreciated:				
Land	\$ 9,867,610	\$ 183,662	\$ -	\$ 10,051,272
Construction in progress	4,603,394	4,103,740	(1,848,518)	6,858,616
Total capital assets not being depreciated	<u>14,471,004</u>	<u>4,287,402</u>	<u>(1,848,518)</u>	<u>16,909,888</u>
Capital assets being depreciated:				
Buildings	257,699,309	3,570,760	-	261,270,069
Furniture, equipment, and machinery - dwellings	12,382,412	-	(9,936)	12,372,476
Furniture, equipment, and machinery - administration	1,447,545	450,078	(90,817)	1,806,806
Total capital assets, being depreciated	<u>271,529,266</u>	<u>4,020,838</u>	<u>(100,753)</u>	<u>275,449,351</u>
Less accumulated depreciation for:				
Buildings	(114,843,933)	(7,363,609)	-	(122,207,542)
Furniture, equipment, and machinery - dwellings	(8,728,725)	(255,127)	-	(8,983,852)
Furniture, equipment, and machinery - administration	(1,072,355)	(212,079)	90,817	(1,193,617)
Total accumulated depreciation	<u>(124,645,013)</u>	<u>(7,830,815)</u>	<u>90,817</u>	<u>(132,385,011)</u>
Total capital assets being depreciated, net	<u>146,884,253</u>	<u>(3,809,977)</u>	<u>(9,936)</u>	<u>143,064,340</u>
Total capital assets	<u>\$ 161,355,257</u>	<u>\$ 477,425</u>	<u>\$ (1,858,454)</u>	<u>\$ 159,974,228</u>

A summary of changes in capital assets during fiscal year 2012 for the Authority is as follows:

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FOR THE YEARS ENDED SEPTEMBER 30, 2013 AND 2012

	September 30, 2011	Increases/ Transfers	Decreases/ Transfers	September 30, 2012
Capital assets, not being depreciated:				
Land	\$ 9,850,800	\$ 273,082	\$ (256,272)	\$ 9,867,610
Construction in progress	14,901,038	3,830,825	(14,128,469)	4,603,394
Total capital assets not being depreciated	<u>24,751,838</u>	<u>4,103,907</u>	<u>(14,384,741)</u>	<u>14,471,004</u>
Capital assets being depreciated:				
Buildings	243,074,126	17,418,716	(2,793,533)	257,699,309
Furniture, equipment, and machinery - dwellings	12,454,320	65,485	(137,393)	12,382,412
Furniture, equipment, and machinery - administration	1,339,767	276,009	(168,231)	1,447,545
Total capital assets, being depreciated	<u>256,868,213</u>	<u>17,760,210</u>	<u>(3,099,157)</u>	<u>271,529,266</u>
Less accumulated depreciation for:				
Buildings	(109,493,343)	(7,988,542)	2,637,952	(114,843,933)
Furniture, equipment, and machinery - dwellings	(8,108,820)	(619,905)	-	(8,728,725)
Furniture, equipment, and machinery - administration	(876,859)	(195,496)	-	(1,072,355)
Total accumulated depreciation	<u>(118,479,022)</u>	<u>(8,803,943)</u>	<u>2,637,952</u>	<u>(124,645,013)</u>
Total capital assets being depreciated, net	<u>138,389,191</u>	<u>8,956,267</u>	<u>(461,205)</u>	<u>146,884,253</u>
Total capital assets	<u>\$ 163,141,029</u>	<u>\$ 13,060,174</u>	<u>\$ (14,845,946)</u>	<u>\$ 161,355,257</u>

5. NOTES RECEIVABLE

In 2002, the Authority recorded long-term notes receivable for second mortgages for individuals through the Family Self-Sufficiency program of \$80,000 in Business Activities (Three Rivers) and \$71,000 in the LIPH Fund, (total \$151,000), at 0% for twenty years. If a property is sold, the related note becomes due. After ten years, the Authority will forgive these notes at a rate of 10% a year for ten years. These mortgages were outstanding as of September 30, 2013, and the cumulative

ALLEGHENY COUNTY HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2013 AND 2012

amortization as of September 30, 2013 was \$32,667. The receivables are recorded at their net present value of \$118,333 as of September 30, 2013.

In fiscal year 2002, the Authority issued a note in the amount of \$534,396, at 5.7% for a term of fourteen years, to assist a local non-profit entity in financing construction costs as related to a property (The Life Center) leased to the non-profit entity by the Authority. This amount owed to the Authority at September 30, 2013 and 2012 was \$109,713 and \$147,138, respectively.

Business Activities (Three Rivers) also has a long-term note receivable from a private developer for the Lavender Heights property of \$505,300 for 30 years at zero percent. The receivable is recorded at its net present value, assuming a 5% interest rate, of \$231,484 and \$220,461 at September 30, 2013 and 2012, respectively.

Business Activities (Three Rivers) also has a long-term note receivable from St. Joseph Apartment Associates for the St. Joseph property in Wilmerding. The receivable is recorded at its net present value, assuming a 1% interest rate, of \$119,033 at September 30, 2013 and 2012.

In fiscal year 2006, Business Activities (Three Rivers) issued multiple second mortgage notes in the amount of \$731,347 at 0% for ten years. If any of the properties (which are located at Pleasant Ridge) are sold, the related note would become due. The Authority amortizes these notes at a rate of 10% a year for ten years. All notes were outstanding as of September 30, 2013, and the amortization expense for these notes was \$73,135 in both fiscal years 2013 and 2012. Cumulative amortization as of September 30, 2013 and 2012 was \$567,927 and \$494,793, respectively. The receivables are recorded at their net present value of \$163,420 and \$236,554 as of September 30, 2013 and 2012, respectively.

A summary of the above-described notes receivable as of September 30, 2013 and 2012 is as follows:

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Note	2013	2012
Second mortgages	\$ 118,333	\$ 151,000
Life Center note	109,713	147,138
Lavender Heights	231,484	220,461
St. Joseph	119,033	119,033
Pleasant Ridge second mortgages	163,420	236,554
Total	<u>\$ 741,983</u>	<u>\$ 874,186</u>

6. MIXED FINANCE DEVELOPMENT ACTIVITIES

In addition to the partnerships, as noted in Note 3, the Authority has invested in various mixed financing agreements, in an effort to improve housing stock using outside funding sources along with traditional HUD funding. The Authority holds various notes and mortgages receivable totaling \$21,117,908. The notes and mortgages range in length from 15 years to 40 years, with no payment being due until maturity. Interest rates range from 0% to 7.11%. These long-term investments are amortized over the life of each note receivable, as it is the Authority's intent to continue to utilize these properties for its low-income housing mission over the life of these loans. Amortization expense is included in depreciation and amortization expense in the statements of revenues, expenses, and changes in net position.

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As of September 30, 2013, the balance of investment in mixed finance development activities totaled as noted:

<u>Property</u>	<u>Term</u>	<u>Due Date</u>	<u>Amount</u>
Monroe Meadows	30 years	01/10/2031	\$ 940,500
Forest Green #1	40 years	08/14/2040	2,475,000
Myers Ridge	40 years	02/13/2040	3,238,830
Forest Green #2	40 years	08/14/2040	49,715
Myers Ridge #2	40 years	08/01/2040	3,124,045
Caldwell Station *	15 years	06/18/2012	434,000
Ohioview Infrastructure	40 years	10/17/2044	8,674,588
North Hills Housing #1	40 years	03/01/2051	1,347,746
North Hills Housing #2	40 years	03/01/2051	<u>833,484</u>
Subtotal			21,117,908
Amortization as of September 30, 2012		(4,670,912)	
Amortization for the year ended September 30, 2013		<u>(526,548)</u>	
	Amortization as of September 30, 2013		<u>(5,197,460)</u>
	Balance at September 30, 2013		<u>\$ 15,920,448</u>

ALLEGHENY COUNTY HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2013 AND 2012

As of September 30, 2012, the balance of investment in mixed finance development activities totaled as noted:

<u>Property</u>	<u>Term</u>	<u>Due Date</u>	<u>Amount</u>
Monroe Meadows	30 years	01/10/2031	\$ 940,500
Forest Green #1	40 years	08/14/2040	2,475,000
Myers Ridge	40 years	02/13/2040	3,238,830
Forest Green #2	40 years	08/14/2040	49,715
Myers Ridge #2	40 years	08/01/2040	3,124,045
Caldwell Station *	15 years	06/18/2012	434,000
Ohioview Infrastructure	40 years	10/17/2044	8,674,588
North Hills Housing #1	40 years	03/01/2051	1,353,333
North Hills Housing #2	40 years	03/01/2051	<u>839,200</u>
Subtotal			21,129,211
Amortization as of September 30, 2011		(4,126,984)	
Amortization for the year ended September 30, 2012		<u>(543,928)</u>	
	Amortization as of September 30, 2012		<u>(4,670,912)</u>
	Balance at September 30, 2012		<u>\$ 16,458,299</u>

* Although the Caldwell Station note was due in 2012, both parties have agreed to renegotiate the terms of the note, and as such, no payments are expected and no action will be taken by the Authority.

7. TARENTUM LIFE CENTER LEASE

In March 2007, the Authority entered into an agreement with a local non-profit entity for the leasing of the Tarentum Life Center, a building owned and constructed by the Authority in 2007. This senior housing development provides services for elderly low-income housing residents in the area. As part of the agreement the non-profit entity must comply with certain requirements set forth by the Authority in regard to the use of the building, specifically that it will be used for an adult daily living center, licensed by the Pennsylvania Department of Aging.

The term of the lease is for 15 years, with payments due monthly, ranging from approximately \$17,000 at the beginning of the lease term to approximately \$21,000 at

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the end of the lease term. The tenant may terminate this lease at any time during the fourth year of the lease by paying the Authority a termination fee of \$300,000. To secure payment of such a fee, the tenant deposited \$300,000 with an escrow agent in the Authority's name. The Authority returned this deposit to the tenant in 2012, as the fourth year of the lease had passed.

Minimum yearly payments are as follows:

Fiscal Year Ending September 30,	Amount
2014	\$ 222,912
2015	226,260
2016	229,608
2017	233,052
2018	236,496
Thereafter	856,320
	<u>\$ 2,004,648</u>

The net book value of this building was approximately \$2,307,000 and \$2,423,000 as of September 30, 2013 and 2012, respectively. Depreciation on the building during the year was approximately \$115,000 in both 2013 and 2012.

8. PENSION PLAN

The Authority sponsors a defined contribution, contributory pension plan (Plan) covering all eligible employees. Plan provisions and contribution requirements are established and may be amended by the Authority. All full-time employees are eligible to participate in the Plan upon completion of one hundred and eighty days of full-time employment. In fiscal years 2013 and 2012, the Authority contributed from 8% to 8.5% of the employee's salary, based upon their employment contract. The employee's mandatory contribution is 4% of salary, with optional employee contributions permitted up to a maximum of \$17,500 and \$17,000 in 2013 and 2012, respectively, and an additional \$5,500 catch-up for certain employees over age 50. After five years of service, participants are 100% vested. The Authority deposits the total contribution with a trustee for investment and administration. The table below approximately summarizes pension financial data for fiscal years 2013 and 2012:

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FOR THE YEARS ENDED SEPTEMBER 30, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
Plan participants at year-end	162	168
Employer contributions	\$ 668,000	\$ 678,000
Employee contributions	\$ 492,000	\$ 460,000
Total payroll	\$ 8.7 million	\$ 9.1 million
Plan payroll	\$ 8.5 million	\$ 8.9 million

9. OPERATING LEASE

The Authority entered into a non-cancelable lease agreement for their current office space in March 2002, for which the lease expires December 31, 2018. Rental expense for the office lease amounted to approximately \$320,000 and \$306,000, respectively, for the years ended September 30, 2013 and 2012.

Future minimum lease payments relating to the office space are as follows:

<u>Fiscal Year Ending September 30,</u>	<u>Minimum Lease Payments</u>
2014	\$ 330,110
2015	330,110
2016	330,110
2017	330,110
2018	81,273
	<u>\$ 1,401,713</u>

10. LONG-TERM DEBT

Notes and Mortgages Payable

In December 2002, Groveton Housing Limited Partnership (a public housing site of the Authority, reported within the LIPH Program) obtained a mortgage note, from a financial institution, in the amount of \$345,000. The note bears no interest and payments are not required until maturity at 40 years from the date the project is placed in service, as defined by the mortgage note. The note is collateralized by property leased by the developer from the Authority.

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FOR THE YEARS ENDED SEPTEMBER 30, 2013 AND 2012

Homestead Housing Development Limited Partnership (a public housing site of the Authority, reported within the LIPH Program) has a note payable in an original principal amount of \$806,139 payable to Pennsylvania Housing Finance Agency, due May 2032. Annual payments of \$26,871 are to be paid from surplus of revenues over expenses, if any, generated by the project during the calendar year. No interest will be due and payable. The note is collateralized by a first leasehold mortgage on the apartment complex.

In November 2005, Ohioview Housing Limited Partnership, (a public housing site of the Authority, reported within the LIPH Program) obtained a note payable in an original principal amount of \$500,000 (of which \$470,000 was borrowed as of September 30, 2013 and 2012) payable to Action Housing Inc., due November 2045. Annual principal payments are to be paid from surplus of revenues over expenses, if any, generated by the project during the calendar year. No interest will be due and payable. The note is collateralized by a first leasehold mortgage on the apartment complex.

In January 2006, Tarentum Housing Limited Partnership (a public housing site of the Authority, reported within the LIPH Program) obtained a note payable in an original principal amount of \$914,600 payable to the Pennsylvania Housing Finance Agency due March 2036. Annual payments are due in an amount equal to 50% of the surplus of revenues over expenses, if any, generated by the project during the calendar year. No interest will be due and payable. The note is collateralized by a first leasehold mortgage on the apartment complex.

In October 2004, Ohioview Housing Limited Partnership II, (a public housing site of the Authority, reported within the LIPH Program) obtained a note payable in an original principal amount of \$1,250,000 payable to Action Housing Inc., due 40 years from the issuance of the certificates of occupancy for the unit, estimated to be July 2046. Annual principal payments are to be paid from the surplus of revenues over operating expenses, if any, generated by the project during the previous calendar year. No interest will be due and payable. The note is collateralized by property leased by the developer from the Authority.

In 2012, the Authority purchased 40 units to be converted to public housing at Pine Ridge in exchange for assuming the mortgages on the building and providing \$240,000 in cash. The principal balance of the mortgage assumed was \$777,759 payable to the Pennsylvania Housing Finance Agency, due February 2030. Annual payments are due in an amount equal to 50% of the surplus of revenues over

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FOR THE YEARS ENDED SEPTEMBER 30, 2013 AND 2012

expenses, if any, generated by the project during the calendar year. In addition, the Authority also assumed an additional mortgage on the property in the amount of \$170,063, payable in full on December 2029. No interest will be due and payable on these notes. Both notes are collateralized by a first leasehold mortgage on the respective property.

In 2012, the Authority purchased the St. Brendan's Apartments in exchange for assuming the mortgage on the building. The principal balance of the mortgage assumed was \$530,000, due June 2022. No interest will be due and payable. The note is collateralized by a first leasehold mortgage on the property.

In October 2012, the Authority purchased 20 units that will be converted to public housing at the Meadows at Forest Glen. As part of the purchase, the Authority assumed the mortgages on the building and provided \$388,000 in cash. The balance of the first mortgage assumed was \$960,000 in principal and \$649,728 of accrued interest, with an interest rate of 5.64%, due August 2029. Annual payments are due in an amount equal to 75% of cash flow up to 1% of the original principal balance and then 50% of cash flow. The note is collateralized by a mortgage on the property. The principal balance of the second mortgage assumed was \$50,000, with an interest rate of 0%, with no payments due until August 2019. The note is collateralized by a mortgage on the property.

In November 2008, the Authority (through their Three Rivers Business Activity) purchased four rental properties. As part of that purchase, the Authority assumed the remaining portion of the existing mortgages on three of these properties in the amounts of \$228,308, \$142,960, and \$70,513. These notes bear interest at rates of 2.0%, 3.0%, and 3.02%, respectively. Payments of principal and interest were originally to be due in monthly installments of \$1,968, \$2,530, and \$1,631, respectively, through November 2019, March 2014, and December 2012, respectively. As currently established, the monthly payment will not exceed the monthly cash flow from the real property and improvements to the property which secures each note. Principal payments were to begin in March 2009; however, due to continuing negotiations regarding the above-noted requirement limiting the monthly payment, interest-only payments were made during 2009 through 2013. Principal payments are scheduled to begin in 2014; however, the payment schedule is expected to change once negotiations are complete and the terms are finalized. Because of this, amounts due in 2009 through 2013 have been included as amounts due in 2019-2020 in the schedule below. As of September 30, 2013, the aggregate principal balance outstanding was \$441,781.

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<u>Fiscal Year Ending September 30,</u>	<u>Principal Payment</u>	<u>Interest Payment</u>
2014	\$ 54,950	\$ 2,678
2015	21,500	2,121
2016	21,934	1,687
2017	22,376	1,244
2018	22,828	792
2019-2020	<u>298,193</u>	<u>341</u>
	<u>\$ 441,781</u>	<u>\$ 8,863</u>

As described more fully in Note 3, during development, the activities of the mixed financing partnerships are recorded by the Authority to the extent that they are financed by the Authority.

In 2006, the Authority issued four notes in the amount of \$500,000, \$700,000, \$2,800,000, and \$2,000,000. These notes were issued to assist in providing funding for continuing mixed financing projects as described in Notes 3 and 6 and bear interest at rates of 4.46%, 6.58%, 6.58%, and 7.02%, respectively. Payments of principal and interest are due annually through October 2025. The notes are collateralized by future Capital Fund grant revenues of the Authority. As of September 30, 2013, the aggregate principal balance outstanding was \$3,900,000.

<u>Fiscal Year Ending September 30,</u>	<u>Principal Payment</u>	<u>Interest Payment</u>
2014	\$ 300,000	\$ 255,415
2015	300,000	235,768
2016	300,000	216,121
2017	300,000	196,474
2018	300,000	176,826
2019-2023	1,500,000	589,421
2024-2026	<u>900,000</u>	<u>117,884</u>
	<u>\$ 3,900,000</u>	<u>\$ 1,787,909</u>

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NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2013 AND 2012

Capital Leases

The Authority includes amortization expense for all capital lease assets in depreciation expense in the statements of revenues, expenses, and changes in net position.

The Authority has three agreements to acquire equipment through capital leases for the LIPH Program. Leases two and four noted below are refinancing agreements of the original leases entered into in October 2000 and March 2002. The table below shows the agreement dates, term, interest rates, monthly payments, and repayment schedule for the remaining three leases:

	<u>Lease #1</u>	<u>Lease #2</u>	<u>Lease #4</u>	<u>Total Leases</u>
Agreement date	Nov. 2003	June 2001	July 2007	
Term	121 Months	135 Months	144 Months	
Equipment value	\$ 4,370,391	\$ 357,119	\$ 2,780,428	\$ 7,507,938
Interest rate	4.26%	5.60%	4.50%	
Monthly payment	42,324	3,739	Varies	46,063
Due in fiscal year 2014	126,972	11,216	279,309	417,497
Due in fiscal year 2015	-	-	309,094	309,094
Due in fiscal year 2016	-	-	308,013	308,013
Due in fiscal year 2017	-	-	321,674	321,674
Due in fiscal year 2018	-	-	331,561	331,561
Due in fiscal years 2019-2020	-	-	562,950	562,950
Total payments	126,972	11,216	2,112,601	2,250,789
Less interest	896	104	339,897	340,897
Present value	<u>\$ 126,076</u>	<u>\$ 11,112</u>	<u>\$ 1,772,704</u>	<u>\$ 1,909,892</u>

Accumulated depreciation on the four equipment leases was approximately \$7.9 million and \$7.7 million as of September 30, 2013 and 2012, respectively. The Authority currently refunded these capital leases in fiscal year 2014, as described in Note 14.

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NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2013 AND 2012

In addition to the above leases, the Authority has additional capital leases totaling approximately \$187,000, which are not considered to be material.

Total long-term debt payments are as follows:

Fiscal Year Ending September 30,	
2014	\$ 1,421,277
2015	868,482
2016	847,754
2017	841,768
2018	832,007
2019-2023	3,530,907
2024-2028	1,017,884
2029-2033	3,363,689
2036 (Tarentum)	914,600
2042 (Groveton)	345,000
2045 (Ohioview I)	470,000
2046 (Ohioview II)	<u>1,250,000</u>
Total minimum debt payments	15,703,368
Less: amounts representing interest	<u>2,137,669</u>
Future minimum debt payments	<u><u>\$ 13,565,699</u></u>

Changes in Long-Term Liabilities

The schedule of changes in long-term liability activity for the year ended September 30, 2013 is presented below:

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NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2013 AND 2012

	Balance at September 30, 2012	Additions	Reductions	Balance at September 30, 2013	Due Within One Year
Groveton Housing, LP Note	\$ 345,000	\$ -	\$ -	\$ 345,000	\$ -
Homestead Housing, LP Note - PHFA	806,139	-	-	806,139	-
Ohioview Housing I, LP Note	470,000	-	-	470,000	-
Tarentum Housing I, LP Note - PHFA	914,600	-	-	914,600	-
Ohioview Housing II, LP Note	1,250,000	-	-	1,250,000	-
Pine Ridge Note - PHFA	777,759	-	-	777,759	-
Pine Ridge Note	170,063	-	-	170,063	-
Pine Ridge Notes	204,089	-	-	204,089	-
St. Brendan's Note	530,000	-	-	530,000	-
Forest Glen Note	-	1,659,728	-	1,659,728	-
Three Rivers Rental Properties Notes	441,781	-	-	441,781	54,950
CFFP Notes Payable	4,200,000	-	(300,000)	3,900,000	300,000
Capital Leases	2,715,246	186,648	(805,354)	2,096,540	397,522
Compensated Absences	848,693	88,025	(112,096)	824,622	164,923
Other Noncurrent	684,002	-	(131,674)	552,328	-
Total noncurrent liabilities	<u>\$ 14,357,372</u>	<u>\$ 1,934,401</u>	<u>\$ (1,349,124)</u>	<u>\$ 14,942,649</u>	<u>\$ 917,395</u>

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FOR THE YEARS ENDED SEPTEMBER 30, 2013 AND 2012

The schedule of changes in long-term liability activity for the year ended September 30, 2012 is presented below:

	Balance at September 30, 2011	Additions	Reductions	Balance at September 30, 2012	Due Within One Year
Groveton Housing, LP Note	\$ 345,000	\$ -	\$ -	\$ 345,000	\$ -
Homestead Housing, LP Note - PHFA	806,139	-	-	806,139	-
Ohioview Housing I, LP Note	470,000	-	-	470,000	-
Tarentum Housing I, LP Note - PHFA	914,600	-	-	914,600	-
Ohioview Housing II, LP Note	1,250,000	-	-	1,250,000	-
Tarentum Life Center Note	1,122,769	-	(1,122,769)	-	-
Pine Ridge Note - PHFA	-	777,759	-	777,759	-
Pine Ridge Note	-	170,063	-	170,063	-
Pine Ridge Notes	-	204,089	-	204,089	204,089
St. Brendan's Note	-	530,000	-	530,000	-
Three Rivers Rental Properties Notes	441,781	-	-	441,781	54,950
CFFP Notes Payable	4,500,000	-	(300,000)	4,200,000	300,000
Capital Leases	3,685,694	-	(970,448)	2,715,246	805,356
Compensated Absences	839,129	177,390	(167,826)	848,693	169,737
Other Noncurrent	802,092	36,172	(154,262)	684,002	-
Total noncurrent liabilities	<u>\$ 15,177,204</u>	<u>\$ 1,895,473</u>	<u>\$(2,715,305)</u>	<u>\$ 14,357,372</u>	<u>\$ 1,534,132</u>

11. INTERFUND RECEIVABLE AND PAYABLE

In 2009, Business Activities (Three Rivers) issued two notes in the amounts of \$164,302 and \$208,006 to Glenshaw, to refinance a previous note. The notes both bear interest at a rate of 3.8%, and payments on the notes are due in 216 monthly installments of \$1,051 and \$1,331, respectively. During 2012, Glenshaw sold one of their properties, Twin Oaks, to the Authority. The balance of the \$208,006 note was paid in full with the proceeds received from the sale of Twin Oaks. The amount outstanding was \$137,433 and \$143,723 as of September 30, 2013 and 2012.

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NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2013 AND 2012

Amounts are due between entities and are eliminated for presentation on the financial statements.

<u>Fiscal Year Ending</u> <u>September 30,</u>	<u>Principal</u> <u>Payment</u>	<u>Interest</u> <u>Payment</u>
2014	\$ 7,524	\$ 5,092
2015	7,815	4,801
2016	8,118	4,499
2017	8,431	4,185
2018	8,758	3,859
2019-2023	49,137	13,947
2024-2028	47,650	3,868
	<u>\$ 137,433</u>	<u>\$ 40,251</u>

12. CONTINGENCIES, CONCENTRATIONS, AND COMMITMENTS

The Authority is a defendant in various lawsuits, for which it believes it has meritorious defenses. Outcomes that would have a material impact on the Authority's financial status are not anticipated at this time. Also, the Authority's operations primarily depend on HUD funding. The Authority's ability to maintain operations may be severely impacted by a material reduction in HUD funds.

The Authority's grant programs are subject to review by the funding sources. Such reviews could result in amounts that may require repayment upon final settlement.

The operations of the Authority are subject to the administrative directives, rules, and regulations of HUD that are subject to change by an act of Congress or an administrative change mandated by HUD. Such changes may occur with little notice or inadequate funding to pay for the related cost to comply with a change.

The Authority is also involved in contracts related to various projects. Construction and development commitments outstanding related to these projects as of September 30, 2013 amounted to approximately \$12 million.

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NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2013 AND 2012

13. RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors or omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance the Authority purchases from independent third parties. Settled claims from these risks have not significantly exceeded commercial insurance coverage in the past. There were no significant changes in insurance coverage during the year.

14. SUBSEQUENT EVENT

In December 2013, the Authority entered into an equipment lease/purchase agreement in the amount of \$6,354,654 to (1) refinance their 2001, 2003, and 2007 capital leases, (2) install certain energy saving capital equipment to the Authority's owned and operated public housing, and (3) finance the costs of issuance of the capital lease. The capital lease bears interest at a rate of 2.19%. Payments of principal and interest are due monthly through May 2020.

Supplementary Information

Entity-Wide Financial
Data Schedule

2013			740	790	791			14.870	14.257	Other Fed 1						
Line Item No.	Description	14.850	14.871	14.181	97.109	14.856	14.218	14.870	14.257	Other Fed 1						
		LIPH Total	Section 8 Housing Choice Voucher	Supportive Housing for Persons with Disabilities	KD HAP	Section 8 Mod Rehab Total	CDBG Total	Ros/ FSS Total	HPRP Total	Other Federal Total	State/ Local Total	Business Activities Total	Glenshaw Gardens - Component Unit	SUBTOTAL	Elimination	ACHA TOTAL
111	Cash-unrestricted	8,857,372	71,650	22,320	-	80,544	-	-	-	-	-	3,900,728	230,535	13,163,149	-	13,163,149
112	Cash-restricted-modernization and development	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
113	Cash-other restricted	6,533,360	3,168,623	-	-	-	-	-	-	-	-	148,135	-	9,850,118	-	9,850,118
114	Cash-tenant security deposits	638,179	-	-	-	-	-	-	-	-	-	43,511	12,704	694,394	-	694,394
115	Cash - Restricted for payment of current liability	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
100	Total Cash	16,028,911	3,240,273	22,320	-	80,544	-	-	-	-	-	4,092,374	243,239	23,707,661	-	23,707,661
121	Accounts receivable - PHA projects	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
122-010	Accounts receivable - HUD other projects - Operating Subsidy	61,260	-	2,753	-	22,105	-	-	-	-	-	-	-	86,118	-	86,118
122-020	Accounts receivable - HUD other projects - Capital fund	308,916	-	-	-	-	-	-	-	-	-	-	-	308,916	-	308,916
122-030	Accounts receivable - HUD other projects - Other	-	-	-	-	-	-	23,252	-	-	-	-	-	23,252	-	23,252
122	Accounts receivable - HUD other projects	370,176	-	2,753	-	22,105	-	23,252	-	-	-	-	-	418,286	-	418,286
124	Account receivable - other government	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
125-010	Account receivable - miscellaneous - Not For Profit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
125-020	Account receivable - miscellaneous - Partnership	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
125-030	Account receivable - miscellaneous - Joint Venture	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
125-040	Account receivable - miscellaneous - Tax Credit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
125-050	Account receivable - miscellaneous - Other	103,667	45,224	-	-	-	-	-	-	10,982	15,657	55,789	135,042	366,361	-	366,361
125	Account receivable - miscellaneous	103,667	45,224	-	-	-	-	-	-	10,982	15,657	55,789	135,042	366,361	-	366,361
126	Accounts receivable - tenants	111,246	-	-	-	-	-	-	-	-	-	1,564	15,318	128,128	-	128,128
126.1	Allowance for doubtful accounts - tenants	(41,322)	-	-	-	-	-	-	-	-	-	-	(1,700)	(43,022)	-	(43,022)
126.2	Allowance for doubtful accounts - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
127	Notes, Loans, & Mortgages Receivable - Current	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
128	Fraud recovery	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
128.1	Allowance for doubtful accounts - fraud	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
129	Accrued interest receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
120	Total receivables, net of allowance for doubtful accounts	543,767	45,224	2,753	-	22,105	-	23,252	-	10,982	15,657	57,353	148,660	869,753	-	869,753
131	Investments - unrestricted	527,178	-	-	-	-	-	-	-	-	-	-	-	527,178	-	527,178
132	Investments - restricted	144,229	-	-	-	-	-	-	-	-	-	-	-	144,229	-	144,229
135	Investments - Restricted for payment of current liability	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
142	Prepaid expenses and other assets	369,834	-	-	-	-	-	-	-	-	-	-	-	369,834	-	369,834
143	Inventories	-	-	-	-	-	-	-	-	-	-	2,187	-	2,187	-	2,187
143.1	Allowance for obsolete inventories	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
144	Inter program - due from	97,065	10,506	-	-	-	-	-	-	-	-	-	-	107,571	(107,571)	-
145	Assets held for sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
150	Total Current Assets	17,710,984	3,296,003	25,073	-	102,649	-	23,252	-	10,982	15,657	4,151,914	391,899	25,728,413	(107,571)	25,620,842
161	Land	8,716,893	-	-	-	-	-	-	-	-	-	1,285,636	48,743	10,051,272	-	10,051,272
162	Buildings	247,961,426	-	-	-	-	441,370	-	-	-	-	12,071,048	796,225	261,270,069	-	261,270,069
163	Furniture, equipment and machinery - dwellings	12,359,458	-	-	-	-	-	-	-	-	-	-	13,018	12,372,476	-	12,372,476
164	Furniture, equipment and machinery - administration	1,578,616	162,468	-	-	-	-	-	-	-	-	64,738	984	1,806,806	-	1,806,806
165	Leasehold improvements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
166	Accumulated depreciation	(125,426,639)	(101,103)	-	-	(36,781)	-	-	-	-	-	(6,010,261)	(810,227)	(132,385,011)	-	(132,385,011)
167	Construction in progress	4,991,494	-	-	-	828,720	-	-	-	-	25,000	1,013,402	-	6,858,616	-	6,858,616
168	Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
160	Total capital assets, net of accumulated depreciation	150,181,248	61,365	-	-	-	1,233,309	-	-	-	25,000	8,424,563	48,743	159,974,228	-	159,974,228
171-010	Notes, Loans, & mortgages receivable - Non-current - Not For Profit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
171-020	Notes, Loans, & mortgages receivable - Non-current - Partnership	-	-	-	-	-	-	-	-	-	-	71,544,868	-	71,544,868	(55,624,420)	15,920,448
171-030	Notes, Loans, & mortgages receivable - Non-current - Joint Venture	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
171-040	Notes, Loans, & mortgages receivable - Non-current - Tax Credit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
171-050	Notes, Loans, & mortgages receivable - Non-current - Other	71,000	-	-	-	-	-	-	-	-	-	808,416	-	879,416	(137,433)	741,983
171	Notes, Loans, & mortgages receivable - Non-current	71,000	-	-	-	-	-	-	-	-	-	72,353,284	-	72,424,284	(55,761,853)	16,662,431
172-010	Notes, Loans, & mortgages receivable - Non-current - past due - NFP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
172-020	Notes, Loans, & mortgages receivable - Non-current - Partnership	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
172-030	Notes, Loans, & mortgages receivable - Non-current - Joint Venture	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
172-040	Notes, Loans, & mortgages receivable - Non-current - Tax Credit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
172-050	Notes, Loans, & mortgages receivable - Non-current - Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
172	Notes, Loans, & mortgages receivable - Non-current - past due	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
173	Grants receivable - Non-current	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
174-010	Other assets - Not For Profit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
174-020	Other assets - Partnership	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
174-030	Other assets - Joint Venture	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
174-040	Other assets - Tax Credit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
174-050	Other assets - Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
174	Other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
176-010	Investment in Joint venture - Not For Profit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
176-020	Investment in Joint venture - Partnership	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
176-030	Investment in Joint venture - Joint Venture	-	-	-	-	-	-	-	-	-	-	245,000	-	245,000	-	245,000
176-040	Investment in Joint venture - Tax Credit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
176-050	Investment in Joint venture - Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
176	Investment in joint venture	-	-	-	-	-	-	-	-	-	-	245,000	-	245,000	-	245,000
180	Total Non-current Assets	150,252,248	61,365	-	-	-	1,233,309	-	-	-	25,000	81,023,847	48,743	232,643,512	(55,761,853)	176,881,659
190	Total Assets	167,963,232	3,357,368	25,073	-	102,649	1,233,309	23,252	-	10,982	40,657	85,174,761	440,642	258,371,925	(55,869,424)	202,502,501

2013		14.850	740	790	791	14.856	14.218	14.870	14.257	Other Fed 1						
Line Item No.	Description	LIPH Total	Section 8 Housing Choice Voucher	Supportive Housing for Persons with Disabilities	KD HAP	Section 8 Mod Rehab Total	CDBG Total	Ros/ FSS Total	HPRP Total	Other Federal Total	State/ Local Total	Business Activities Total	Glenshaw Gardens - Component Unit	SUBTOTAL	Elimination	ACHA TOTAL
311	Bank overdraft	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
312	Accounts payable <= 90 days	1,296,337	419	-	-	-	-	-	-	-	-	255,864	21,834	1,574,454	-	1,574,454
313	Accounts payable > 90 days past due	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
321	Accrued wage/payroll taxes payable	319,793	26,217	-	-	-	-	-	-	-	-	-	19,022	365,032	-	365,032
322	Accrued compensated absences - current portion	146,154	18,769	-	-	-	-	-	-	-	-	-	-	164,923	-	164,923
324	Accrued contingency liability	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
325	Accrued interest payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
331-010	Accounts payable - HUD PHA Programs - Operating Subsidy	-	-	-	-	61,172	-	-	-	-	-	-	-	61,172	-	61,172
331-020	Accounts payable - HUD PHA Programs - Capital fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
331-030	Accounts payable - HUD PHA Programs - Other	-	-	-	-	-	-	-	-	-	-	28,328	-	28,328	-	28,328
331	Accounts payable - HUD PHA Programs	-	-	-	-	61,172	-	-	-	-	-	28,328	-	89,500	-	89,500
332	Accounts payable - PHA Projects	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
333	Accounts payable - other government	259,956	-	-	-	-	-	-	-	-	-	-	-	259,956	-	259,956
341	Tenant security deposits	638,179	-	-	-	-	-	-	-	-	-	43,511	12,704	694,394	-	694,394
342-010	Unearned revenue - Operating Subsidy	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
342-020	Unearned revenue - Capital fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
342-030	Unearned revenue - Other	30,622	-	-	-	-	-	-	-	-	-	48,298	1,691	80,611	-	80,611
342	Unearned Revenue	30,622	-	-	-	-	-	-	-	-	-	48,298	1,691	80,611	-	80,611
343-010	CFPP	300,000	-	-	-	-	-	-	-	-	-	-	-	300,000	-	300,000
343-020	Capital Projects/ Mortgage Revenue	387,401	10,121	-	-	-	-	-	-	-	-	54,950	-	452,472	-	452,472
343	Current portion of LTD- capital projects/mortgage revenue bonds	687,401	10,121	-	-	-	-	-	-	-	-	54,950	-	752,472	-	752,472
344	Current portion of long-term debt - operating borrowings	-	-	-	-	-	-	-	-	-	-	-	7,524	7,524	(7,524)	-
345	Other current liabilities	140,185	-	-	-	-	-	-	-	-	-	9,947	58,107	208,239	-	208,239
346	Accrued liabilities - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
347	Inter program - due to	47,174	-	-	-	10,506	-	23,252	-	10,982	15,657	-	-	107,571	(107,571)	-
348-010	Loan liability - current - Not For Profit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
348-020	Loan liability - current - Partnership	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
348-030	Loan liability - current - Joint Venture	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
348-040	Loan liability - current - Tax Credit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
348-050	Loan liability - current - Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
348	Loan liability - current	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
310	Total Current Liabilities	3,565,801	55,526	-	-	71,678	-	23,252	-	10,982	15,657	440,898	120,882	4,304,676	(115,095)	4,189,581
351-010	Long-term debt - CFPP	3,600,000	-	-	-	-	-	-	-	-	-	-	-	3,600,000	-	3,600,000
351-020	Long-term - Capital Projects/ Mortgage Revenue	63,880,601	40,215	-	-	-	-	-	-	-	-	916,831	-	64,837,647	(55,624,420)	9,213,227
351	Capital Projects/ Mortgage Revenue Bonds	67,480,601	40,215	-	-	-	-	-	-	-	-	916,831	-	68,437,647	(55,624,420)	12,813,227
352	Long-term debt, net of current - operating borrowings	-	-	-	-	-	-	-	-	-	-	-	129,909	129,909	(129,909)	-
353	Non-current liabilities - other	178,290	374,038	-	-	-	-	-	-	-	-	-	-	552,328	-	552,328
354	Accrued compensated absences- Non-current	584,624	75,075	-	-	-	-	-	-	-	-	-	-	659,699	-	659,699
355-010	Loan liability - Non-current - Not For Profit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
355-020	Loan liability - Non-current - Partnership	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
355-030	Loan liability - Non-current - Joint Venture	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
355-040	Loan liability - Non-current - Tax Credit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
355-050	Loan liability - Non-current - Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
355	Loan liability - Non-current	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
356	FASB 5 Liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
357	Accrued Pension and OPEB Liability	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
350	Total Non-Current Liabilities	68,243,515	489,328	-	-	-	-	-	-	-	-	916,831	129,909	69,779,583	(55,754,329)	14,025,254
300	Total Liabilities	71,809,316	544,854	-	-	71,678	-	23,252	-	10,982	15,657	1,357,729	250,791	74,084,259	(55,869,424)	18,214,835
508.1	Net investment in capital assets	82,013,246	11,029	-	-	-	1,233,309	-	-	-	25,000	7,452,782	48,743	90,784,109	55,624,420	146,408,529
511.1	Restricted Net Position	6,533,360	2,794,585	-	-	-	-	-	-	-	-	72,106,138	-	81,434,083	(55,624,420)	25,809,663
512.1	Unrestricted Net Position	7,607,310	6,900	25,073	-	30,971	-	-	-	-	-	4,258,112	141,108	12,069,474	-	12,069,474
513	Total Equity/Net Position	96,153,916	2,812,514	25,073	-	30,971	1,233,309	-	-	-	25,000	83,817,032	189,851	184,287,666	-	184,287,666
600	Total Liabilities and Equity/Net Position	167,963,232	3,357,368	25,073	-	102,649	1,233,309	23,252	-	10,982	40,657	85,174,761	440,642	258,371,925	(55,869,424)	202,502,501

2013		14.850	740	790	791	14.856	14.218	14.870	14.257	14.181							
Line Item No.	Description	LIPH Total	Section 8 Housing Choice Voucher	Supportive Housing for Persons with Disabilities	KD HAP	Section 8 - Mod Rehab Total	CDBG Total	Ross/FSS Total	HRP Total	Other Federal Total	State/Local Total	Business Activities Total	Glenshaw Gardens - Component Unit	SUBTOTAL	Financial Statement Elimination	ACHA TOTAL	
70300	Net tenant rental revenue	8,494,410				-	-	-	-	-	-	799,168	283,509	9,577,087	-	9,577,087	
70400	Tenant revenue - other	114,328				-	-	-	-	-	-	-	-	114,328	-	114,328	
70500	Total Tenant Revenue	8,608,738										799,168	283,509	9,691,415		9,691,415	
70600-010	Housing assistance payments	-	28,800,027	257,885		440,101	-	-	-	-	-	-	-	29,498,013	-	29,498,013	
70600-020	Ongoing administrative fees earned	-	2,556,325	38,599		47,241	-	-	-	-	-	-	-	2,642,165	-	2,642,165	
70600-030	FSS Coordinator	-	100,879				-	-	-	-	-	-	-	100,879	-	100,879	
70600-040	Actual independent public accountant audit costs	-					-	-	-	-	-	-	-	-	-	-	
70600-050	Total preliminary fees earned	-					-	-	-	-	-	-	-	-	-	-	
70600-060	Interest earned on advances	-					-	-	-	-	-	-	-	-	-	-	
70600-070	Admin fee calculation description	-					-	-	-	-	-	-	-	-	-	-	
70600	HUD PHA operating grants	13,205,525	31,457,231	296,484		487,342		255,063		94,059				45,795,704		45,795,704	
70610	Capital grants	3,306,566					747,459							4,054,025		4,054,025	
70710	Management Fee	3,511,753												3,511,753	(3,511,753)	-	
70720	Asset Management Fee	360,120												360,120	(360,120)	-	
70730	Book-Keeping Fee	646,705												646,705	(646,705)	-	
70740	Front Line Service Fee	2,723,168												2,723,168	(2,723,168)	-	
70750	Other Fees	-												-	-	-	
70700	Total Fee Revenue	7,241,746												7,241,746	(7,241,746)		
70800	Other government grants	-							6,182		15,657			21,839		21,839	
71100-010	Housing Assistance Payment - investment income unrestricted	-												-	-	-	
71100-020	Administrative Fee - investment income unrestricted	-												-	-	-	
71100	Investment income - unrestricted	23,659										18,019		41,678		41,678	
71200	Mortgage interest income	-										2,116,887		2,116,887	(2,116,887)	-	
71300	Proceeds from disposition of assets held for sale	-												-	-	-	
71310	Cost of sale of assets	-												-	-	-	
71400-010	Housing Assistance Payment - fraud recovery	-												-	-	-	
71400-020	Administrative Fee - fraud recovery	-												-	-	-	
71400	Fraud recovery	-												-	-	-	
71500	Other revenue	2,080,605	657,610			11,908						760,601	226,677	3,737,401		3,737,401	
71600	Gain or loss on sale of capital assets	-												-	-	-	
72000-010	Housing Assistance Payment - investment income restricted	-												-	-	-	
72000-020	Administrative Fee - investment income restricted	-												-	-	-	
72000	Investment income - restricted	8,899												8,899		8,899	
70000	Total Revenue	34,475,738	32,114,841	296,484		499,250	747,459	255,063	6,182	94,059	15,657	3,694,675	510,186	72,709,594	(9,358,633)	63,350,961	
91100	Administrative salaries	3,622,144	1,061,058							30,543		50,772	117,454	4,881,971		4,881,971	
91200	Auditing fees	206,335	13,664											219,999		219,999	
91300	Management Fee	2,897,921	595,388	8,604		9,840								3,511,753	(3,511,753)	-	
91310	Book-Keeping Fee	256,187	378,992	5,377		6,149								646,705	(646,705)	-	
91400	Advertising and Marketing	15,274	228									3,000		18,502		18,502	
91500	Employee benefit contributions - administrative	1,460,666	457,335							8,654		39,308	46,812	2,012,775		2,012,775	
91600	Office Expenses	751,874	270,213	4		11,909				1,125		120,009	25,745	1,180,879		1,180,879	
91700	Legal Expense	422,504	15,188									97,613	186	535,491		535,491	
91800	Travel	97,794	20,552									5,953	1,541	125,840		125,840	
91810	Allocated Overhead	-												-	-	-	
91900	Other	1,182,220	33					168,320	6,182	53,737	115,197	785,705	54,336	2,365,730		2,365,730	
91000	Total Operating-Administrative	10,912,919	2,812,651	13,985		27,898		168,320	6,182	94,059	115,197	1,102,360	246,074	15,499,645	(4,158,458)	11,341,187	
92000	Asset Management Fee	360,120												360,120	(360,120)	-	
92100	Tenant services - salaries	79,787						57,890						137,677		137,677	
92200	Relocation Costs	3,749												3,749		3,749	
92300	Employee benefit contributions - tenant services	19,979						28,835						48,814		48,814	
92400	Tenant services - other	160,759										30,382		191,141		191,141	
92500	Total Tenant Services	264,274						86,725				30,382		381,381		381,381	
93100	Water	695,677										15,734	6,132	717,543		717,543	
93200	Electricity	1,696,033										56,700	21,499	1,774,232		1,774,232	
93300	Gas	978,163										41,864	24,053	1,044,080		1,044,080	
93400	Fuel	-										-	-	-		-	
93500	Labor	-										-	-	-		-	
93600	Sewer	1,175,792										29,278	8,997	1,214,067		1,214,067	
93700	Employee benefit contributions - utilities	-										-	-	-		-	
93750	HAP Portability-In	-										-	-	-		-	
93800	Other utilities expense	-										-	-	-		-	
93000	Total Utilities	4,545,665										143,576	60,681	4,749,922		4,749,922	

2013																	
Line Item No.	Description	14.850 LIPH Total	740 14.871 Section 8 Housing Choice Voucher	790 14.181 Supportive Housing for Persons with Disabilities	791 97.109 KD HAP	14.856 Section 8 - Mod Rehab Total	14.218 CDBG Total	14.870 Ross/FSS Total	14.257 HPRP Total	14.181 Other Federal Total	State/Local Total	Business Activities Total	Glenshaw Gardens - Component Unit	SUBTOTAL	Financial Statement Elimination	ACHA TOTAL	
94100	Ordinary maintenance and operations - labor	3,310,657	-	-	-	-	-	-	-	-	-	46,938	28,645	3,386,240	-	3,386,240	
94200	Ordinary maintenance and operations - materials and other	1,325,378	-	-	-	-	-	-	-	-	-	54,241	6,843	1,386,462	-	1,386,462	
94300-010	Ord Maint and Op Contracts - Garbage and Trash Removal Contracts	325,952	-	-	-	-	-	-	-	-	-	27,151	10,828	363,931	-	363,931	
94300-020	Ord Maint and Op Contracts - Heating & Cooling Contracts	19,889	-	-	-	-	-	-	-	-	-	27,617	4,180	51,686	-	51,686	
94300-030	Ord Maint and Op Contracts - Snow Removal Contracts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
94300-040	Ord Maint and Op Contracts - Elevator Maintenance Contracts	142,417	-	-	-	-	-	-	-	-	-	10,985	-	153,402	-	153,402	
94300-050	Ord Maint and Op Contracts - Landscape & Grounds Contracts	8,797	-	-	-	-	-	-	-	-	-	29,060	11,109	48,966	-	48,966	
94300-060	Ord Maint and Op Contracts - Unit Turnaround Contracts	386,573	-	-	-	-	-	-	-	-	-	-	-	386,573	-	386,573	
94300-070	Ord Maint and Op Contracts - Electrical Contracts	-	-	-	-	-	-	-	-	-	-	1,525	1,523	5,906	-	5,906	
94300-080	Ord Maint and Op Contracts - Plumbing Contracts	71,837	-	-	-	-	-	-	-	-	-	12,306	3,378	87,521	-	87,521	
94300-090	Ord Maint and Op Contracts - Extermination Contracts	87,384	-	-	-	-	-	-	-	-	-	1,753	1,685	90,822	-	90,822	
94300-100	Ord Maint and Op Contracts - Janitorial Contracts	2,723,538	-	-	-	-	-	-	-	-	-	4,287	-	2,730,575	(2,723,168)	7,407	
94300-110	Ord Maint and Op Contracts - Routine Maintenance Contracts	350,978	-	-	-	-	-	-	-	-	-	7,352	1,168	359,498	-	359,498	
94300-120	Ord Maint and Op Contracts - Misc Contracts	451,056	6	-	-	-	-	-	-	-	-	55,603	1,075	507,740	-	507,740	
94300	Total Ordinary Maintenance and Operations Contracts	4,571,279	6	-	-	-	-	-	-	-	-	177,639	37,696	4,786,620	(2,723,168)	2,063,452	
94500	Employee benefit contribution - ordinary maintenance	1,247,466	-	-	-	-	-	-	-	-	-	-	-	1,247,466	-	1,247,466	
94000	Total Maintenance	10,454,780	6	-	-	-	-	-	-	-	-	278,818	73,184	10,806,788	(2,723,168)	8,083,620	
95100	Protective services - labor	507,558	-	-	-	-	-	-	-	-	-	-	-	507,558	-	507,558	
95200	Protective services - other contract costs	52,465	-	-	-	-	-	-	-	-	-	-	-	52,465	-	52,465	
95300	Protective services - other	34,925	-	-	-	-	-	-	-	-	-	1,805	450	37,180	-	37,180	
95500	Employee benefit contributions - protective services	155,374	-	-	-	-	-	-	-	-	-	-	-	155,374	-	155,374	
95000	Total Protective Services	750,322	-	-	-	-	-	-	-	-	-	1,805	450	752,577	-	752,577	
96110	Property Insurance	700,127	5,049	-	-	-	-	-	-	-	-	9,876	-	715,052	-	715,052	
96120	Liability Insurance	175,046	13,402	-	-	-	-	-	-	-	-	15,500	16,420	220,368	-	220,368	
96130	Workmen's Compensation	181,897	27,327	-	-	-	-	-	-	-	-	10,189	14,853	234,266	-	234,266	
96140	All other Insurance	113,623	15,289	-	-	-	-	-	-	-	-	3,722	4,123	136,757	-	136,757	
96100	Total Insurance Premiums	1,170,693	61,067	-	-	-	-	-	-	-	-	39,287	35,396	1,306,443	-	1,306,443	
96200	Other general expenses	821,587	66,332	362	-	-	-	-	-	-	-	-	37,697	925,978	-	925,978	
96210	Compensated absences	79,091	8,933	-	-	-	-	-	-	-	-	-	-	88,024	-	88,024	
96300	Payments in lieu of taxes	337,278	-	-	-	-	-	-	-	-	-	-	-	337,278	-	337,278	
96400	Bad debt - tenant rents	175,213	-	-	-	-	-	-	-	-	-	-	-	175,213	-	175,213	
96500	Bad debt - mortgages	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
96600	Bad debt - other	-	-	-	-	1,894	-	-	-	-	-	-	-	1,894	-	1,894	
96800	Severance expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
96000	Total Other General Expenses	1,413,169	75,265	362	-	1,894	-	-	-	-	-	-	37,697	1,528,387	-	1,528,387	
96710	Interest of Mortgage (or Bonds) Payable	277,167	-	-	-	-	-	-	-	-	-	4,220	5,496	286,883	-	286,883	
96720	Interest on Notes Payable (Short and Long Term)	2,245,141	2,965	-	-	-	-	-	-	-	-	-	-	2,248,106	(2,116,887)	131,219	
96730	Amortization of Bond Issue Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
96700	Total Interest expense and Amortization cost	2,522,308	2,965	-	-	-	-	-	-	-	-	4,220	5,496	2,534,989	(2,116,887)	418,102	
96900	Total Operating Expenses	32,394,250	2,951,954	14,347	-	29,792	-	255,045	6,182	94,059	115,197	1,600,448	458,978	37,920,252	(9,358,633)	28,561,619	
97000	Excess Revenue Over Operating Expenses	2,081,488	29,162,887	282,137	-	469,458	747,459	18	-	-	(99,540)	2,094,227	51,208	34,789,342	-	34,789,342	
97100	Extraordinary maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
97200	Casualty losses- Non-capitalized	75,423	-	-	-	-	-	-	-	-	-	-	-	75,423	-	75,423	
97300-010	Mainstream 1 & 5 year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
97300-020	Home-Ownership	-	293,554	-	-	-	-	-	-	-	-	-	-	293,554	-	293,554	
97300-025	Litigation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
97300-030	Hope IV	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
97300-035	Moving to Work	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
97300-040	Tenant Protection	-	330,940	-	-	-	-	-	-	-	-	-	-	330,940	-	330,940	
97300-050	Portability In	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
97300-060	Enhanced	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
97300-070	All Other	-	28,329,041	257,885	-	440,101	-	-	-	-	-	-	-	29,027,027	-	29,027,027	
97300	Total Housing assistance payments	-	28,953,535	257,885	-	440,101	-	-	-	-	-	-	-	29,651,521	-	29,651,521	
97400	Depreciation expense	7,430,275	-	-	-	-	36,781	-	-	-	-	962,453	-	8,460,225	-	8,460,225	
97350	Port In	-	493,851	-	-	-	-	-	-	-	-	-	-	493,851	-	493,851	
97800	Dwelling units rent expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
90000	Total Expenses	39,899,948	32,430,056	272,232	-	469,893	36,781	255,045	6,182	94,059	115,197	2,562,901	458,978	76,601,272	(9,358,633)	67,242,639	
10010	Operating transfer in	780,567	-	-	-	-	-	-	-	-	-	-	-	780,567	(780,567)	-	
10020	Operating transfer out	(780,567)	-	-	-	-	-	-	-	-	-	-	-	(780,567)	780,567	-	
10030-010	Not For Profit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
10030-020	Partnership	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
10030-030	Joint Venture	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
10030-040	Tax Credits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

2013																	
Line Item No.	Description	14.850	740	790	791	14.856	14.218	14.870	14.257	14.181							
		LIPH Total	Section 8 Housing Choice Voucher	Supportive Housing for Persons with Disabilities	KD HAP	Section 8 - Mod Rehab Total	CDBG Total	Ross/FSS Total	HPRP Total	Other Federal Total	State/Local Total	Business Activities Total	Glenshaw Gardens - Component Unit	SUBTOTAL	Financial Statement Elimination	ACHA TOTAL	
10030-050	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10030	Operating transfers from / to primary government	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10040	Operating transfers from / to component unit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10070	Extraordinary items, net gain/loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10080	Special items, net gain/loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10091	Inter AMP Excess Cash Transfer In	1,522,000	-	-	-	-	-	-	-	-	-	-	-	1,522,000	(1,522,000)	-	-
10092	Inter AMP Excess Cash Transfer Out	(1,522,000)	-	-	-	-	-	-	-	-	-	-	-	(1,522,000)	1,522,000	-	-
10093	Transfers from Program to AMP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10094	Transfers from AMP to Program	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10100	Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10000	Excess (Deficiency) of Revenue Over (Under) Expenses	(5,424,210)	(315,215)	24,252	-	29,357	710,678	18	-	-	(99,540)	1,131,774	51,208	(3,891,678)	-	(3,891,678)	
11020	Required Annual Debt Principal Payments	300,000	-	-	-	-	-	-	-	-	-	-	-	300,000	-	300,000	
11030	Beginning equity	101,228,126	2,968,972	31,821	15,757	113,614	522,631	(18)	-	-	124,540	83,035,258	138,643	188,179,344	-	188,179,344	
11040-010	Equity Transfers -	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11040-020	Equity Transfers -	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11040-030	Equity Transfers -	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11040-040	Equity Transfers -	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11040-050	Equity Transfers -	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11040-060	Equity Transfers -	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11040-070	Equity Transfers - S8 trf w/HCV	-	158,757	(31,000)	(15,757)	(112,000)	-	-	-	-	-	-	-	-	-	-	-
11040-080	Equity Transfers - 3 rivers trf to AMPs 501 & 814	350,000	-	-	-	-	-	-	-	-	-	(350,000)	-	-	-	-	-
11040-090	Equity Transfers -	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11040	Prior period adjustments, equity transfers, and correction of errors	350,000	158,757	(31,000)	(15,757)	(112,000)	-	-	-	-	-	(350,000)	-	-	-	-	-
11170-001	Administrative Fee Equity- Beginning Balance	-	20,879	-	-	-	-	-	-	-	-	-	-	20,879	-	20,879	
11170-010	Administrative Fee Revenue	-	2,657,204	-	-	-	-	-	-	-	-	-	-	2,657,204	-	2,657,204	
11170-020	Hard to House Fee Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11170-030	Audit Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11170-040	Investment Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11170-045	Fraud Recovery Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11170-050	Other Revenue	-	816,367	-	-	-	-	-	-	-	-	-	-	816,367	-	816,367	
11170-051	Comment for Other Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11170-060	Total Admin Fee Revenues	-	3,473,571	-	-	-	-	-	-	-	-	-	-	3,473,571	-	3,473,571	
11170-080	Total Operating Expenses	-	3,445,805	-	-	-	-	-	-	-	-	-	-	3,445,805	-	3,445,805	
11170-090	Depreciation	-	30,716	-	-	-	-	-	-	-	-	-	-	30,716	-	30,716	
11170-100	Other Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11170-101	Comment for Other Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11170-110	Total Expenses	-	3,476,521	-	-	-	-	-	-	-	-	-	-	3,476,521	-	3,476,521	
11170-002	Net Administrative Fee	-	(2,950)	-	-	-	-	-	-	-	-	-	-	(2,950)	-	(2,950)	
11170-003	Administrative Fee Equity- Ending Balance	-	17,929	-	-	-	-	-	-	-	-	-	-	17,929	-	17,929	
11170	Administrative Fee Equity	-	17,929	-	-	-	-	-	-	-	-	-	-	17,929	-	17,929	
11180-001	Housing Assistance Payments Equity - Beginning Balance	-	2,948,093	-	-	-	-	-	-	-	-	-	-	2,948,093	-	2,948,093	
11180-010	Housing Assistance Payments Revenue	-	28,800,027	-	-	-	-	-	-	-	-	-	-	28,800,027	-	28,800,027	
11180-015	Fraud Recovery Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11180-020	Other revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11180-021	Comment for other revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11180-025	Investment Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11180-030	Total HAP revenues	-	28,800,027	-	-	-	-	-	-	-	-	-	-	28,800,027	-	28,800,027	
11180-080	Housing Assistance Payments	-	28,953,535	-	-	-	-	-	-	-	-	-	-	28,953,535	-	28,953,535	
11180-090	Other expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11180-091	Comment for other expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11180-100	Total Housing Assistance Payments Expense	-	28,953,535	-	-	-	-	-	-	-	-	-	-	28,953,535	-	28,953,535	
11180-002	Net Housing Assistance Payments	-	(153,508)	-	-	-	-	-	-	-	-	-	-	(153,508)	-	(153,508)	
11180-003	Housing Assistance Payment Equity - Ending Balance	-	2,794,585	-	-	-	-	-	-	-	-	-	-	2,794,585	-	2,794,585	
11180	Housing Assistance Payments Equity	-	2,794,585	-	-	-	-	-	-	-	-	-	-	2,794,585	-	2,794,585	
11190	Unit Months Available	34,453	66,996	720	-	864	-	-	-	-	-	1,666	432	105,131	-	105,131	
11210	Unit Months Leased	33,766	66,703	706	-	864	-	-	-	-	-	1,605	425	104,069	-	104,069	
11270	Excess Cash	3,394,218	-	-	-	-	-	-	-	-	-	-	-	3,394,218	-	3,394,218	
11610	Land Purchases	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11620	Building Purchases	3,006,566	-	-	-	-	-	-	-	-	-	-	-	3,006,566	-	3,006,566	
11630	Furniture & Equipment-Dwelling Purchases	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
11640	Furniture & Equipment-Administrative Purchases	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
13510	CFFP Debt Service Payments	577,167	-	-	-	-	-	-	-	-	-	-	-	577,167	-	577,167	
13901	Replacement Housing Factor Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

Low-Income Public Housing
Financial Data Schedule

Public Housing Balance Sheet																										
Line Item No.	Description	AMP 101	AMP 102	AMP 103	AMP 201	AMP 202	AMP 203	AMP 301	AMP 302	AMP 303	AMP 304	AMP 305	AMP 401	AMP 402	AMP 403	AMP 501	AMP 502	AMP 503	AMP 504	AMP 601	AMP 602	AMP 701	AMP 702	AMP 703	AMP 704	
101	Bank overdraw																									
111	Accounts payable - 90 days	15,584	10,666	3,409	519	5,652	6,897	4,560	1,664	3,520	2,065	59	13,024	3,857	1,203	5,467	2,406	2,281	2,183	15,580	177	755	10,635	71,483	6,762	
112	Accounts payable - 90 days past due																									
113	Accounts payable - 90 days past due	6,223	4,550		1,179	2,905	3,630	4,317	294	1,257	205	1,287	4,633		3,508	2,444	1,291	1,282	2,405	5,879	3,392	1,588	2,412	2,262	1,228	
121	Accounts receivable - current portion	7,611	4,527		818	2,229	1,235	1,531	1,732	1,892	2,621	649	3,499		2,634	397	136			3,842	4,075	2,045	4,638	2,198		
124	Accounts receivable - liability																									
125	Accounts receivable - payable																									
311-010	Accounts payable - HUD/PHIA Programs - Operating Subsidy																									
311-020	Accounts payable - HUD/PHIA Programs - Capital fund																									
311-020	Accounts payable - HUD/PHIA Programs - Other																									
311	Accounts payable - HUD PHIA Programs																									
312	Accounts payable - PHIA Projects																									
313	Accounts payable - other government	2,293	14,031	14,865	12,229	46,366	52,562		1,764		1,129		10,690		24,438	6,417	484			10,518	5,668			27,176	14,638	
314	Tenant security deposits	19,181	47,087	19,362	19,622	49,355	51,230	15,399	11,054	8,438	2,672	7,311	26,829	4,120	33,799	8,316	9,564	8,646	12,008	36,758	23,348	11,577	49,138	21,298	18,294	
342-010	Unearned revenue - Operating Subsidy																									
342-020	Unearned revenue - Capital fund																									
342-020	Unearned revenue - Other					3,257	3,614								208	1,408	165	1,670	77	4,736				1,364		
342	Unearned Revenue					3,257	3,614								208	1,408	165	1,670	77	4,736				1,364		
343-010	CEFP	1,380									30,843										30,870			31,000	2,142	10,219
343-020	Capital Projects/Mortgage Revenue	38,474	21,693			27,119	30,836			21,543			26,969	35,556	14,422					29,380	38,426			33,999	29,978	
343	Current portion of L.D.-capital projects/mortgage revenue bonds	40,897	21,693			27,119	30,896			21,546			26,969	35,586	14,422					30,250	38,426			35,000	36,441	39,237
344	Current portion of Non-term debt - operating businesses																									
345	Other current liabilities				4,111		15,936	7,583									5,871	401	2,927					1,819		
346	Accounts liabilities - other																									
347	Other programs - other																									
348-010	Loan liability - current - Not For Profit																									
348-020	Loan liability - current - Partnership																									
348-030	Loan liability - current - Leasehold																									
348-040	Loan liability - current - Tax Credit																									
348-050	Loan liability - current - Other																									
348	Loan liability - current																									
349	Loan liability - non-current																									
350	Total Current Liabilities	111,998	102,556	38,226	24,832	137,823	165,384	33,392	38,824	49,422	8,747	9,486	87,649	43,741	81,432	23,426	21,422	12,983	25,334	122,827	68,464	52,229	132,479	151,178	26,224	
351-010	Loan term debt - CEFP	19,600								370,141											250,441					
351-020	Loan term - Capital Projects/Mortgage Revenue	177,632	100,321	1,151,510	4,790,248	125,401	142,818	8,774,231	99,624	8,968,966			124,704	164,413	75,937	1,940,672	1,777,008	2,638,448	2,263,619	133,851	132,368	1,553,252	166,752	154,418	3,361,865	
351	Capital Projects/Mortgage Revenue Bonds	196,782	100,321	1,151,510	4,790,248	125,401	142,818	8,774,231	99,624	8,939,109			124,704	164,413	75,937	1,940,672	1,777,008	2,638,448	2,263,619	386,294	132,368	1,873,252	187,219	287,668	3,361,865	
352	Loan term debt - Not for Profit																									
353	Noncurrent liabilities - other			24,180																						
354	Accounts receivable - Non-current	38,446	18,100		3,271	8,915	4,912	6,132	6,887	12,369	10,401	2,597	13,995		11,335	1,287	545	545	3,130	15,367	16,300	8,181	18,150	8,793		
355	Loan liability - Non-current																									
356	FASB 11 liabilities																									
357	Accounts Payable and APFD Liability	227,148	118,426	1,175,699	4,782,539	124,216	147,768	8,796,263	106,514	9,291,478	10,403	2,297	128,699	164,416	81,272	1,942,257	1,777,263	2,638,993	2,266,740	401,661	148,668	1,691,432	205,009	206,298	3,361,865	
357	Total Non-Current Liabilities	227,148	118,426	1,175,699	4,782,539	124,216	147,768	8,796,263	106,514	9,291,478	10,403	2,297	128,699	164,416	81,272	1,942,257	1,777,263	2,638,993	2,266,740	401,661	148,668	1,691,432	205,009	206,298	3,361,865	
358	Total Liabilities	339,683	220,986	1,213,916	4,808,371	271,239	313,144	8,813,785	144,526	9,490,906	19,210	12,043	226,246	208,156	168,884	1,965,285	1,798,978	2,671,896	2,292,674	524,486	245,332	1,933,742	338,488	417,533	3,328,089	
500	Net investment in capital assets	4,032,504	1,796,424	1,140,178	(243,191)	735,321	2,301,919	(2,153,069)	4,942,237	(975,575)	814,359	5,833	4,136,974	2,752,988	1,416,495	2,536,771	3,215,748	2,540,438	5,525,358	3,612,469	1,755,201	3,315,161	8,058,010	257,858	7,003,200	
511	Restricted Net Position				454,927			407,238		647,812																
512	Unrestricted Net Position	(76,817)	185,599	181,242	49,406	211,087	(366,959)	(17,664)	(73,197)	(42,768)	4,311	(5,649)	(72,264)	(20,401)	(24,447)	74,251	(111,887)	211,008	412,311	(271,074)	388,614	83,729	411,360	(130,616)	(17,996)	
513	Total Equity/Net Position	4,008,551	1,963,713	1,321,720	264,142	966,418	2,008,878	(1,828,195)	5,215,434	(184,975)	818,719	41,232	4,064,242	2,709,181	1,441,342	2,679,291	3,911,593	3,778,777	5,812,984	3,629,542	2,085,815	3,992,480	8,239,990	397,448	7,452,853	
600	Total Liabilities and Equity/Net Position	4,347,834	2,184,719	2,529,636	5,072,513	1,237,749	2,922,062	7,085,637	5,495,969	9,215,932	838,690	53,485	6,987,590	3,136,337	1,718,226	5,609,636	5,716,478	6,499,873	8,108,678	4,344,031	2,271,147	5,914,230	8,877,578	815,081	16,780,942	

Public Housing Balance Sheet																						COCC	TOTAL PUBLIC HOUSING				
Line Item No.	Description	AMP 705	AMP 801	AMP 802	AMP 803	AMP 804	AMP 805	AMP 806	AMP 807	AMP 808	AMP 811	AMP 812	AMP 813	AMP 814	AMP 815	AMP 816	AMP 817	AMP 818	AMP 819	AMP 820	AMP 821			AMP 823	TOTAL AMPS		
311	Bank overdraw																										
312	Accounts payable - 90 days	884	4,472				16,188	10,445			3,682			2,253	2,606							7,198	342,681	1,053,656	1,296,317		
313	Accounts payable - 90 days past due																										
324	Accrued compensated absence - non-current	3,259	2,257				2,885	2,087						1,735	1,609	2								72,268	247,527	519,793	
325	Accrued compensated absence - current portion	2,007	389				2,247	1,367						1,797	797	3									58,319	146,454	
326	Accrued contingency liability																										
327	Accrued interest payable																										
331-810	Accounts payable - HUD PHA Programs - Operating Subsidy																										
331-820	Accounts payable - HUD PHA Programs - Capital fund																										
331-830	Accounts payable - HUD PHA Programs - Other																										
331	Accounts payable - HUD PHA Programs																										
332	Accounts payable - PHA Projects																										
333	Accounts payable - other investment	439						932																247,447	12,500	259,946	
341	Tenant security deposits	12,658	7,238				26,321	16,427						18,126	26,433						1,700	7,682		638,179	638,179		
342-810	Unearned revenue - Operating Subsidy																										
342-820	Unearned revenue - Capital fund																										
342-830	Unearned revenue - Other													129	14,488	5							91		30,622	30,622	
342	Unearned Revenue													129	14,488	5							91		30,622	30,622	
343-810	CTIP													98,106	100,000										300,000	300,000	
343-820	Capital Projects Mortgage Revenue													3,594	5,231											38,530	38,530
343	Current portion of LTD-capital projects/mortgage revenue bonds													102,090	105,223										648,821	648,821	
344	Current portion of loan term debt - operating borrowings																										
345	Other current liabilities		2,468				831	15,784						26,514	29,990										114,079	26,106	140,185
346	Accrued liabilities - other																										
347	Other programs - due to			904																				46,270		47,174	
348-810	Loan liability - current - Net For Profit																										
348-820	Loan liability - current - Partnership																										
348-830	Loan liability - current - Non-Venture																										
348-840	Loan liability - current - Tax Credit																										
348-850	Loan liability - current - Other																										
348	Loan liability - current																										
349	Total Current Liabilities	19,382	16,884	904			48,232	47,242			3,682			152,484	181,455	10					1,871		61,300	2,899,588	1,466,213	3,565,801	
351-810	Long-term debt - CTIP													1,196,700	1,300,000											3,600,000	
351-820	Long-term debt - Capital Projects Mortgage Revenue		2,760,850				8,132,686	4,679,325						2,798,222	5,076,574							1,659,728			63,791,699	63,880,603	
351	Capital Projects Mortgage Revenue Bonds		2,760,850				8,132,686	4,679,325						2,798,222	5,076,574							1,659,728			67,291,699	68,902	67,488,681
352	Long-term debt - net of current - operating borrowings																										
353	Non-current liabilities - other		9,851																						34,661	144,220	178,200
354	Accrued compensated absence - Non-current	8,387	1,858				8,009	5,469						3,100	3,196	12									233,282	331,342	584,624
355	Loan liability - Non-current																										
356	PASB 17 liability																										
357	Accrued Pension and OPEB Liability	8,307	2,760,487				8,141,655	4,684,794						2,598,165	6,279,764	12									1,699,728	67,695,942	
358	Total Non-Current Liabilities																									682,625	
359	Total Liabilities	27,769	2,553,299	904			8,189,887	6,732,036			3,682			4,148,649	6,588,919	22					1,871		61,928	2,899,588	2,899,606	73,889,216	
398-1	Net investment in capital assets	71,273	883,628				7,844,667	5,074,714	150,000	149,347				1,466,300	2,044,203	290,800					228,160			391,840	79,486,638	2,066,610	82,013,246
411-1	Restricted Net Position		118,613				115,490	768,349	135,063	269,768				328,830	157,685											6,188,129	6,533,369
412-1	Unrestricted Net Position	72,782	46,548	4,488	13,813	17,248	247,229	231,158	48,638	82,311	17,110	52,772	17,124	49,207	231,760	5,167	5,918	38,250			4,441			52,699	6,363,638	1,241,872	7,605,510
513-1	Total Equity/Net Position	144,975	1,051,489	4,488	13,813	132,738	8,308,544	5,488,989	198,638	481,266	46,792	52,772	17,124	2,254,417	2,477,671	295,937	5,918	34,520			232,481			442,539	91,880,413	4,273,863	96,154,276
600	Total Liabilities and Equity/Net Position	174,714	3,764,894	5,112	13,813	132,738	17,098,431	18,373,025	198,638	481,266	46,792	52,772	17,124	6,395,066	9,234,998	295,937	5,918	34,520			234,472		2,864,967	165,639,843	6,254,187	167,963,232	

ALLEGHENY COUNTY HOUSING AUTHORITY

NOTE TO FINANCIAL DATA SCHEDULES

FOR THE YEAR ENDED SEPTEMBER 30, 2013

1. ELIMINATION ENTRIES

The Financial Data Summary is reported on the accrual basis by individual programs. The interprogram due to/due from balances are eliminated for the statements of net position.

ALLEGHENY COUNTY HOUSING AUTHORITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED SEPTEMBER 30, 2013

	<u>Federal CFDA Number</u>	<u>Expenditures</u>
<u>U.S. Department of Housing and Urban Development (HUD)</u>		
Public and Indian Housing	14.850	\$ 11,257,311
Public Housing Capital Fund	14.872	5,254,780
Resident Opportunity and Supportive Services - Service Coordinators	14.870	255,063
Lower Income Housing Assistance Program - Section 8 Moderate Rehabilitation	14.856	487,342
Section 8 Housing Choice Vouchers	14.871	32,476,424
Supportive Housing for Persons with Disabilities	14.181	296,484
<u>Passed through the County of Allegheny, Pennsylvania:</u>		
ARRA - Homelessness Prevention and Rapid Re-Housing Program (HPRP)	14.257	6,182
Community Development Block Grants/Entitlement Grants	14.218	747,459
<u>U.S. Department of Justice</u>		
Part E - Developing, Testing, and Demonstrating Promising New Programs	16.541	<u>94,059</u>
		<u>\$ 50,875,104</u>

See accompanying note to schedule of expenditures of federal awards.

ALLEGHENY COUNTY HOUSING AUTHORITY

NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED SEPTEMBER 30, 2013

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards for the year ended September 30, 2013 includes the federal grant activity of Allegheny County Housing Authority and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

**Allegheny County
Housing Authority**

Independent Auditor's Reports
Required by OMB Circular A-133

Year Ended September 30, 2013

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

Board of Directors
Allegheny County Housing Authority

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the business-type activities of the Allegheny County Housing Authority (Authority), as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated June 18, 2014.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority'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 opinion on the financial statements, but not for the purposes of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority'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 the Authority'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*.

Board of Directors
Allegheny County Housing Authority
Independent Auditor's Report on Internal Control over
Financial Reporting and on Compliance and Other Matters

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.

Mahe Duessel

Pittsburgh, Pennsylvania
June 18, 2014

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

Board of Directors
Allegheny County Housing Authority

Report on Compliance for Each Major Federal Program

We have audited the Allegheny County Housing Authority's (Authority) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended September 30, 2013. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

Opinion on Each Major Federal Program

In our opinion, the Authority 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 September 30, 2013.

Report on Internal Control over Compliance

Management of the Authority 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 the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

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

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

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

Maher Duessel

Pittsburgh, Pennsylvania
June 18, 2014

ALLEGHENY COUNTY HOUSING AUTHORITY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED SEPTEMBER 30, 2013

I. Summary of Audit Results

1. Type of auditor's report issued: Unmodified

2. Internal control over financial reporting:

Material weakness(es) identified? yes no

Significant deficiencies identified that are not considered to be material weakness(es)?
 yes none reported

3. Noncompliance material to financial statements noted? yes no

4. Internal control over major programs:

Material weakness(es) identified? yes no

Significant deficiencies identified that are not considered to be material weakness(es)?
 yes none reported

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

6. Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? yes no

7. Major Programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
14.850	Public and Indian Housing
14.872	Public Housing Capital Fund

8. Dollar threshold used to distinguish between type A and type B programs: \$1,526,253

9. Auditee qualified as low-risk auditee? yes no

II. Findings related to the financial statements which are required to be reported in accordance with GAGAS.

No matters were reported.

III. Findings and questioned costs for federal awards.

No matters were reported.

ALLEGHENY COUNTY HOUSING AUTHORITY

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FOR THE YEAR ENDED SEPTEMBER 30, 2013

NONE