

Allegheny County Housing Authority

Single Audit

September 30, 2014

MaherDuessel
Certified Public Accountants

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ALLEGHENY COUNTY HOUSING AUTHORITY

FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND 2013

TABLE OF CONTENTS

Independent Auditor's Report

Management's Discussion and Analysis	i
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Financial Statements:

Statements of Net Position	1
Statements of Revenues, Expenses, and Changes in Net Position	3
Statements of Cash Flows	5
Notes to Financial Statements	7

Supplementary Information:

Financial Data Schedules – Entity-wide	35
Financial Data Schedules – Low-Income Public Housing	40
Note to Financial Data Schedules	52
Schedule of Expenditures of Federal Awards	53
Note to Schedule of Expenditures of Federal Awards	54

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

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	55
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ALLEGHENY COUNTY HOUSING AUTHORITY

FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND 2013

TABLE OF CONTENTS

(Continued)

Independent Auditor's Report on Compliance for the Major Program and on Internal Control over Compliance Required by OMB Circular A-133	57
Schedule of Findings and Questioned Costs	59
Summary Schedule of Prior Audit Findings	60

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, 2014 and 2013, 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, 2014 and 2013, 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 May 29, 2015 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.

Maher Duessel

Pittsburgh, Pennsylvania
May 29, 2015

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, 2014. 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 59. There were no findings noted for the year ended September 30, 2014.

FINANCIAL HIGHLIGHTS

- During 2014, the Enterprise Fund's total assets decreased by \$1.0 million (or 0.5%). Total assets were \$201.5 million and \$202.5 million for 2014 and 2013, respectively. The \$1.0 million decrease is comprised of three factors: changes in current assets, changes in capital assets, and changes in other assets. Current assets decreased by \$1.5 million. Capital assets increased \$1.2 million. Other assets decreased \$0.7 million. The net increase in capital assets is due to the increase in buildings of \$9.8 million, mainly due to the addition of the Authority's mixed financing community at Carnegie, and is offset to a degree by the normal depreciation of \$8.6 million. Current assets decreased due to a \$2.0 million decline in cash and cash equivalents, which was offset by an increase of \$0.4 million in accounts and notes receivable. Other assets declined as a result of normal amortization of the Authority's mixed finance activities.
- The Enterprise Fund had a decrease in net position of \$5.7 million (or 3.0%). Total net position was \$178.6 million and \$184.3 million for 2014 and 2013, respectively. Unrestricted net position decreased by \$0.6 million, while restricted net position decreased \$2.9 million, and net investment in capital assets decreased by \$2.2 million. The change in unrestricted net position represents the need to use unrestricted reserves to fund expenses in 2014. The decrease in net investment in capital assets is related to the normal depreciation of \$8.6 million, modernization activities that increased buildings by \$9.8 million, and offset by outstanding debt related to capital lease obligations of \$3.4 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 recapture of Housing Assistance Payments (HAP) reserves.
- The Enterprise Fund's total revenues decreased by \$0.8 million (or 1%) from \$63.4 million in fiscal year 2013 to \$62.6 million in fiscal year 2014. The \$0.8 million decrease is related to the following main factors. Capital grants decreased by \$0.4 million. Operating subsidies decreased by \$3.6 million. Investment income fell \$0.1 million. Tenant revenue increased by \$0.3 million due to increased leasing and additional units coming on-line in 2014. Other revenue increased by \$1.1 million. Partnership contributions increased by \$1.9 million.
- The Enterprise Fund's total operating expenses remained consistent. Total operating expenses were \$58.3 million and \$58.3 million for 2014 and 2013, respectively.
- The Enterprise Fund's total non-operating expenses increased by \$1.1 million (or 12%). Total non-operating expenses were (\$10.1) million and (\$9.0) million for 2014 and 2013, respectively. This increase is attributable to depreciation and amortization rising by \$0.7 million and interest expense increasing by \$0.2 million.
- The Enterprise Fund's total capital contributions increased \$1.5 million (or 37%) in 2014 as compared to 2013. Total capital contributions were \$5.6 million and \$4.1

million for 2014 and 2013, respectively. This increase is mainly due to partnership contributions.

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 7-34</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.

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.

Emergency Solutions Grant Program (ESG) - 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

	2014 (in millions of dollars)	2013 (in millions of dollars)
Current Assets	\$ 24.1	\$ 25.6
Capital Assets	161.2	160.0
Other Assets	16.2	16.9
Total Assets	\$ 201.5	\$ 202.5
Current Liabilities	\$ 6.4	\$ 4.2
Noncurrent Liabilities	16.5	14.0
Total Liabilities	\$ 22.9	\$ 18.2
Net Position:		
Net Investment in		
Capital Assets	\$ 144.2	\$ 146.4
Restricted	22.9	25.8
Unrestricted	11.5	12.1
Total Net Position	\$ 178.6	\$ 184.3

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 \$1.5 million in fiscal year 2014. Cash and investments decreased by \$1.9 million. Accounts and notes receivable increased by \$0.4 million. Prepaid assets and inventory remained static.

Capital assets increased \$1.2 million due to the normal depreciation of \$8.6 million, which was offset by the normal modernization activities, including Carnegie, which increased buildings by \$9.8 million.

Total liabilities increased \$4.7 million. Total current liabilities rose by \$2.2 million and total non-current liabilities increased \$2.5 million. The most significant activity affecting liabilities was the increase in the Authority's capital lease obligations.

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, 2013		\$ 12.1
Operating Income	\$ (1.2)	
Non-Operating Revenue (Expenses)	(10.1)	
Capital Contributions	5.6	
Net Decrease in Net Position		(5.7)
<u>Other Changes in Net Position</u>		
Change in Net Investment in Capital Assets	2.2	
Change in Restricted Net Position	2.9	
		5.1
Unrestricted Net Position as of September 30, 2014		\$ 11.5

This table demonstrates that the change in net position of (\$5.7) million was comprised of as follows: the Authority decreased its net investment in capital assets by \$2.2 million, its restricted net position by \$2.9 million, and unrestricted net position by \$5.6 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:

	2014 (in millions of dollars)	2013 (in millions of dollars)
Revenues:		
Resident revenue - rents and other	\$ 10.0	\$ 9.7
Operating subsidies and grant	42.2	45.8
Capital grants	3.7	4.1
Investment income	-	0.1
Partnership contribution	1.9	-
Other revenue	4.8	3.7
Total revenues	62.6	63.4
Expenses:		
Administrative	9.6	11.3
Tenant services	0.7	0.4
Utilities	5.1	4.8
Maintenance	8.2	8.1
Protective services	0.7	0.8
Insurance	1.5	1.3
General	1.7	1.4
Housing assistance payments	30.8	30.1
Depreciation and amortization	9.2	8.5
Casualty losses	0.1	-
Interest expense	0.7	0.5
Total expenses	68.3	67.2
Net increase (decrease)	\$ (5.7)	\$ (3.8)

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

Total revenues decreased by \$0.8 million (as compared to the previous year) primarily due to the following: Capital grants decreased by \$0.4 million, operating subsidies and grants decreased by \$3.6 million. Tenant revenue increased by \$0.3 million due to

increased leasing and additional units coming on-line in 2014. Other revenue increased by \$1.1 million and, finally, the Authority's partnership contributions rose by \$1.9 million.

Total expenses increased by \$1.1 million in fiscal year 2014. Administrative expenses decreased by \$1.7 million. Tenant services rose by \$0.3 million. Utilities rose by \$0.3 million. Maintenance rose by \$0.1 million. Protective services declined by \$0.1 million. Insurance increased by \$0.2 million. General expenses increased by \$0.3 million. HAP expense increased by \$0.7 million. Depreciation expense increased by \$0.7 million and interest expenses rose \$0.2 million.

CAPITAL ASSETS AND DEBT ADMINISTRATION

TABLE 4

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

	2014 (in millions of dollars)	2013 (in millions of dollars)
Land	\$ 10.1	\$ 10.1
Buildings	271.0	261.2
Equipment - dwellings	12.4	12.4
Equipment - administrative	2.0	1.8
Accumulated depreciation	(141.0)	(132.4)
Construction in progress	6.7	6.9
Total	\$ 161.2	\$ 160.0

Capital Assets

As of September 30, 2014, the Authority had \$161.2 million invested in a variety of capital assets as reflected in the table above, which represents a net increase (addition, deductions, and depreciation) of \$1.2 million from \$160.0 million at September 30, 2013. This increase was due to the normal depreciation of \$8.6 million along with a decrease in construction work in progress of \$0.2 million, which was offset by increases in buildings of \$9.8 million, and equipment of \$0.2 million.

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

	Totals	
	2014	2013
Current portion of long-term debt	\$ 1.7	\$ 0.8
Noncurrent portion of long-term debt	15.3	12.8
Total debt	\$ 17.0	\$ 13.6

Debt Outstanding

As of year-end, the Authority had \$17.0 million in debt outstanding, compared to \$13.6 million in 2013. The increase is due to the long-term mixed financing debt associated with Carnegie and Phase VII of the Authority’s energy performance contract.

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, 2014 AND 2013

Assets		
	2014	2013
Current assets:		
Cash and cash equivalents:		
Cash - unrestricted	\$ 12,302,399	\$ 13,163,149
Cash - other restricted	7,661,313	9,850,118
Cash - tenant security deposits	720,870	694,394
Cash - restricted for payment of current liability	1,080,780	-
Total cash and cash equivalents	21,765,362	23,707,661
Accounts and notes receivables, net of allowances for doubtful accounts:		
Accounts receivable - HUD other projects	219,586	418,286
Accounts receivable - miscellaneous	837,293	366,361
Accounts receivable - tenants - dwelling rents	145,489	128,128
Allowance for doubtful accounts - dwelling rents and other	(30,476)	(43,022)
Tenant fraud recovery	60,864	-
Accrued interest receivable	979	-
Total accounts and notes receivables, net of allowances for doubtful accounts	1,233,735	869,753
Investments:		
Investments - unrestricted	527,186	527,178
Investments - restricted	158,552	144,229
Total current investments	685,738	671,407
Prepaid expenses and other assets	402,113	369,834
Inventories	2,187	2,187
Total current assets	24,089,135	25,620,842
Noncurrent assets:		
Capital assets:		
Land	10,060,367	10,051,272
Buildings	270,895,199	261,270,069
Furniture, equipment, and machinery - dwellings	12,372,476	12,372,476
Furniture, equipment, and machinery - administration	1,950,849	1,806,806
Accumulated depreciation	(140,870,172)	(132,385,011)
Construction in progress	6,744,470	6,858,616
Total capital assets, net of accumulated depreciation	161,153,189	159,974,228
Investment in mixed finance activities, net of accumulated amortization	15,373,302	15,920,448
Notes and mortgages receivable - non-current	634,997	741,983
Investment in partnership	245,000	245,000
Total noncurrent assets	177,406,488	176,881,659
Total Assets	\$ 201,495,623	\$ 202,502,501

(Continued)

See accompanying notes to financial statements.

ALLEGHENY COUNTY HOUSING AUTHORITY

STATEMENTS OF NET POSITION

SEPTEMBER 30, 2014 AND 2013

(Continued)

Liabilities and Net Position

	2014	2013
Liabilities:		
<hr/>		
Current liabilities:		
Accounts payable	\$ 1,285,932	\$ 1,574,454
Accrued wage/payroll taxes payable	325,890	365,032
Accrued compensated absences - current	164,934	164,923
Accounts payable - HUD PHA programs	1,057,049	89,500
Accounts payable - other government	623,493	259,956
Tenant security deposits	720,870	694,394
Unearned revenue	86,629	80,611
Current portion - capital lease obligations/debt	1,692,988	752,472
Other current liabilities	440,017	208,239
	<hr/>	<hr/>
Total current liabilities	6,397,802	4,189,581
Noncurrent liabilities:		
Noncurrent portion - capital lease obligations/debt	15,286,074	12,813,227
Other noncurrent liabilities	573,504	552,328
Accrued compensated absences - noncurrent	659,743	659,699
	<hr/>	<hr/>
Total noncurrent liabilities	16,519,321	14,025,254
Total Liabilities	<hr/>	<hr/>
	22,917,123	18,214,835
Net Position:		
<hr/>		
Net investment in capital assets	144,174,127	146,408,529
Restricted for:		
Mixed financing loans	15,820,061	16,481,718
Partnership reserves	7,027,369	6,533,360
Housing Choice Voucher Program	108,580	2,794,585
Unrestricted net position	11,448,363	12,069,474
	<hr/>	<hr/>
Total Net Position	178,578,500	184,287,666
Total Liabilities and Net Position	<hr/>	<hr/>
	\$ 201,495,623	\$ 202,502,501

(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, 2014 AND 2013

	2014	2013
Operating Revenues:		
<hr/>		
Tenant revenue:		
Net tenant rental revenue	\$ 9,848,395	\$ 9,577,087
Tenant revenue - other	106,644	114,328
Total tenant revenue	9,955,039	9,691,415
HUD PHA operating grants	41,959,770	45,795,704
Other governmental operating grants	280,181	21,839
Investment income - unrestricted	24,735	41,678
Other revenue	4,819,317	3,737,401
Investment income - restricted	3,441	8,899
Total operating revenues	57,042,483	59,296,936
Operating Expenses:		
<hr/>		
Housing assistance payments	30,843,816	30,145,372
Administrative:		
Administrative salaries	4,279,359	4,881,971
Auditing fees	228,852	219,999
Advertising and marketing	19,989	18,502
Employee benefit contributions - administrative	1,653,499	2,012,775
Office expenses	1,058,862	1,180,879
Legal expense	508,018	535,491
Travel	136,019	125,840
Other operating - administrative	1,655,723	2,365,730
Tenant services:		
Tenant services - salaries	345,192	137,677
Relocation costs	-	3,749
Employee benefit contributions - tenant services	135,304	48,814
Tenant services - other	191,072	191,141
Utilities:		
Water	760,370	717,543
Electricity	1,825,426	1,774,232
Gas	1,257,986	1,044,080
Sewer	1,295,785	1,214,067
Ordinary maintenance and operations:		
Ordinary maintenance and operations - labor	3,463,014	3,386,240
Ordinary maintenance and operations - materials and other	1,359,721	1,386,462
Ordinary maintenance and operations - contract costs	2,159,875	2,063,452
Employee benefit contributions - ordinary maintenance	1,250,803	1,247,466
Protective services:		
Protective services - labor	496,592	507,558
Protective services - other contract costs	35,494	52,465
Protective services - other	3,014	37,180
Employee benefit contributions - protective services	160,225	155,374

(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, 2014 AND 2013

(Continued)

	2014	2013
Insurance expense:		
Property insurance	753,354	715,052
Liability insurance	181,589	220,368
Workmen's compensation insurance	387,825	234,266
Other insurance	143,904	136,757
General expenses:		
Other general expenses	1,233,334	1,014,002
Payments in lieu of taxes	255,513	337,278
Bad debt	186,468	177,107
Total operating expenses	58,265,997	58,288,889
Operating Income (Loss)	(1,223,514)	1,008,047
Non-Operating Revenue (Expenses):		
Extraordinary maintenance	(16,948)	-
Casualty losses - non-capitalized	(128,340)	(75,423)
Interest expense	(705,727)	(418,102)
Gain (loss) on disposal of capital asset	475	-
Depreciation and amortization expense	(9,203,509)	(8,460,225)
Total non-operating revenue (expenses)	(10,054,049)	(8,953,750)
Capital Contributions:		
HUD capital grants	3,705,715	4,054,025
Partnership contribution	1,862,682	-
Total capital contributions	5,568,397	4,054,025
Change in Net Position	(5,709,166)	(3,891,678)
Total net position - beginning	184,287,666	188,179,344
Total net position - ending	\$ 178,578,500	\$ 184,287,666

(Concluded)

See accompanying notes to financial statements.

ALLEGHENY COUNTY HOUSING AUTHORITY

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND 2013

	2014	2013
<u>Cash Flows From Operating Activities:</u>		
Operating grants received	\$ 43,282,738	\$ 46,750,736
Receipts from tenants	9,890,744	9,733,208
Other receipts	4,354,403	5,187,234
Housing assistance payments	(30,843,816)	(30,145,372)
Payments for good and services	(15,342,503)	(16,571,389)
Payments to employees	(11,823,075)	(12,231,828)
Net cash provided by (used in) operating activities	(481,509)	2,722,589
<u>Cash Flows From Noncapital and Related Financing Activities:</u>		
Loan repayments received	106,986	132,203
<u>Cash Flows From Capital and Related Financing Activities:</u>		
HUD and other capital grants	3,829,177	4,765,325
Acquisition of fixed assets and construction of capital assets	(8,139,011)	(4,782,650)
Investment in mixed finance development activities	21,556	12,258
Proceeds from debt	6,484,367	-
Capital lease/debt principal paid	(3,071,004)	(1,105,354)
Interest paid	(705,727)	(418,102)
Net cash provided by (used in) capital and related financing activities	(1,580,642)	(1,528,523)
<u>Cash Flows From Investing Activities:</u>		
Purchase (sale) of investments	(14,331)	5,786,562
Interest income	27,197	50,577
Net cash provided by (used in) investing activities	12,866	5,837,139
Net Increase (Decrease) in Cash and Cash Equivalents	(1,942,299)	7,163,408
<u>Cash and Cash Equivalents:</u>		
Beginning of year	23,707,661	16,544,253
End of year	\$ 21,765,362	\$ 23,707,661
<u>Noncash Investment, Capital, and Financing Activities:</u>		
Acquisition of capital assets through partnership contribution	\$ 1,862,682	\$ -
Acquisition of capital assets by assuming directly related debt	\$ -	\$ 2,019,686

(Continued)

See accompanying notes to financial statements.

ALLEGHENY COUNTY HOUSING AUTHORITY

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND 2013

(Continued)

	<u>2014</u>	<u>2013</u>
Reconciliation of Operating Income (Loss) to Net Cash and Cash Equivalents From Operating Activities:		
Operating income (loss)	\$ (1,223,514)	\$ 1,008,047
Adjustments to reconcile operating income (loss) to cash and cash equivalents provided by (used in) operating activities:		
Investment (income) loss	(28,176)	(50,577)
Change in assets and liabilities:		
Accounts receivable	(486,465)	2,926,733
Prepaid expenses and other assets	(32,279)	(59,934)
Accounts payable and accrued liabilities	1,282,907	(1,044,790)
Unearned revenue	6,018	(56,890)
Total adjustments	<u>742,005</u>	<u>1,714,542</u>
Net cash and cash equivalents provided by (used in) operating activities	<u>\$ (481,509)</u>	<u>\$ 2,722,589</u>

(Concluded)

See accompanying notes to financial statements.

ALLEGHENY COUNTY HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND 2013

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, 2014 AND 2013

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 entities (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 entities 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 financial statements

ALLEGHENY COUNTY HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND 2013

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, 2014 AND 2013

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

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.

Emergency Solutions Grant Program (ESG): 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 entities (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 revenues and expenses consist of those revenues and expenses relating to capital items.

ALLEGHENY COUNTY HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND 2013

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.

Compensated Absences

Unused employee vacation time is accumulated and paid upon resignation, retirement, or termination. The amount of the compensated absence liability is

ALLEGHENY COUNTY HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND 2013

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, 2014 consisted of \$15,820,061 restricted in accordance with mixed financing and loan agreements as discussed in Notes 5 and 6, respectively, \$7,027,369 restricted per various partnership escrow agreements in the LIPH Program, and \$108,580 of net position restricted in the Housing Choice Voucher Program, as this portion of net position is available only for future housing assistance payments.

ALLEGHENY COUNTY HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND 2013

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 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.

- 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 Pronouncement

The Authority has adopted Governmental Accounting Standards Board (GASB) Statement No. 65, "*Items Previously Reported as Assets and Liabilities*," effective for periods beginning after December 15, 2012 (the Authority's fiscal year ending September 30, 2014). This statement reclassifies certain items previously 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. As of September 30, 2014, the Authority had no items that qualified for reporting in these classifications.

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.

ALLEGHENY COUNTY HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND 2013

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.

As of September 30, 2014, \$1,157,798 of the Authority's \$21,852,761 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 \$20,793,270 as of September 30, 2014.

Excluded from the above amounts, but presented as cash and cash equivalents on the statement of net position, are investments of \$972,092 (book and bank value), described in more detail under the investments section below.

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.

Investments

Investments consisted of the following at September 30, 2014 and 2013:

ALLEGHENY COUNTY HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND 2013

Investment Type	Fair Market Value	
	2014	2013
INVEST	\$ 16,012	\$ 16,004
U.S. Agencies	956,080	813,339
Mutual fund - BlackRock	685,738	671,407
	<u>\$ 1,657,830</u>	<u>\$ 1,500,750</u>

As of September 30, 2014 and 2013, the entire investments in INVEST and U.S. Agencies of 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, 2014 and 2013, 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

ALLEGHENY COUNTY HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND 2013

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 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.

A summary of the partnerships is as follows:

ALLEGHENY COUNTY HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND 2013

Property	Partnership	Number of Units
Hays Manor	Hays Manor Associates	138
Sharps Terrace	Sharpsburg Housing Limited Partnership	36
Groveton Village	Groveton Housing Partnership, L.P.	69
Homestead Apartments	Homestead Housing Development, L.P.	60
Homestead Apartments II	Homestead Housing Development, L.P. II	59
Homestead Apartments III	Homestead Housing Development, L.P. III	60
Homestead Apartments IV	Homestead Housing Development, L.P. IV	52
Negley Gardens	Felix Negley, L.P.	26
Pleasant Ridge I	Ohioview Housing Partnership, L.P.	112
Pleasant Ridge II	Ohioview Housing Partnership, L.P. II	69
Dalton's Edge I	Tarentum Housing Limited Partnership	48
Dalton's Edge II	Tarentum Housing Limited Partnership II	72
Dumplin Hall	Dumplin Hall Housing Partnership, L.P.	46
John Fraser Hall	Fraser Housing Limited Partnership	72
Pine Ridge Heights	Pine Ridge Heights Associates	40
Andrew Carnegie Apartments	514 Lydia Street, LP	17

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 properties.

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, 2014 and 2013.

ALLEGHENY COUNTY HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND 2013

4. CAPITAL ASSETS/ACCUMULATED DEPRECIATION

A summary of changes in capital assets during fiscal year 2014 for the Authority is as follows:

	September 30, 2013	Increases/ Transfers	Decreases/ Transfers	September 30, 2014
Capital assets, not being depreciated:				
Land	\$ 10,051,272	\$ 9,095	\$ -	\$ 10,060,367
Construction in progress	6,858,616	6,725,520	(6,839,666)	6,744,470
Total capital assets not being depreciated	16,909,888	6,734,615	(6,839,666)	16,804,837
Capital assets being depreciated:				
Buildings	261,270,069	9,625,130	-	270,895,199
Furniture, equipment, and machinery - dwellings	12,372,476	-	-	12,372,476
Furniture, equipment, and machinery - administration	1,806,806	251,393	(107,350)	1,950,849
Total capital assets, being depreciated	275,449,351	9,876,523	(107,350)	285,218,524
Less accumulated depreciation for:				
Buildings	(122,207,542)	(8,063,538)	-	(130,271,080)
Furniture, equipment, and machinery - dwellings	(8,983,852)	(310,206)	-	(9,294,058)
Furniture, equipment, and machinery - administration	(1,193,617)	(218,767)	107,350	(1,305,034)
Total accumulated depreciation	(132,385,011)	(8,592,511)	107,350	(140,870,172)
Total capital assets being depreciated, net	143,064,340	1,284,012	-	144,348,352
Total capital assets	\$ 159,974,228	\$ 8,018,627	\$ (6,839,666)	\$ 161,153,189

ALLEGHENY COUNTY HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND 2013

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

	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>

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

ALLEGHENY COUNTY HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND 2013

Authority will forgive these notes at a rate of 10% a year for ten years. The receivables are recorded at their net present value of \$110,333 and \$118,333 as of September 30, 2014 and 2013, respectively.

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, 2014 and 2013 was \$72,288 and \$109,713, 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 \$243,058 and \$231,484 at September 30, 2014 and 2013, 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, 2014 and 2013.

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, 2014, and the amortization expense for these notes was \$73,135 in both fiscal years 2014 and 2013. The receivables are recorded at their net present value of \$90,285 and \$163,420 as of September 30, 2014 and 2013, respectively.

A summary of the above-described notes receivable as of September 30, 2014 and 2013 is as follows:

ALLEGHENY COUNTY HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND 2013

Note	2014	2013
Second mortgages	\$ 110,333	\$ 118,333
Life Center note	72,288	109,713
Lavender Heights	243,058	231,484
St. Joseph	119,033	119,033
Pleasant Ridge second mortgages	90,285	163,420
Total	<u>\$ 634,997</u>	<u>\$ 741,983</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 ranging 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.

As of September 30, 2014, the balance of investment in mixed finance development activities totaled as noted:

ALLEGHENY COUNTY HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND 2013

<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	1,340,034
North Hills Housing #2	40 years	03/01/2051	<u>819,640</u>
Subtotal			21,096,352
Accumulated amortization as of September 30, 2013		\$ (5,197,460)	
Amortization for the year ended September 30, 2014		<u>(525,590)</u>	
	Accumulated amortization as of September 30, 2014		<u>(5,723,050)</u>
	Balance at September 30, 2014		<u><u>\$ 15,373,302</u></u>

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

ALLEGHENY COUNTY HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND 2013

<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
Accumulated amortization as of September 30, 2012		\$ (4,670,912)	
Amortization for the year ended September 30, 2013		<u>(526,548)</u>	
	Accumulated amortization as of September 30, 2013		<u>(5,197,460)</u>
	Balance at September 30, 2013		<u><u>\$ 15,920,448</u></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 at this time.

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 the end of the lease term.

Minimum yearly payments are as follows:

ALLEGHENY COUNTY HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND 2013

Fiscal Year Ending September 30,	Amount
2015	\$ 226,260
2016	229,608
2017	233,052
2018	236,496
2019	240,042
Thereafter	616,278
	<u>\$ 1,781,736</u>

The net book value of this building was approximately \$2,192,000 and \$2,307,000 as of September 30, 2014 and 2013, respectively. Depreciation on the building during the year was approximately \$115,000 in both 2014 and 2013.

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 2014 and 2013, 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 \$18,000 and \$17,500 in 2014 and 2013, respectively, and an additional \$6,000 and \$5,500 catch-up for certain employees over age 50 in 2014 and 2013, respectively. 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 2014 and 2013:

ALLEGHENY COUNTY HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND 2013

	2014	2013
Plan participants at year-end	155	162
Employer contributions	\$ 661,000	\$ 668,000
Employee contributions	\$ 463,000	\$ 492,000
Total payroll	\$ 8.7 million	\$ 8.7 million
Plan payroll	\$ 8.1 million	\$ 8.5 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 \$330,000 and \$320,000, respectively, for the years ended September 30, 2014 and 2013.

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

Fiscal Year Ending September 30,	Minimum Lease Payments
2015	\$ 330,110
2016	330,110
2017	330,110
2018	81,273
	<u>\$ 1,071,603</u>

10. LONG-TERM DEBT

Notes and Mortgages Payable

In December 2002, Groveton Housing Limited Partnership (a blended component unit 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.

ALLEGHENY COUNTY HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND 2013

Homestead Housing Development Limited Partnership (a blended component unit 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 blended component unit 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, 2014 and 2013) 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 blended component unit 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 blended component unit 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

ALLEGHENY COUNTY HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND 2013

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 in 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, payable in full in 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 were 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. Interest of \$94,752 was accrued during fiscal year 2014. 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. Principal payments were to begin in March 2009; however, due to continuing negotiations, interest-only payments were made during 2009 through 2014. The Authority has made an offer to pay the balance on the mortgages, however have not yet received a response. Because of this, the majority of the balance outstanding has been included as the amount due in 2015 in the schedule below. As of September 30, 2014, the aggregate principal balance outstanding was \$441,781.

ALLEGHENY COUNTY HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND 2013

<u>Fiscal Year Ending September 30,</u>	<u>Principal Payment</u>	<u>Interest Payment</u>
2015	\$ 384,210	\$ 6,176
2016	<u>57,571</u>	<u>10</u>
	<u>\$ 441,781</u>	<u>\$ 6,186</u>

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, 2014, the aggregate principal balance outstanding was \$3,600,000.

<u>Fiscal Year Ending September 30,</u>	<u>Principal Payment</u>	<u>Interest Payment</u>
2015	\$ 300,000	\$ 235,768
2016	300,000	216,121
2017	300,000	196,474
2018	300,000	176,826
2019	300,000	157,179
2020-2024	1,500,000	491,184
2025-2026	<u>600,000</u>	<u>58,942</u>
	<u>\$ 3,600,000</u>	<u>\$ 1,532,494</u>

Capital Lease

In January 2014, the Authority entered into an 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 in the amount of \$4,346,400, and (3) finance the costs of issuance of the capital lease. The lease is paid back in 77 monthly installments of varying amounts, commencing January 1, 2014, at an effective interest rate of 2.19%, scheduled as follows:

ALLEGHENY COUNTY HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND 2013

<u>Fiscal Year Ending September 30</u>	<u>Minimum Lease Payments</u>
2015	\$ 995,587
2016	1,026,070
2017	1,057,486
2018	1,089,865
2019	1,123,234
2020	<u>624,787</u>
Total payments	5,917,029
Less: interest	<u>359,377</u>
Present value	<u>\$ 5,557,652</u>

Included as capital leases are approximately \$2.78 million in capital assets: furniture, equipment, and machinery – dwellings, along with accumulated depreciation of approximately \$695,000, and \$3.27 million of capital assets: construction in progress.

In addition to the above leases, the Authority has additional capital leases totaling approximately \$158,000, which are not considered to be material.

Total long-term debt payments are as follows:

ALLEGHENY COUNTY HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND 2013

Fiscal Year Ending September 30,	
2015	\$ 1,980,814
2016	1,698,196
2017	1,553,960
2018	1,566,691
2019	1,834,502
2020-2024	3,145,972
2025-2029	2,363,422
2030-2033	1,753,961
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	18,877,118
Less: amounts representing interest	<u>1,898,056</u>
Future minimum debt payments	<u><u>\$ 16,979,062</u></u>

ALLEGHENY COUNTY HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND 2013

Changes in Long-Term Liabilities

The schedule of changes in long-term liability activity for the year ended September 30, 2014 is presented below:

	Balance at September 30, 2013	Additions	Reductions	Balance at September 30, 2014	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	94,752	-	1,754,480	-
Three Rivers Rental Properties Notes	441,781	-	-	441,781	384,210
CFFP Notes Payable	3,900,000	-	(300,000)	3,600,000	300,000
Capital Leases	2,096,540	6,389,615	(2,771,004)	5,715,151	1,008,778
Compensated Absences	824,622	164,978	(164,923)	824,677	164,934
Other Noncurrent	552,328	21,176	-	573,504	-
Total noncurrent liabilities	<u>\$ 14,942,649</u>	<u>\$ 6,670,521</u>	<u>\$ (3,235,927)</u>	<u>\$ 18,377,243</u>	<u>\$ 1,857,922</u>

ALLEGHENY COUNTY HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND 2013

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

	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>

11. INTERFUND RECEIVABLE AND PAYABLE

In 2009, Business Activities (Three Rivers) issued a note in the amounts of \$164,302 to Glenshaw, to refinance a previous note. The note bears interest at a rate of 3.8%, and payments on the note are due in 216 monthly installments of \$1,051. The amount outstanding was \$129,908 and \$137,433 as of September 30, 2014 and 2013, respectively. Amounts are due between entities and are eliminated for presentation on the financial statements.

ALLEGHENY COUNTY HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND 2013

<u>Fiscal Year Ending September 30,</u>	<u>Principal Payment</u>	<u>Interest Payment</u>
2015	\$ 7,815	\$ 4,801
2016	8,118	4,499
2017	8,431	4,185
2018	8,758	3,859
2019	9,096	3,521
2020-2024	51,037	12,047
2025-2028	36,653	2,247
	<u>\$ 129,908</u>	<u>\$ 35,159</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, 2014 amounted to approximately \$17 million.

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

ALLEGHENY COUNTY HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND 2013

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.

Supplementary Information

Entity-Wide Financial
Data Schedule

2014		14,850	740	790	14,856	14,218	14,870	14,231	State/Local	Bus. Acct.	Glenshaw Gardens - Component Unit	SUBTOTAL	Elimination	ACHA TOTAL
Line Item No.	Description	LIPH Total	Section 8 Housing Choice Voucher	Section 8 - Mainstream	Section 8 - Mod Rehab Total	CDBG Total	ROSS/FSS Total	ESG Total	State/Local TOTAL	TOTAL BUSINESS ACTIVITIES				
111	Cash-unrestricted	7,739,257	172,608	65,997	175,596	-	-	-	-	3,906,109	242,832	12,302,399	-	12,302,399
112	Cash-restricted-modernization and development	-	-	-	-	-	-	-	-	-	-	-	-	-
113	Cash-other restricted	7,027,369	498,254	-	-	-	-	-	-	135,690	-	7,661,313	-	7,661,313
114	Cash-tenant security deposits	661,157	-	-	-	-	-	-	-	46,312	13,401	720,870	-	720,870
115	Cash - Restricted for payment of current liability	1,080,780	-	-	-	-	-	-	-	-	-	1,080,780	-	1,080,780
100	Total Cash	16,508,563	670,862	65,997	175,596	-	-	-	-	4,088,111	256,233	21,765,362	-	21,765,362
121	Accounts receivable - PHA projects	-	-	-	-	-	-	-	-	-	-	-	-	-
122-010	Accounts receivable - HUD other projects - Operating Subsidy	-	-	-	1,829	-	-	-	-	-	-	1,829	-	1,829
122-020	Accounts receivable - HUD other projects - Capital fund	185,454	-	-	-	-	-	-	-	-	-	185,454	-	185,454
122-030	Accounts receivable - HUD other projects - Other	-	-	-	-	-	32,303	-	-	-	-	32,303	-	32,303
122	Accounts receivable - HUD other projects	185,454	-	-	1,829	-	32,303	-	-	-	-	219,586	-	219,586
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	403,566	-	-	-	158,425	-	-	113,995	49,240	112,067	837,293	-	837,293
125	Account receivable - miscellaneous	403,566	-	-	-	158,425	-	-	113,995	49,240	112,067	837,293	-	837,293
126	Accounts receivable - tenants	130,462	-	-	-	-	-	-	-	1,328	13,699	145,489	-	145,489
126.1	Allowance for doubtful accounts - tenants	(28,776)	-	-	-	-	-	-	-	-	(1,700)	(30,476)	-	(30,476)
126.2	Allowance for doubtful accounts - other	-	-	-	-	-	-	-	-	-	-	-	-	-
127	Notes, Loans, & Mortgages Receivable - Current	-	-	-	-	-	-	-	-	-	-	-	-	-
128	Fraud recovery	60,864	-	-	-	-	-	-	-	-	-	60,864	-	60,864
128.1	Allowance for doubtful accounts - fraud	-	-	-	-	-	-	-	-	-	-	-	-	-
129	Accrued interest receivable	-	-	-	-	-	-	-	-	-	979	979	-	979
120	Total receivables, net of allowance for doubtful accounts	751,570	-	-	1,829	158,425	32,303	-	113,995	50,568	125,045	1,233,735	-	1,233,735
131	Investments - unrestricted	527,186	-	-	-	-	-	-	-	-	-	527,186	-	527,186
132	Investments - restricted	158,552	-	-	-	-	-	-	-	-	-	158,552	-	158,552
135	Investments - Restricted for payment of current liability	-	-	-	-	-	-	-	-	-	-	-	-	-
142	Prepaid expenses and other assets	402,113	-	-	-	-	-	-	-	-	-	402,113	-	402,113
143	Inventories	-	-	-	-	-	-	-	-	2,187	-	2,187	-	2,187
143.1	Allowance for obsolete inventories	-	-	-	-	-	-	-	-	-	-	-	-	-
144	Inter program - due from	305,056	-	-	-	-	-	-	-	-	-	305,056	(305,056)	-
145	Assets held for sale	-	-	-	-	-	-	-	-	-	-	-	-	-
150	Total Current Assets	18,653,040	670,862	65,997	177,425	158,425	32,303	-	113,995	4,140,866	381,278	24,394,191	(305,056)	24,089,135
161	Land	8,725,988	-	-	-	-	-	-	-	1,285,636	48,743	10,060,367	-	10,060,367
162	Buildings	256,455,684	-	-	-	-	-	-	-	13,643,290	796,225	270,895,199	-	270,895,199
163	Furniture, equipment and machinery - dwellings	12,359,458	-	-	-	-	-	-	-	-	13,018	12,372,476	-	12,372,476
164	Furniture, equipment and machinery - administration	1,704,524	180,603	-	-	-	-	-	-	64,738	984	1,950,849	-	1,950,849
165	Leasehold improvements	-	-	-	-	-	-	-	-	-	-	-	-	-
166	Accumulated depreciation	(133,492,477)	(133,633)	-	-	-	-	-	-	(6,433,835)	(810,227)	(140,870,172)	-	(140,870,172)
167	Construction in progress	5,658,001	-	-	-	753,043	-	-	-	333,426	-	6,744,470	-	6,744,470
168	Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-	-
160	Total capital assets, net of accumulated depreciation	151,411,178	46,970	-	-	753,043	-	-	-	8,893,255	48,743	161,153,189	-	161,153,189
171-010	Notes, Loans, & mortgages receivable - Non-current - Not For Profit	-	-	-	-	-	-	-	-	-	-	-	-	-
171-020	Notes, Loans, & mortgages receivable - Non-current - Partnership	-	-	-	-	-	-	-	-	73,763,435	-	73,763,435	(58,390,133)	15,373,302
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	-	-	-	-	-	-	-	693,905	-	764,905	(129,908)	634,997
171	Notes, Loans, & mortgages receivable - Non-current	71,000	-	-	-	-	-	-	-	74,457,340	-	74,528,340	(58,520,041)	16,008,299
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	151,482,178	46,970	-	-	753,043	-	-	-	83,595,595	48,743	235,926,529	(58,520,041)	177,406,488
190	Total Assets	170,135,218	717,832	65,997	177,425	911,468	32,303	-	113,995	87,736,461	430,021	260,320,720	(58,825,097)	201,495,623

2014		14.850	740 14.871	790 14.181	14.856	14.218	14.870	14.231	State/Local	Bus. Acct.	Glenshaw Gardens - Component Unit	SUBTOTAL	Elimination	ACHA TOTAL
Line Item No.	Description	LIPH Total	Section 8 Housing Choice Voucher	Section 8 - Mainstream	Section 8 - Mod Rehab Total	CDBG Total	ROSS/FSS Total	ESG Total	State/ Local TOTAL	TOTAL BUSINESS ACTIVITIES				
311	Bank overdraft	-												
312	Accounts payable <= 90 days	1,091,299								166,147	28,486	1,285,932		1,285,932
313	Accounts payable > 90 days past due	-												
321	Accrued wage/payroll taxes payable	275,591	29,963								20,336	325,890		325,890
322	Accrued compensated absences - current portion	142,420	22,514									164,934		164,934
324	Accrued contingency liability	-												
325	Accrued interest payable	-												
331-010	Accounts payable - HUD PHA Programs - Operating Subsidy	-	703	15,015	115,730							131,448		131,448
331-020	Accounts payable - HUD PHA Programs - Capital fund	897,273										897,273		897,273
331-030	Accounts payable - HUD PHA Programs - Other	-								28,328		28,328		28,328
331	Accounts payable - HUD PHA Programs	897,273	703	15,015	115,730					28,328		1,057,049		1,057,049
332	Accounts payable - PHA Projects	-												
333	Accounts payable - other government	598,511	24,982									623,493		623,493
341	Tenant security deposits	661,157								46,312	13,401	720,870		720,870
342-030	Unearned revenue - Other	35,796								49,800	1,033	86,629		86,629
342	Unearned Revenue	35,796								49,800	1,033	86,629		86,629
343-010	CFFP	299,999										299,999		299,999
343-020	Capital Projects/ Mortgage Revenue	997,113	11,666							384,210		1,392,989		1,392,989
343	Current portion of L/TD- capital projects/mortgage revenue bonds	1,297,112	11,666							384,210		1,692,988		1,692,988
344	Current portion of long-term debt - operating borrowings	-									7,815	7,815	(7,815)	
345	Other current liabilities	409,010										440,017		440,017
346	Accrued liabilities - other	-								31,007				
347	Inter program - due to	-			333	158,425	32,303		113,995			305,056	(305,056)	
348	Loan liability - current													
310	Total Current Liabilities	5,408,169	89,828	15,015	116,063	158,425	32,303		113,995	705,804	71,071	6,710,673	(312,871)	6,397,802
351-010	Long-term debt - CFFP	3,300,001										3,300,001		3,300,001
351-020	Long-term - Capital Projects/ Mortgage Revenue	69,761,004	27,631							587,571		70,376,206	(58,390,133)	11,986,073
351	Capital Projects/ Mortgage Revenue Bonds	73,061,005	27,631							587,571		73,676,207	(58,390,133)	15,286,074
352	Long-term debt, net of current - operating borrowings	-												
353	Non-current liabilities - other	183,830	389,674								122,093	122,093	(122,093)	
354	Accrued compensated absences- Non-current	569,687	90,056									659,743		659,743
355	Loan liability - Non-current													
356	FASB 5 Liabilities	-												
357	Accrued Pension and OPEB Liability	-												
350	Total Non-Current Liabilities	73,814,522	507,361							587,571	122,093	75,031,547	(58,512,226)	16,519,321
300	Total Liabilities	79,222,691	597,189	15,015	116,063	158,425	32,303		113,995	1,293,375	193,164	81,742,220	(58,825,097)	22,917,123
508.1	Net investment in capital assets	77,053,061	7,673			753,043				7,921,474	48,743	85,783,994	58,390,133	144,174,127
511.1	Restricted Net Position	7,027,369	108,580							74,210,194		81,346,143	(58,390,133)	22,956,010
512.1	Unrestricted Net Position	6,832,097	4,390	50,982	61,362					4,311,418	188,114	11,448,363		11,448,363
513	Total Equity/Net Position	90,912,527	120,643	50,982	61,362	753,043				86,443,086	236,857	178,578,500		178,578,500
600	Total Liabilities and Equity/Net Position	170,135,218	717,832	65,997	177,425	911,468	32,303		113,995	87,736,461	430,021	260,320,720	(58,825,097)	201,495,623

2014															
Line Item No.	Description	14.850	740	790	14.856	14.218	14.870	14.231	Other Fed 1	State/Local	Business Activities	Glenshaw Gardens	SUBTOTAL	Financial Statement	ACHA TOTAL
		LIPH Total	Section 8 Housing	Section 8 -	Section 8 - Mod	CDBG Total	Ross/FSS	ESG Total	Other Federal	TOTAL	Total	Component Unit		Elimination	
			Choice Voucher	Mainstream	Rehab Total		Total		TOTAL						
70300	Net rental tenant revenue	8,732,344			-	-	-	-	-	-	845,451	270,600	9,848,395	-	9,848,395
70400	Tenant revenue - other	106,644			-	-	-	-	-	-	-	-	106,644	-	106,644
70500	Total Tenant Revenue	8,838,988	-	-	-	-	-	-	-	-	845,451	270,600	9,955,039	-	9,955,039
70600-010	Housing assistance payments	-	26,086,225	241,397	413,840	-	-	-	-	-	-	-	26,741,462	-	26,741,462
70600-020	Ongoing administrative fees earned	-	2,515,280	39,323	48,132	-	-	-	-	-	-	-	2,602,735	-	2,602,735
70600-030	FSS Coordinator	-	99,606			-	-	-	-	-	-	-	99,606	-	99,606
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	12,213,947	28,701,111	280,720	461,972	-	302,020	-	-	-	-	-	41,959,770	-	41,959,770
70610	Capital grants	2,952,672				753,043	-	-	-	-	-	-	3,705,715	-	3,705,715
70710	Management Fee	3,218,408				-	-	-	-	-	-	-	3,218,408	(3,218,408)	-
70720	Asset Management Fee	365,160				-	-	-	-	-	-	-	365,160	(365,160)	-
70730	Book-Keeping Fee	757,747				-	-	-	-	-	-	-	757,747	(757,747)	-
70740	Front Line Service Fee	2,979,012				-	-	-	-	-	-	-	2,979,012	(2,979,012)	-
70750	Other Fees	-				-	-	-	-	-	-	-	-	-	-
70700	Total Fee Revenue	7,320,327	-	-	-	-	-	-	-	-	-	-	7,320,327	(7,320,327)	-
70800	Other government grants	-				-	-	181,843	-	98,338	-	-	280,181	-	280,181
71100-010	Housing Assistance Payment - investment income unrestricted	-	-			-	-	-	-	-	-	-	-	-	-
71100-020	Administrative Fee - investment income unrestricted	-				-	-	-	-	-	-	-	-	-	-
71100	Investment income - unrestricted	9,650	500	-	-	-	-	-	-	-	14,585	-	24,735	-	24,735
71200	Mortgage interest income	-				-	-	-	-	-	1,820,026	-	1,820,026	(1,820,026)	-
71300	Proceeds from disposition of assets held for sale	-				-	-	-	-	-	-	-	-	-	-
71310	Cost of sale of assets	-				-	-	-	-	-	-	-	-	-	-
71400-010	Housing Assistance Payment - fraud recovery	-	47,886			-	-	-	-	-	-	-	47,886	-	47,886
71400-020	Administrative Fee - fraud recovery	-				-	-	-	-	-	-	-	-	-	-
71400	Fraud recovery	-	47,886	-	-	-	-	-	-	-	-	-	47,886	-	47,886
71500	Other revenue	3,078,631	1,544,262	554	9,709	-	-	-	-	-	1,768,757	232,200	6,634,113	-	6,634,113
71600	Gain or loss on sale of capital assets	475				-	-	-	-	-	-	-	475	-	475
72000-010	Housing Assistance Payment - investment income restricted	-				-	-	-	-	-	-	-	-	-	-
72000-020	Administrative Fee - investment income restricted	-				-	-	-	-	-	-	-	-	-	-
72000	Investment income - restricted	3,441	-	-	-	-	-	-	-	-	-	-	3,441	-	3,441
70000	Total Revenue	34,418,131	30,293,759	281,274	471,681	753,043	302,020	181,843	-	98,338	4,448,819	502,800	71,751,708	(9,140,353)	62,611,355
91100	Administrative salaries	3,086,157	984,152			-	-	-	-	52,641	51,525	104,884	4,279,359	-	4,279,359
91200	Auditing fees	241,308	13,970			-	-	-	-	-	-	3,574	238,852	-	238,852
91300	Management Fee	2,419,724	779,844	8,472	10,368	-	-	-	-	-	-	-	3,218,408	(3,218,408)	-
91310	Book-Keeping Fee	258,570	487,402	5,295	6,480	-	-	-	-	-	-	-	757,747	(757,747)	-
91400	Advertising and Marketing	15,898	3,351			-	-	-	-	-	740	-	19,989	-	19,989
91500	Employee benefit contributions - administrative	1,123,749	423,327			-	-	-	-	13,761	34,424	58,238	1,653,499	-	1,653,499
91600	Office Expenses	731,851	236,839		9,707	-	-	-	-	21,143	32,906	26,416	1,058,862	-	1,058,862
91700	Legal Expense	427,374	2,302			-	-	-	-	-	78,215	127	508,018	-	508,018
91800	Travel	99,576	25,729			-	-	-	-	793	7,872	2,049	136,019	-	136,019
91810	Allocated Overhead	-				-	-	-	-	-	-	-	-	-	-
91900	Other	1,008,572	153			-	-	181,843	-	10,000	385,137	70,018	1,655,723	-	1,655,723
91000	Total Operating-Administrative	9,382,779	2,957,069	13,767	26,555	-	-	181,843	-	98,338	590,819	265,306	13,516,476	(3,976,155)	9,540,321
92000	Asset Management Fee	365,160				-	-	-	-	-	-	-	365,160	(365,160)	-
92100	Tenant services - salaries	81,933				-	189,847	-	-	-	-	73,412	345,192	-	345,192
92200	Relocation Costs	-				-	-	-	-	-	-	-	-	-	-
92300	Employee benefit contributions - tenant services	19,496				-	76,733	-	-	-	39,075	-	135,304	-	135,304
92400	Tenant services - other	139,813				-	35,440	-	-	-	15,819	-	191,072	-	191,072
92500	Total Tenant Services	241,242	-	-	-	-	302,020	-	-	-	128,306	-	671,568	-	671,568
93100	Water	739,283				-	-	-	-	-	15,614	5,473	760,370	-	760,370
93200	Electricity	1,738,552				-	-	-	-	-	66,581	20,293	1,825,426	-	1,825,426
93300	Gas	1,186,004				-	-	-	-	-	43,898	28,084	1,257,986	-	1,257,986
93400	Fuel	-				-	-	-	-	-	-	-	-	-	-
93500	Labor	-				-	-	-	-	-	-	-	-	-	-
93600	Sewer	1,252,766				-	-	-	-	-	33,397	9,622	1,295,785	-	1,295,785
93700	Employee benefit contributions - utilities	-				-	-	-	-	-	-	-	-	-	-
93750	HAP Portability-In	-				-	-	-	-	-	-	-	-	-	-
93800	Other utilities expense	-				-	-	-	-	-	-	-	-	-	-
93000	Total Utilities	4,916,605	-	-	-	-	-	-	-	-	159,490	63,472	5,139,567	-	5,139,567

2014															
Line Item No.	Description	14850 LIPH Total	740 14.871 Section 8 Housing Choice Voucher	790 14.181 Section 8 - Mainstream	14.856 Section 8 - Mod Rehab Total	14.218 CDBG Total	14.870 Ross/FSS Total	14.231 ESG Total	Other Fed 1 TOTAL	State/Local TOTAL	Business Activities Total	Glenshaw Gardens - Component Unit	SUBTOTAL	Financial Statement Elimination	ACHA TOTAL
94100	Ordinary maintenance and operations - labor	3,399,614			-	-	-	-	-	-	47,215	16,185	3,463,014	-	3,463,014
94120	Ordinary maintenance and operations - materials and other	1,284,605			-	-	-	-	-	-	56,789	18,327	1,359,721	-	1,359,721
94300-010	Ord Maint and Op Contracts - Garbage and Trash Removal Contracts	336,489			-	-	-	-	-	-	31,797	12,846	381,132	-	381,132
94300-020	Ord Maint and Op Contracts - Heating & Cooling Contracts	40,009			-	-	-	-	-	-	78,810	4,514	123,333	-	123,333
94300-030	Ord Maint and Op Contracts - Snow Removal Contracts				-	-	-	-	-	-	-	-	-	-	-
94300-040	Ord Maint and Op Contracts - Elevator Maintenance Contracts	152,917			-	-	-	-	-	-	11,651		164,568	-	164,568
94300-050	Ord Maint and Op Contracts - Landscape & Grounds Contracts	11,701			-	-	-	-	-	-	68,854	10,466	91,021	-	91,021
94300-060	Ord Maint and Op Contracts - Unit Turnaround Contracts	141,224			-	-	-	-	-	-	-	-	141,224	-	141,224
94300-070	Ord Maint and Op Contracts - Electrical Contracts	464			-	-	-	-	-	-	3,516	949	4,929	-	4,929
94300-080	Ord Maint and Op Contracts - Plumbing Contracts	1,782			-	-	-	-	-	-	13,986	6,059	21,827	-	21,827
94300-090	Ord Maint and Op Contracts - Extermination Contracts	150,054			-	-	-	-	-	-	2,446	945	153,445	-	153,445
94300-100	Ord Maint and Op Contracts - Junitorial Contracts	3,038,455			-	-	-	-	-	-	4,297	2,879	3,045,631	(2,979,012)	66,619
94300-110	Ord Maint and Op Contracts - Routine Maintenance Contracts	443,451			-	-	-	-	-	-	12,345	1,324	457,120	-	457,120
94300-120	Ord Maint and Op Contracts - Misc Contracts	509,532			-	-	-	-	-	-	43,880	1,245	554,657	-	554,657
94300	Total Ordinary Maintenance and Operations Contracts	4,826,078									271,582	41,227	5,138,887	(2,979,012)	2,159,875
94500	Employee benefit contribution - ordinary maintenance	1,250,803			-	-	-	-	-	-	-	-	1,250,803	-	1,250,803
94000	Total Maintenance	10,761,100									375,586	75,739	11,212,425	(2,979,012)	8,233,413
95100	Protective services - labor	496,592			-	-	-	-	-	-	-	-	496,592	-	496,592
95200	Protective services - other contract costs	35,338			-	-	-	-	-	-	156		35,494	-	35,494
95300	Protective services - other	2,372			-	-	-	-	-	-	192	450	3,014	-	3,014
95500	Employee benefit contributions - protective services	160,225			-	-	-	-	-	-	-	-	160,225	-	160,225
95000	Total Protective Services	694,527									348	450	695,325		695,325
96110	Property Insurance	737,693	5,535	-	-	-	-	-	-	-	10,126		753,354	-	753,354
96120	Liability Insurance	148,775			-	-	-	-	-	-	12,092	7,208	181,589	-	181,589
96130	Workmen's Compensation	323,119	36,960		-	-	-	-	-	-	11,742	16,004	387,825	-	387,825
96140	All other Insurance	136,068			-	-	-	-	-	-	-	379	143,904	-	143,904
96100	Total Insurance Premiums	1,345,655	63,466								33,960	23,591	1,466,672		1,466,672
96200	Other general expenses	978,001	91,196	201	-	-	-	-	-	-	-	19,424	1,088,822	-	1,088,822
96210	Compensated absences	125,786	18,726		-	-	-	-	-	-	-	-	144,512	-	144,512
96300	Payments in lieu of taxes	255,513			-	-	-	-	-	-	-	-	255,513	-	255,513
96400	Bad debt - tenant rents	177,069			-	-	-	-	-	-	4,209	2,744	184,022	-	184,022
96500	Bad debt - mortgages				-	-	-	-	-	-	-	-	-	-	-
96600	Bad debt - other		1,551		895	-	-	-	-	-	-	-	2,446	-	2,446
96800	Severance expense				-	-	-	-	-	-	-	-	-	-	-
96000	Total Other General Expenses	1,536,369	111,473	201	895						4,209	22,168	1,675,315		1,675,315
96710	Interest of Mortgage (or Bonds) Payable	256,644			-	-	-	-	-	-	2,601	5,068	264,313	-	264,313
96720	Interest on Notes Payable (Short and Long Term)	2,258,927	2,513		-	-	-	-	-	-	-	-	2,261,440	(1,820,026)	441,414
96730	Amortization of Bond Issue Costs				-	-	-	-	-	-	-	-	-	-	-
96700	Total Interest expense and Amortization cost	2,515,571	2,513								2,601	5,068	2,525,753	(1,820,026)	705,727
96900	Total Operating Expenses	31,759,008	3,134,521	13,968	27,450		302,020	181,843		98,338	1,295,319	455,794	37,268,261	(9,140,353)	28,127,908
97000	Excess Revenue Over Operating Expenses	2,659,123	27,159,238	267,306	444,231	753,043					3,153,500	47,006	34,483,447		34,483,447
97100	Extraordinary maintenance	16,948			-	-	-	-	-	-	-	-	16,948	-	16,948
97200	Casualty losses- Non-capitalized	128,340			-	-	-	-	-	-	-	-	128,340	-	128,340
97300-010	Mainstream 1 & 5 year				-	-	-	-	-	-	-	-	-	-	-
97300-020	Home Ownership		285,636		-	-	-	-	-	-	-	-	285,636	-	285,636
97300-025	Litigation				-	-	-	-	-	-	-	-	-	-	-
97300-030	Hope IV				-	-	-	-	-	-	-	-	-	-	-
97300-035	Moving to Work				-	-	-	-	-	-	-	-	-	-	-
97300-040	Tenant Protection		275,911		-	-	-	-	-	-	-	-	275,911	-	275,911
97300-050	Portability In				-	-	-	-	-	-	-	-	-	-	-
97300-060	Enhanced				-	-	-	-	-	-	-	-	-	-	-
97300-070	All Other		28,227,333	241,397	413,840	-	-	-	-	-	-	-	28,882,570	-	28,882,570
97300	Total Housing assistance payments		28,788,880	241,397	413,840								29,444,117		29,444,117
97400	Depreciation expense	8,139,813			-	-	-	-	-	-	-	-	9,203,509	-	9,203,509
97350	Part In		1,399,699		-	-	-	-	-	-	1,031,166	-	1,399,699	-	1,399,699
97800	Dwelling units rent expense				-	-	-	-	-	-	-	-	-	-	-
90000	Total Expenses	40,044,109	33,555,630	255,365	441,290		302,020	181,843		98,338	2,326,485	455,794	77,460,874	(9,140,353)	68,320,521

2014															
Line Item No.	Description	14.850	740	790	14.856	14.218	14.870	14.231	Other Fed 1	State/Local	Business Activities	Glenshaw Gardens	SUBTOTAL	Financial Statement	ACHA TOTAL
		LIPH Total	Section 8 Housing	Section 8 -	Section 8 - Mod	CDBG Total	Ross/FSS	ESG Total	Other Federal	TOTAL	Total	Component Unit		Elimination	
			Choice Voucher	Mainstream	Rehab Total		Total		TOTAL						
10010	Operating transfer in	427,890				-	-	-	-	-	-	-	427,890	(427,890)	-
10020	Operating transfer out	(427,890)				-	-	-	-	-	-	-	(427,890)	427,890	-
10030-010	Not For Profit	-				-	-	-	-	-	-	-	-	-	-
10030-020	Partnership	-				-	-	-	-	-	-	-	-	-	-
10030-030	Joint Venture	-				-	-	-	-	-	-	-	-	-	-
10030-040	Tax Credit	-				-	-	-	-	-	-	-	-	-	-
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	1,764,282				-	-	-	-	-	-	-	1,764,282	(1,764,282)	-
10092	Inter AMP Excess Cash Transfer Out	(1,764,282)				-	-	-	-	-	-	-	(1,764,282)	1,764,282	-
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	(5,625,978)	(3,061,871)	25,909	30,391	753,043	-	-	-	-	2,122,334	47,006	(5,709,166)	-	(5,709,166)
11020	Required Annual Debt Principal Payments	300,000				-	-	-	-	-	-	-	300,000	-	300,000
11030	Beginning equity	96,153,916	2,812,514	25,073	30,971	1,233,309	-	-	-	25,000	83,817,032	-	184,097,815	-	184,097,815
11040-070	Equity Transfers -	-				-	-	-	-	-	-	189,851	189,851	-	189,851
11040-080	Equity Transfers -	-				-	-	-	-	-	-	-	-	-	-
11040	Prior period adjustments, equity transfers, and correction of errors	384,589	370,000	-	-	(1,233,309)	-	-	-	(25,000)	503,720	189,851	189,851	-	189,851
11170-001	Administrative Fee Equity- Beginning Balance	-	17,929			-	-	-	-	-	-	-	17,929	-	17,929
11170-010	Administrative Fee Revenue	-	2,614,886			-	-	-	-	-	-	-	2,614,886	-	2,614,886
11170-020	Hard to House Fee Revenue	-				-	-	-	-	-	-	-	-	-	-
11170-030	Audit Costs	-				-	-	-	-	-	-	-	-	-	-
11170-040	Investment Income	-	500			-	-	-	-	-	-	-	500	-	500
11170-045	Fraud Recovery Revenue	-				-	-	-	-	-	-	-	-	-	-
11170-050	Other Revenue	-	1,945,498			-	-	-	-	-	-	-	1,945,498	-	1,945,498
11170-051	Comment for Other Revenue	-				-	-	-	-	-	-	-	-	-	-
11170-060	Total Admin Fee Revenues	-	4,560,884			-	-	-	-	-	-	-	4,560,884	-	4,560,884
11170-080	Total Operating Expenses	-	4,534,220			-	-	-	-	-	-	-	4,534,220	-	4,534,220
11170-090	Depreciation	-	32,530			-	-	-	-	-	-	-	32,530	-	32,530
11170-100	Other Expenses	-				-	-	-	-	-	-	-	-	-	-
11170-101	Comment for Other Expense	-				-	-	-	-	-	-	-	-	-	-
11170-110	Total Expenses	-	4,566,750			-	-	-	-	-	-	-	4,566,750	-	4,566,750
11170-002	Net Administrative Fee	-	(5,866)			-	-	-	-	-	-	-	(5,866)	-	(5,866)
11170-003	Administrative Fee Equity- Ending Balance	-	12,063			-	-	-	-	-	-	-	12,063	-	12,063
11170	Administrative Fee Equity	-	12,063	-	-	-	-	-	-	-	-	-	12,063	-	12,063
11180-001	Housing Assistance Payments Equity - Beginning Balance	-	2,794,585			-	-	-	-	-	-	-	2,794,585	-	2,794,585
11180-010	Housing Assistance Payments Revenue	-	26,086,225			-	-	-	-	-	-	-	26,086,225	-	26,086,225
11180-015	Fraud Recovery Revenue	-				-	-	-	-	-	-	-	-	-	-
11180-020	Other revenue	-				-	-	-	-	-	-	-	-	-	-
11180-021	Comment for other revenue	-				-	-	-	-	-	-	-	-	-	-
11180-025	Investment Income	-				-	-	-	-	-	-	-	-	-	-
11180-030	Total HAP revenues	-	26,086,225			-	-	-	-	-	-	-	26,086,225	-	26,086,225
11180-080	Housing Assistance Payments	-	28,772,230			-	-	-	-	-	-	-	28,772,230	-	28,772,230
11180-090	Other expense	-				-	-	-	-	-	-	-	-	-	-
11180-091	Comment for other expense	-				-	-	-	-	-	-	-	-	-	-
11180-100	Total Housing Assistance Payments Expense	-	28,772,230			-	-	-	-	-	-	-	28,772,230	-	28,772,230
11180-002	Net Housing Assistance Payments	-	(2,686,005)			-	-	-	-	-	-	-	(2,686,005)	-	(2,686,005)
11180-003	Housing Assistance Payment Equity - Ending Balance	-	108,580			-	-	-	-	-	-	-	108,580	-	108,580
11180	Housing Assistance Payments Equity	-	108,580	-	-	-	-	-	-	-	-	-	108,580	-	108,580
11190	Unit Months Available	34,670	67,646	720	864	-	-	-	-	-	1,768	432	106,100	-	106,100
11210	Unit Months Leased	33,751	64,988	706	864	-	-	-	-	-	1,716	419	102,444	-	102,444
11270	Excess Cash	3,552,444				-	-	-	-	-	-	-	3,552,444	-	3,552,444
11610	Land Purchases	-				-	-	-	-	-	-	-	-	-	-
11620	Building Purchases	2,652,672				-	-	-	-	-	-	-	2,652,672	-	2,652,672
11630	Furniture & Equipment-Dwelling Purchases	-				-	-	-	-	-	-	-	-	-	-
11640	Furniture & Equipment-Administrative Purchases	-				-	-	-	-	-	-	-	-	-	-
13510	CFPP Debt Service Payments	556,644				-	-	-	-	-	-	-	556,644	-	556,644
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	
311	Bank overdraft																									
312	Accounts payable <= 90 days	24,570	6,778	2,412	27,120	48,047	51,772	11,033	2,367	8,711		525	11,228		7,646	13,729	13,168	11,171	7,905	23,995	86,249	6,799	10,059	5,163	3,502	
313	Accounts payable > 90 days - net due																									
321	Accrued wage/payroll taxes payable	10,855	4,206		1,480	4,900	3,591	2,963	348	1,846	275	684	4,077		2,850	2,689	1,225	1,225	2,587	8,195	6,515	1,476	3,557	2,183	1,529	
322	Accrued compensated absences - current portion	11,457	4,517		1,573	4,419	5,513	2,956	72	2,873	3,189	1,394	5,171		3,949	116	89	89	123	5,991	5,746	1,564	5,167	3,274	1,847	
324	Accrued contingency liability																									
325	Accrued interest payable																									
331-010	Accounts payable - HUD PHA Programs - Operating Subsidy																									
331-020	Accounts payable - HUD PHA Programs - Capital fund	808,168																				89,105				
331-030	Accounts payable - HUD PHA Programs - Other																									
331	Accounts payable - HUD PHA Programs	808,168	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	89,105	-	-	-	-
332	Accounts payable - PHA Projects																									
333	Accounts payable - other government	5,319	10,456	14,340	12,228	49,019	51,222	198	193		475		9,439		19,766	6,416	4		200	11,215	637	27,273		10,940		
341	Tenant security deposits	40,813	46,733	19,658	5,938	50,516	55,515	15,512	11,858	8,537		7,936	27,921		37,727	8,661	10,575	8,547	12,453	37,337	22,600	11,375	50,491	21,582	18,329	
342-010	Unearned revenue - Operating Subsidy																									
342-020	Unearned revenue - Capital fund																									
342-030	Unearned revenue - Other				1,621	2,138	2,812		975						2,387	797	1,313	73	3,733			4,997		329		
342	Unearned Revenue	-	-	-	1,621	2,138	2,812	-	975	-	-	-	-	-	2,387	797	1,313	73	3,733	-	-	4,997	-	329	-	
343-010	CFPP	1,587								30,845												20,870		2,542	10,259	
343-020	Capital Projects/ Mortgage Revenue	28,991	16,692			20,206	127,384		15,813				20,206		38,654					21,963	489,330		25,477	73,795		
343	Current portion of LTD capital projects/mortgage revenue bonds	30,578	16,692			20,206	127,384		15,813	30,845			20,206		38,654					42,833	489,330	35,000	28,019	84,054		
344	Current portion of long-term debt - operating borrowings																									
345	Other current liabilities				4,111	19,226	17,913	1,250		6,100	2,200						5,373	14,449	71,422	11,942					47,442	
346	Accrued liabilities - other																									
347	Inter program - due to																									
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	931,760	89,382	36,410	54,071	198,471	315,722	33,912	31,626	58,912	6,139	10,539	78,042	-	112,979	32,408	31,747	35,554	98,403	141,508	700,182	61,211	124,566	174,967	25,207	
351-010	Long-term debt - CFPP	17,464								339,297											229,572		285,000	27,965	112,848	
351-020	Long-term - Capital Projects/ Mortgage Revenue	153,831	86,258	1,151,510	5,012,111	109,080	690,857	8,774,231	87,114	9,252,976			108,259		209,209	2,005,567	1,862,127	2,773,408	2,371,833	118,030	2,602,415	1,601,017	135,930	378,159	3,301,865	
351	Capital Projects/ Mortgage Revenue Bonds	171,295	86,258	1,151,510	5,012,111	109,080	690,857	8,774,231	87,114	9,592,273	-	-	108,259	-	209,209	2,005,567	1,862,127	2,773,408	2,371,833	347,602	2,602,415	1,886,017	163,895	491,007	3,301,865	
352	Long-term debt, net of current - operating borrowings																									
353	Non-current liabilities - other			24,180																						
354	Accrued compensated absences- Non-current	45,826	18,069		6,290	17,676	22,053	11,825	286	11,492	12,757	5,577	20,684		15,797	466	355	355	491	23,965	22,986	6,257	20,669	13,098	7,389	
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	217,121	104,327	1,175,690	5,018,401	126,756	712,910	8,786,056	87,400	9,603,765	12,757	5,577	128,943	-	225,006	2,006,033	1,862,482	2,773,763	2,372,324	371,567	2,625,401	1,892,274	184,564	504,105	3,309,254	
300	Total Liabilities	1,148,881	193,709	1,212,100	5,072,472	325,227	1,028,632	8,819,968	119,026	9,662,677	18,896	16,116	206,985	-	337,985	2,038,441	1,894,229	2,809,317	2,470,727	513,075	3,325,583	1,953,485	309,130	679,072	3,334,461	
508.1	Net investment in capital assets	4,761,467	1,651,565	1,054,240	(619,679)	839,254	2,064,078	(2,409,412)	4,584,462	(1,453,451)	-	4,224	5,639,049	-	4,346,862	2,314,727	2,972,148	2,435,853	5,169,932	3,199,770	1,507,589	3,126,344	7,502,986	333,664	6,697,528	
511.1	Restricted Net Position				472,983				409,058		670,989				494,787	406,794	380,432	262,795	-	579,487					297,311	
512.1	Unrestricted Net Position	158,927	213,231	104,282	50,922	313,553	352,131	303,677	100,518	115,769	(189)	32,899	127,947	-	358,096	58,915	202,299	180,989	53,946	180,282	683,271	68,736	159,404	134,727	113,456	
513	Total Equity/Net Position	4,920,394	1,864,796	1,158,492	(95,774)	1,152,807	2,416,209	(1,696,677)	4,684,980	(666,693)	(189)	37,123	5,766,996	-	4,704,958	2,868,429	3,581,241	2,997,274	5,486,673	3,380,052	2,190,860	3,774,567	7,662,390	468,391	7,108,295	
600	Total Liabilities and Equity/Net Position	6,069,275	2,058,505	2,370,592	4,976,698	1,478,034	3,444,841	7,123,291	4,804,006	8,995,984	18,707	53,239	5,973,981	-	5,042,943	4,906,870	5,475,470	5,806,591	7,957,400	3,893,127	5,516,443	5,728,652	7,971,520	1,147,463	10,442,756	

Public Housing Balance Sheet																												
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 822	AMP 823	AMP 824	TOTAL AMPs	COCC	TOTAL PUBLIC HOUSING	
311	Bank overdraft																											
312	Accounts payable <= 90 days	6,779	4,258				9,709	2,156						15,152	14,734						333	69	2,237		439,376	651,923	1,091,299	
313	Accounts payable > 90 days past due																											
321	Accrued wage/payroll taxes payable	4,083	1,564				3,550	2,380						1,568	1,567	15										83,992	191,599	275,591
322	Accrued compensated absences - current portion	4,047	89				2,011	1,945						251	251	74										79,757	62,663	142,420
324	Accrued contingency liability																											
325	Accrued interest payable																											
331-010	Accounts payable - HUD PHA Programs - Operating Subsidy																											
331-020	Accounts payable - HUD PHA Programs - Capital fund																									897,273		897,273
331-030	Accounts payable - HUD PHA Programs - Other																											
331	Accounts payable - HUD PHA Programs																									897,273		897,273
332	Accounts payable - PHA Projects																											
333	Accounts payable - other government	2,394						888														352,335			584,957	13,554	598,511	
341	Tenant security deposits	12,809	6,379				30,267	18,344						19,187	28,862						1,780	2,862	682	9,391	661,157		661,157	
342-010	Unearned revenue - Operating Subsidy																											
342-020	Unearned revenue - Capital fund																											
342-030	Unearned revenue - Other																											
342	Unearned Revenue														13,001	1,620										35,796		35,796
343-010	CFPP													98,896	100,000											299,999		299,999
343-020	Capital Projects/ Mortgage Revenue													3,183	4,171											885,865	111,248	997,113
343	Current portion of LTD-capital projects/mortgage revenue bonds													102,079	104,171											1,185,864	111,248	1,297,112
344	Current portion of long-term debt - operating borrowings																											
345	Other current liabilities	120	2,468					15,784						26,583	29,408									1,055		276,846	132,164	409,010
346	Accrued liabilities - other																											
347	Inter program - due to																											
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	30,232	14,758				45,537	41,506						164,820	191,994	1,709					1,780	355,530	751	12,683	4,245,018	1,163,151	5,408,169	
351-010	Long-term debt - CFPP													1,087,855	1,200,000											3,300,001		3,300,001
351-020	Long-term - Capital Projects/ Mortgage Revenue		2,835,974				8,422,548	4,806,681						2,881,764	5,303,064							970,706		1,754,480		69,761,004		69,761,004
351	Capital Projects/ Mortgage Revenue Bonds		2,835,974				8,422,548	4,806,681						3,969,619	6,503,064							970,706		1,754,480		73,061,005		73,061,005
352	Long-term debt, net of current - operating borrowings																											
353	Non-current liabilities - other		1,098																							25,278	158,552	183,830
354	Accrued compensated absences - Non-current	16,187	354				8,043	7,781						1,006	1,006	295										319,035	250,652	569,687
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	16,187	2,837,426				8,430,591	4,814,462						3,970,625	6,504,070	295						970,706		1,754,480		73,405,318	409,204	73,814,522
300	Total Liabilities	46,419	2,852,184				8,476,128	4,855,968						4,135,445	6,696,064	2,004					1,780	1,326,236	751	1,767,163		77,650,336	1,572,355	79,222,691
508.1	Net investment in capital assets	119,644	630,582				6,646,956	4,408,024	150,000	149,347				1,309,676	1,672,062	279,051					218,240	2,589,522		345,102	416,023	74,657,429	2,395,632	77,053,061
511.1	Restricted Net Position		131,660			115,574	816,626	363,927		269,905				385,771	383,646											6,603,038	425,331	7,027,369
512.1	Unrestricted Net Position	66,532	38,038	3,600	28,610	18,863	197,883	212,724	29,732	28,297	49,811	57,084	16,443	391,771	321,665	10,533	7,372	35,437		11,176	16,579	10,698	59,324	123,254	5,803,184	1,028,913	6,832,097	
513	Total Equity/Net Position	186,176	800,280	3,600	28,610	134,437	7,661,465	4,984,675	179,732	447,549	49,811	57,084	16,443	2,087,218	2,377,373	289,584	7,372	35,437		229,416	2,766,394	10,698	404,426	539,277	87,062,651	3,849,876	90,912,527	
600	Total Liabilities and Equity/Net Position	232,595	3,652,464	3,600	28,610	134,437	16,137,593	9,840,643	179,732	447,549	49,811	57,084	16,443	6,222,663	9,073,437	291,888	7,372	35,437		231,196	4,092,630	11,449	2,171,589	539,277	164,712,987	5,422,231	170,135,218	

ALLEGHENY COUNTY HOUSING AUTHORITY

NOTE TO FINANCIAL DATA SCHEDULES

FOR THE YEAR ENDED SEPTEMBER 30, 2014

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, 2014

	Federal CFDA Number	Expenditures
<u>U.S. Department of Housing and Urban Development (HUD)</u>		
Public and Indian Housing	14.850	\$ 11,160,119
Public Housing Capital Fund	14.872	4,006,500
Resident Opportunity and Supportive Services - Service Coordinators	14.870	302,020
Lower Income Housing Assistance Program - Section 8 Moderate Rehabilitation	14.856	461,972
Section 8 Housing Choice Vouchers	14.871	33,341,235
Supportive Housing for Persons with Disabilities	14.181	280,720
<u>Passed through the County of Allegheny, Pennsylvania:</u>		
Community Development Block Grants/Entitlement Grants	14.218	753,043
Emergency Solutions Grant Program	14.231	90,000
<u>Passed through the City of Pittsburgh, Pennsylvania:</u>		
Emergency Solutions Grant Program	14.231	91,843
Subtotal 14.231		181,843
Total Expenditures of Federal Awards		\$ 50,487,452

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, 2014

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards for the year ended September 30, 2014 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, 2014

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 Allegheny County Housing Authority (Authority), as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated May 29, 2015.

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
May 29, 2015

Independent Auditor's Report on Compliance for the 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 the 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 the Authority's major federal program for the year ended September 30, 2014. The Authority's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Opinion on the 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 its major federal program for the year ended September 30, 2014.

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

Board of Directors
Allegheny County Housing Authority
Independent Auditor's Report on Compliance
for the Major Program

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 the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the 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.

Mahe Duessel
Pittsburgh, Pennsylvania
May 29, 2015

ALLEGHENY COUNTY HOUSING AUTHORITY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED SEPTEMBER 30, 2014

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:

CFDA Number(s)
14.871

Name of Federal Program or Cluster
Section 8 Housing Choice Vouchers

8. Dollar threshold used to distinguish between type A and type B programs: \$1,514,624

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, 2014

NONE