

# **Allegheny County Housing Authority**

Single Audit

September 30, 2015

**MaherDuessel**  
Certified Public Accountants

Pittsburgh | Harrisburg | Butler

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# ALLEGHENY COUNTY HOUSING AUTHORITY

FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014

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# ALLEGHENY COUNTY HOUSING AUTHORITY

FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014

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## Independent Auditor's Report

Board of Directors  
Allegheny County Housing Authority

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the Allegheny County Housing Authority (Authority), as of and for the years ended September 30, 2015 and 2014, 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, 2015 and 2014, and the respective 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 as listed in the table of contents 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.

#### *Supplementary Information*

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

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

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 16, 2016 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in

accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

*Mahe Duessel*

Pittsburgh, Pennsylvania  
June 16, 2016

# **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, 2015. 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 62. There were no findings noted for the year ended September 30, 2015.

## FINANCIAL HIGHLIGHTS

- During 2015, the Enterprise Fund's total assets decreased by \$2.6 million (or 1.0%). Total assets were \$198.9 million and \$201.5 million for 2015 and 2014, respectively. The \$2.6 million decrease is comprised of three factors: changes in current assets, changes in capital assets, and changes in other assets. Current assets decreased by \$2.7 million. Capital assets increased \$0.7 million. Other assets decreased \$0.6 million. The net increase in capital assets is due to the increase in buildings of \$1.7 million, mainly due to the completion of work at General Braddock Towers and an increase of the Construction Work in Progress of \$2.9 million for mixed finance activities at Orchard Park. These increases are offset to a degree by the normal depreciation of \$8.2 million. Current assets decreased due to a \$3.2 million decline in cash and cash equivalents, which was offset by an increase of \$0.5 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 net position remained consistent at \$178.6 million for 2015 compared to \$178.6 million for 2014. Unrestricted net position decreased by \$2.0 million, while restricted net position decreased \$0.3 million, and net investment in capital assets increased by \$2.3 million. The change in unrestricted net position represents the need to use \$2.0 million of unrestricted reserves to fund expenses in 2015. The increase in net investment in capital assets is related to the change in Capital Assets of \$0.7 million coupled with the retirement of Capital Debt in the amount of \$1.6 million. 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 increased by \$8.6 million (or 14%) from \$62.6 million in fiscal year 2014 to \$71.2 million in fiscal year 2015. The \$8.6 million decrease is related to the following main factors. Capital grants increased by \$4.3 million. Operating subsidies increased by \$5.8 million. Other revenue remained consistent. Partnership contributions decreased by \$1.4 million.
- The Enterprise Fund's total operating expenses increased by \$3.5 million. Total operating expenses were \$61.7 million and \$58.3 million for 2015 and 2014, respectively. This increase is mainly attributable to housing assistance payments increasing by \$3.7 million.
- The Enterprise Fund's total non-operating expenses decreased by \$0.5 million (or 5%). Total non-operating expenses were (\$9.5) million and (\$10.1) million for 2015 and 2014, respectively. This decrease is attributable to depreciation and amortization expense decreasing by \$0.4 million and interest expense decreasing by \$0.3 million.
- The Enterprise Fund's total capital contributions increased \$2.8 million (or 50%) in 2015 as compared to 2014. Total capital contributions were \$8.5 million and \$5.6

million for 2015 and 2014, respectively. This increase is due to increased utilization of the Agency’s Capital Funding at Orchard Park and General Braddock Towers.

## **USING THIS ANNUAL REPORT**

The following graphic outlines the format of the Annual Report:

<p><b>MD&amp;A</b></p> <p>~ Management’s Discussion and Analysis ~</p>
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<p><b>Basic Financial Statements</b></p> <p>~ Authority-Wide Financial Statements – pps 1-6 ~ Notes to Financial Statements – pps 7-37</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 Program - Represents Community Development Block Grants (CDBG), which are funded through HUD and passed through Allegheny County.

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 to provide assistance to homeless individuals and families, which are funded through HUD and passed through Allegheny County and the City of Pittsburgh

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

	2015 (in millions of dollars)	2014 (in millions of dollars)
Current Assets	\$ 21.4	\$ 24.1
Capital Assets	161.9	161.2
Other Assets	15.6	16.2
Total Assets	\$ 198.9	\$ 201.5
Current Liabilities	\$ 5.0	\$ 6.4
Noncurrent Liabilities	15.3	16.5
Total Liabilities	\$ 20.3	\$ 22.9
Net Position:		
Net Investment in		
Capital Assets	\$ 146.5	\$ 144.2
Restricted	22.6	22.9
Unrestricted	9.5	11.5
Total Net Position	\$ 178.6	\$ 178.6

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

### Major Factors Affecting the Statements of Net Position

Current assets decreased \$2.7 million in fiscal year 2015. Cash and investments decreased by \$3.2 million. Accounts and notes receivable increased by \$0.5 million. Prepaid assets and inventory remained static.

Capital assets increased \$0.7 million due to the normal depreciation of \$8.2 million, which was offset by the normal modernization activities, including work at General Braddock Towers, which increased buildings by \$1.7 million, Construction Work in Progress increased \$2.9 million for work at Orchard Park, and Dwelling Equipment which increased \$4.3 million for the completion of Honeywell's EPC Phase VII.

Total liabilities decreased \$2.6 million. Total current liabilities decreased by \$1.4 million and total non-current liabilities decreased \$1.2 million. The most significant activity affecting liabilities was the decrease in the Authority’s capital lease obligations, as well as a decrease in our HUD accounts payable.

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, 2014		\$ 11.5
Operating Income (Loss)	\$ 1.0	
Non-Operating Revenue (Expenses)	(9.5)	
Capital Contributions	8.4	
Net Decrease in Net Position		(0.1)
<u>Other Changes in Net Position</u>		
Change in Net Investment in Capital Assets	(2.3)	
Change in Restricted Net Position	0.4	
		(1.9)
Unrestricted Net Position as of September 30, 2015		\$ 9.5

This table demonstrates that the breakeven change in net position was comprised as follows: the Authority increased its net investment in capital assets by \$2.3 million, decreased its restricted net position by \$0.4 million, and decreased its unrestricted net position by \$2.0 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:

	2015 (in millions of dollars)	2014 (in millions of dollars)
Revenues:		
Resident revenue - rents and other	\$ 10.0	\$ 10.0
Operating subsidies and grant	47.9	42.2
Capital grants	8.0	3.7
Investment income	-	-
Partnership contribution	0.5	1.9
Other revenue	4.8	4.8
Total revenues	71.2	62.6
Expenses:		
Administrative	8.7	9.6
Tenant services	0.9	0.7
Utilities	5.3	5.1
Maintenance	8.2	8.2
Protective services	0.7	0.7
Insurance	1.6	1.5
General	1.9	1.7
Housing assistance payments	34.5	30.8
Depreciation and amortization	8.8	9.2
Casualty losses	0.2	0.1
Interest expense	0.4	0.7
Total expenses	71.2	68.3
Net increase (decrease)	\$ -	\$ (5.7)

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

Total revenues increased by \$8.6 million (as compared to the previous year) primarily due to the following: Capital grants increased by \$4.3 million, operating subsidies and grants

increased by \$5.7 million. Tenant revenue remained consistent. Other revenue remained consistent and, finally, the Authority's partnership contributions decreased by \$1.4 million.

Total expenses increased by \$2.9 million in fiscal year 2015. Administrative expenses decreased by \$0.9 million. Tenant services rose by \$0.2 million. Utilities rose by \$0.2 million. Maintenance and protective services remained consistent. Insurance increased by \$0.1 million. General expenses increased by \$0.2 million. HAP expense increased by \$3.7 million. Depreciation expense decreased by \$0.4 million and interest expenses decreased by \$0.3 million.

## **CAPITAL ASSETS AND DEBT ADMINISTRATION**

**TABLE 4**

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

	2015 (in millions of dollars)	2014 (in millions of dollars)
Land	\$ 10.1	\$ 10.1
Buildings	272.5	271.0
Equipment - dwellings	16.7	12.4
Equipment - administrative	2.0	2.0
Accumulated depreciation	(149.0)	(141.0)
Construction in progress	9.6	6.7
Total	\$ 161.9	\$ 161.2

### **Capital Assets**

As of September 30, 2015, the Authority had \$161.9 million invested in a variety of capital assets as reflected in the table above, which represents a net increase (addition, deductions, and depreciation) of \$0.7 million from \$161.2 million at September 30, 2014. This increase was due to the normal depreciation of \$8.0 million along with an increase in construction work in progress of \$2.9 million, along with an increase in buildings of \$1.5 million, and equipment of \$4.3 million.

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

	Totals	
	2015	2014
Current portion of long-term debt	\$ 1.3	\$ 1.7
Noncurrent portion of long-term debt	14.1	15.3
Total debt	\$ 15.4	\$ 17.0

**Debt Outstanding**

As of year-end, the Authority had \$15.4 million in debt outstanding, compared to \$17.0 million in 2014. The decrease of \$1.6 million is due mainly to the retirement of debt related to our Urban Properties, the normal reduction on our CFFP Loan and various equipment capital leases that are paid down.

**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, 2015 AND 2014

Assets		
	2015	2014
Current assets:		
Cash and cash equivalents:		
Cash - unrestricted	\$ 9,671,714	\$ 12,302,399
Cash - other restricted	8,192,516	7,661,313
Cash - tenant security deposits	751,829	720,870
Cash - restricted for payment of current liability	140	1,080,780
Total cash and cash equivalents	18,616,199	21,765,362
Accounts and notes receivables, net of allowances for doubtful accounts:		
Accounts receivable - HUD other projects	550,235	219,586
Accounts receivable - miscellaneous	983,646	837,293
Accounts receivable - tenants - dwelling rents	166,805	145,489
Allowance for doubtful accounts - dwelling rents and other	(71,232)	(30,476)
Tenant fraud recovery	86,287	60,864
Accrued interest receivable	1,649	979
Total accounts and notes receivables, net of allowances for doubtful accounts	1,717,390	1,233,735
Investments:		
Investments - unrestricted	527,194	527,186
Investments - restricted	117,357	158,552
Total current investments	644,551	685,738
Prepaid expenses and other assets	450,763	402,113
Inventories	2,187	2,187
Total current assets	21,431,090	24,089,135
Noncurrent assets:		
Capital assets:		
Land	10,060,367	10,060,367
Buildings	272,526,776	270,895,199
Furniture, equipment, and machinery - dwellings	16,735,776	12,372,476
Furniture, equipment, and machinery - administration	1,976,431	1,950,849
Accumulated depreciation	(149,068,073)	(140,870,172)
Construction in progress	9,626,660	6,744,470
Total capital assets, net of accumulated depreciation	161,857,937	161,153,189
Investment in mixed finance activities, net of accumulated amortization	14,837,021	15,373,302
Notes and mortgages receivable - non-current	537,860	634,997
Investment in partnership	245,000	245,000
Total noncurrent assets	177,477,818	177,406,488
<b>Total Assets</b>	<b>\$ 198,908,908</b>	<b>\$ 201,495,623</b>

(Continued)

See accompanying notes to financial statements.

# ALLEGHENY COUNTY HOUSING AUTHORITY

## STATEMENTS OF NET POSITION

SEPTEMBER 30, 2015 AND 2014

(Continued)

### Liabilities and Net Position

	2015	2014
<b>Liabilities:</b>		
<b>Current liabilities:</b>		
Accounts payable	\$ 823,694	\$ 1,285,932
Accrued wage/payroll taxes payable	387,616	325,890
Accrued compensated absences - current	178,235	164,934
Accounts payable - HUD PHA programs	88,326	1,057,049
Accounts payable - other government	587,859	623,493
Tenant security deposits	751,829	720,870
Unearned revenue	51,677	86,629
Current portion of long-term debt	1,316,354	1,692,988
Other current liabilities	863,178	440,017
<b>Total current liabilities</b>	<b>5,048,946</b>	<b>6,397,802</b>
<b>Noncurrent liabilities:</b>		
Long-term debt, net of current portion	14,063,047	15,286,074
Other noncurrent liabilities	505,934	573,504
Accrued compensated absences - noncurrent	712,945	659,743
<b>Total noncurrent liabilities</b>	<b>15,281,926</b>	<b>16,519,321</b>
<b>Total Liabilities</b>	<b>20,330,872</b>	<b>22,917,123</b>
<b>Net Position:</b>		
Net investment in capital assets	146,478,536	144,174,127
Restricted for:		
Mixed financing loans	15,269,018	15,820,061
Partnership reserves	7,319,814	7,027,369
Housing Choice Voucher Program	8,829	108,580
Unrestricted net position	9,501,839	11,448,363
<b>Total Net Position</b>	<b>178,578,036</b>	<b>178,578,500</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 198,908,908</b>	<b>\$ 201,495,623</b>

(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, 2015 AND 2014

	2015	2014
<b>Operating Revenues:</b>		
<hr/>		
Tenant revenue:		
Net tenant rental revenue	\$ 9,877,502	\$ 9,848,395
Tenant revenue - other	92,818	106,644
	9,970,320	9,955,039
Total tenant revenue		
HUD PHA operating grants	47,756,179	41,959,770
Other governmental operating grants	168,930	280,181
Investment income - unrestricted	20,841	24,735
Other revenue	4,861,520	4,819,317
Investment income - restricted	6,391	3,441
	62,784,181	57,042,483
Total operating revenues		
<b>Operating Expenses:</b>		
<hr/>		
Housing assistance payments	34,504,397	30,843,816
Administrative:		
Administrative salaries	4,319,815	4,279,359
Auditing fees	233,856	228,852
Advertising and marketing	17,746	19,989
Employee benefit contributions - administrative	1,518,587	1,653,499
Office expenses	1,065,103	1,058,862
Legal expense	255,291	508,018
Travel	127,491	136,019
Other operating - administrative	1,115,007	1,655,723
Tenant services:		
Tenant services - salaries	445,015	345,192
Employee benefit contributions - tenant services	141,345	135,304
Tenant services - other	266,903	191,072
Utilities:		
Water	795,669	760,370
Electricity	2,083,328	1,825,426
Gas	1,065,034	1,257,986
Sewer	1,336,829	1,295,785
Ordinary maintenance and operations:		
Ordinary maintenance and operations - labor	3,426,515	3,463,014
Ordinary maintenance and operations - materials and other	1,425,105	1,359,721
Ordinary maintenance and operations - contract costs	2,082,364	2,159,875
Employee benefit contributions - ordinary maintenance	1,307,787	1,250,803
Protective services:		
Protective services - labor	528,658	496,592
Protective services - other contract costs	40,578	35,494
Protective services - other	3,973	3,014
Employee benefit contributions - protective services	164,256	160,225

(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, 2015 AND 2014  
(Continued)

	2015	2014
Insurance expense:		
Property insurance	853,676	753,354
Liability insurance	220,863	181,589
Workmen's compensation insurance	343,061	387,825
Other insurance	153,790	143,904
General expenses:		
Other general expenses	1,200,544	1,233,334
Payments in lieu of taxes	463,137	255,513
Bad debt	223,024	186,468
Total operating expenses	61,728,747	58,265,997
<b>Operating Income (Loss)</b>	<b>1,055,434</b>	<b>(1,223,514)</b>
<b>Non-Operating Revenue (Expenses):</b>		
Extraordinary maintenance	(101,636)	(16,948)
Casualty losses - non-capitalized	(167,472)	(128,340)
Interest expense	(413,931)	(705,727)
Gain (loss) on disposal of capital asset	285	475
Depreciation and amortization expense	(8,824,099)	(9,203,509)
Total non-operating revenue (expenses)	(9,506,853)	(10,054,049)
<b>Capital Contributions:</b>		
HUD capital grants	7,956,455	3,705,715
Partnership contribution	494,500	1,862,682
Total capital contributions	8,450,955	5,568,397
<b>Change in Net Position</b>	(464)	(5,709,166)
Total net position - beginning	178,578,500	184,287,666
Total net position - ending	\$ 178,578,036	\$ 178,578,500

(Concluded)

See accompanying notes to financial statements.

# ALLEGHENY COUNTY HOUSING AUTHORITY

## STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014

	2015	2014
<b>Cash Flows From Operating Activities:</b>		
Operating grants received	\$ 46,871,149	\$ 43,282,738
Receipts from tenants	9,995,296	9,890,744
Other receipts	4,622,934	4,354,403
Housing assistance payments	(34,504,397)	(30,843,816)
Payments for good and services	(15,563,125)	(15,342,503)
Payments to employees	(11,723,749)	(11,823,075)
Net cash provided by (used in) operating activities	(301,892)	(481,509)
<b>Cash Flows From Noncapital and Related Financing Activities:</b>		
Cash received from partnership contribution	252,000	-
Loan repayments received	97,137	106,986
Net cash provided by (used in) noncapital and related financing activities	349,137	106,986
<b>Cash Flows From Capital and Related Financing Activities:</b>		
HUD and other capital grants	7,711,043	3,829,177
Acquisition of capital assets and construction of capital assets	(9,272,077)	(8,139,011)
Investment in mixed finance development activities	10,688	21,556
Proceeds from debt	54,144	6,484,367
Principal payment on long-term debt	(1,354,024)	(3,071,004)
Interest paid on long-term debt	(413,931)	(705,727)
Net cash provided by (used in) capital and related financing activities	(3,264,157)	(1,580,642)
<b>Cash Flows From Investing Activities:</b>		
Purchase (sale) of investments	41,187	(14,331)
Interest income	26,562	27,197
Net cash provided by (used in) investing activities	67,749	12,866
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	(3,149,163)	(1,942,299)
<b>Cash and Cash Equivalents:</b>		
Beginning of year	21,765,362	23,707,661
End of year	\$ 18,616,199	\$ 21,765,362
<b>Noncash Investment, Capital, and Financing Activities:</b>		
Acquisition of capital assets through partnership contribution	\$ -	\$ 1,862,682
Forgiveness of debt	\$ 299,781	\$ -

(Continued)

See accompanying notes to financial statements.

# ALLEGHENY COUNTY HOUSING AUTHORITY

## STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014  
(Continued)

	2015	2014
<b>Reconciliation of Operating Income (Loss) to Net Cash and Cash Equivalents From Operating Activities:</b>		
Operating income (loss)	\$ 1,055,434	\$ (1,223,514)
Adjustments to reconcile operating income (loss) to cash and cash equivalents provided by (used in) operating activities:		
Investment (income) loss	(27,232)	(28,176)
Forgiveness of debt	(299,781)	-
Change in assets and liabilities:		
Accounts receivable	4,927	(486,465)
Prepaid expenses and other assets	(48,650)	(32,279)
Accounts payable and accrued liabilities	(951,638)	1,282,907
Unearned revenue	(34,952)	6,018
Total adjustments	(1,357,326)	742,005
Net cash and cash equivalents provided by (used in) operating activities	\$ (301,892)	\$ (481,509)

(Concluded)

See accompanying notes to financial statements.

# ALLEGHENY COUNTY HOUSING AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014

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### 1. ORGANIZATION

#### 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, 2015 AND 2014

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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.

#### Mixed Financing Blended Component Units

In order to participate in various mixed financing transactions, the Authority has created a number of non-profit and corporate entities for which the Authority is the sole member. These entities' sole purpose is to function as a general partner in each of the partnerships, and their individual activity is included within the activity of each mixed financing partnership that is reported as a blended component unit of the authority as described in the next paragraph.

# ALLEGHENY COUNTY HOUSING AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014

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Through control of the above described entities, the Authority has interests in numerous partnerships created as part of mixed financing transactions, that are considered to be blended component units because of the Authority's ongoing control, involvement, and regulatory authority with the partnerships, 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. Additionally, all of the partnerships have appointed the Authority as the management agent, and the partnership site is leased from the Authority in all instances described below, except for Pine Ridge Heights Associates and Hays Manor Associates. The Authority may, under certain circumstances, be compelled to reacquire the properties.

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.

Transactions between the Authority and the partnerships have been eliminated for presentation in the financial statements. Contributions by the other members of the partnerships are treated as non-operating revenue (partnership contribution) to the Authority.

# ALLEGHENY COUNTY HOUSING AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014

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A summary of the partnerships reported as blended component units, and the controlled entity representing the interests of the Authority is as follows:

AMP	Legal Name	Partner	Partner Type	Number of Units
103	Pine Ridge Heights Associates	Three Rivers Communities	Exempt Organization	40
201	Sharpsburg Housing Limited Partnership	Three Rivers Communities	Exempt Organization	36
301	Hays Manor Associates	Three Rivers GP Corp	Corporation	138
303	Groveton Housing Partnership, L.P.	Ohio Valley Housing GP Corp	Corporation	69
501	Homestead Housing Development, L.P.	Three Rivers Communities	Exempt Organization	60
502	Homestead Housing Development, L.P. II	Three Rivers Communities	Exempt Organization	60
503	Homestead Housing Development, L.P. III	Three Rivers Communities	Exempt Organization	60
504	Homestead Housing Development, L.P. IV	Three Rivers Communities	Exempt Organization	52
701	Dumplin Hall Housing Partnership, L.P.	Dumplin Hall Housing Partnership, L.P.	Exempt Organization	46
704	Fraser Housing Limited Partnership	Waterfront Fraser, LLC	Disregarded Entity	72
801	Felix Negley, L.P.	Waterfront Housing GP Corp	Exempt Organization	26
805	Ohioview Housing Partnership, L.P.	Fox Hill Management, Inc.	Exempt Organization	112
806	Ohioview Housing Partnership, L.P. II	Fox Hill Management, Inc.	Exempt Organization	69
814	Tarentum Housing Limited Partnership	Waterfront Housing GP Corp	Exempt Organization	48
815	Tarentum Housing Limited Partnership II	Waterfront Housing GP Corp	Exempt Organization	72
821	514 Lydia Street, LP	Three Rivers Communities	Exempt Organization	17
824	Orchard Park Housing Initiative, L.P.	Waterfront Orchard I GP, LLC	Disregarded Entity	44

Historically these mixed-financing partnerships have been part of the Low Income Public Housing (LIPH) Program; however, in future years, these mixed financing partnerships will be reported separately, with only the related subsidy activity reported in LIPH.

Separately issued audited financial statements of the partnerships for the years ended December 31<sup>st</sup> are available at the Authority's administrative office at 625 Stanwix Street, 12<sup>th</sup> Floor, Pittsburgh, PA 15222.

### Investment in Partnership

In addition to the above described entities, West Pine Affordable Housing, Inc., a wholly-owned subsidiary of the Authority, is a limited partner in West Pine Associates at an investment cost of \$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

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# ALLEGHENY COUNTY HOUSING AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014

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acquire operational responsibility. The \$245,000 investment is shown on the statements of net position as investment in partnership as of September 30, 2015 and 2014, and the partnership is not considered a component unit of the Authority.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 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 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 FDS.

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

# ALLEGHENY COUNTY HOUSING AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014

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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 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 HCV Program.

CDBG Program: Represents Community Development Block Grants (CDBG), which are funded through HUD and passed through Allegheny County.

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 to provide assistance to homeless individuals and families, which are funded through HUD and passed through Allegheny County and the City of Pittsburgh.

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 above) 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.

### 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, 2015 AND 2014

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### 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.

### Prepaid Expenses

Certain payments to vendors reflect cost applicable to future accounting periods and are recorded as prepaid expenses in the financial statements. The cost of prepaid items is recorded as an expense when consumed.

### Inventories

Materials and supplies are expensed when purchased.

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# ALLEGHENY COUNTY HOUSING AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014

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### Capital Assets

The Authority capitalizes capital assets with a value of \$5,000 or greater and useful lives exceeding beyond one year. Capital 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 accrued and expensed as earned. Unused sick leave is not paid and, therefore, is not subject to accrual.

### 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.

# ALLEGHENY COUNTY HOUSING AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014

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- 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, 2015 consisted of \$15,269,018 restricted in accordance with mixed financing and loan agreements as discussed in Notes 5 and 6, respectively, \$7,319,814 restricted per various partnership escrow agreements in the LIPH Program, and \$8,829 of net position restricted in the Housing Choice Voucher Program, as this portion of net position is available only for future housing assistance payments.

The Authority's restricted net position as of September 30, 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.

- 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.

### Use of Restricted and Unrestricted Resources

When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, then unrestricted resources as they are needed.

# ALLEGHENY COUNTY HOUSING AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014

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### Pending Pronouncements

GASB has issued the following statements that will become effective in future years as shown below. Management has not yet determined the impact of these statements on the Authority's financial statements:

GASB Statement No. 72, "*Fair Value Measurement and Application*," effective for fiscal years beginning after June 15, 2015 (the Authority's financial statements for the year ending September 30, 2016). This statement addresses accounting and financial reporting issues related to fair value measurements.

GASB Statement No. 76, "*Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*," effective for fiscal years beginning after June 15, 2015 (the Authority's financial statements for the year ending September 30, 2016). This statement identifies the hierarchy of generally accepted accounting principles (GAAP), reduces this hierarchy to two categories of authoritative GAAP, and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. This statement supersedes Statement No. 55.

GASB Statement No. 80, "*Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14*," effective for fiscal years beginning after June 15, 2016 (the Authority's financial statements for the year ending September 30, 2017). The objective of this statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units.

### **3. 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

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# ALLEGHENY COUNTY HOUSING AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014

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collateral shall at all times be of a market value at least equal to the amount of deposits so secured.

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

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

As of September 30, 2015, \$906,973 of the Authority's \$18,451,840 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 \$17,621,667 as of September 30, 2015.

Excluded from the above amounts, but presented as cash and cash equivalents on the statement of net position, are investments of \$994,532 (book and bank value), described in more detail under the investments section below.

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.

# ALLEGHENY COUNTY HOUSING AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014

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### Investments

Investments consisted of the following at September 30, 2015 and 2014:

<u>Investment Type</u>	<u>Fair Market Value</u>	
	<u>2015</u>	<u>2014</u>
INVEST	\$ 16,020	\$ 16,012
U.S. Agencies	978,512	956,080
Mutual fund - BlackRock	644,551	685,738
	<u>\$ 1,639,083</u>	<u>\$ 1,657,830</u>

As of September 30, 2015 and 2014, 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, 2015 and 2014, 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.

# ALLEGHENY COUNTY HOUSING AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014

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

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

# ALLEGHENY COUNTY HOUSING AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014

### 4. CAPITAL ASSETS

A summary of changes in capital assets during fiscal year 2015 for the Authority is as follows:

	September 30, 2014	Increases/ Transfers	Decreases/ Transfers	September 30, 2015
Capital assets, not being depreciated:				
Land	\$ 10,060,367	\$ -	\$ -	\$ 10,060,367
Construction in progress	6,744,470	8,765,042	(5,882,852)	9,626,660
Total capital assets not being depreciated	<u>16,804,837</u>	<u>8,765,042</u>	<u>(5,882,852)</u>	<u>19,687,027</u>
Capital assets being depreciated:				
Buildings	270,895,199	1,636,947	(5,370)	272,526,776
Furniture, equipment, and machinery - dwellings	12,372,476	4,363,300	-	16,735,776
Furniture, equipment, and machinery - administration	1,950,849	39,482	(13,900)	1,976,431
Total capital assets, being depreciated	<u>285,218,524</u>	<u>6,039,729</u>	<u>(19,270)</u>	<u>291,238,983</u>
Less accumulated depreciation for:				
Buildings	(130,271,080)	(7,465,920)	-	(137,737,000)
Furniture, equipment, and machinery - dwellings	(9,294,058)	(531,109)	-	(9,825,167)
Furniture, equipment, and machinery - administration	(1,305,034)	(200,872)	-	(1,505,906)
Total accumulated depreciation	<u>(140,870,172)</u>	<u>(8,197,901)</u>	<u>-</u>	<u>(149,068,073)</u>
Total capital assets being depreciated, net	<u>144,348,352</u>	<u>(2,158,172)</u>	<u>(19,270)</u>	<u>142,170,910</u>
Total capital assets	<u>\$ 161,153,189</u>	<u>\$ 6,606,870</u>	<u>\$ (5,902,122)</u>	<u>\$ 161,857,937</u>

# ALLEGHENY COUNTY HOUSING AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014

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, 2015 AND 2014

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### 5. NOTES RECEIVABLE

In 2002, the Authority recorded long-term notes receivable for second mortgages for individuals through the Family Self-Sufficiency program of \$80,000 in Business Activities (Three Rivers) and \$71,000 in the LIPH Fund, (total \$151,000), at 0% for twenty years. If a property is sold, the related note becomes due. After ten years, the Authority will forgive these notes at a rate of 10% a year for ten years. The receivables are recorded at their net present value of \$102,333 and \$110,333 as of September 30, 2015 and 2014, 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, 2015 and 2014 was \$34,863 and \$72,288, respectively.

Business Activities (Three Rivers) 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 \$255,211 and \$243,058 at September 30, 2015 and 2014, respectively.

Business Activities (Three Rivers) 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, 2015 and 2014.

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, 2015, and the amortization expense for these notes was \$63,865 and \$73,135 in fiscal year 2015 and 2014, respectively. The receivables are recorded at their net present value of \$26,420 and \$90,285 as of September 30, 2015 and 2014, respectively.

# ALLEGHENY COUNTY HOUSING AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014

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A summary of the above-described notes receivable as of September 30, 2015 and 2014 is as follows:

Note	2015	2014
Second mortgages	\$ 102,333	\$ 110,333
Life Center note	34,863	72,288
Lavender Heights	255,211	243,058
St. Joseph	119,033	119,033
Pleasant Ridge second mortgages	26,420	90,285
Total	<u>\$ 537,860</u>	<u>\$ 634,997</u>

### 6. MIXED FINANCE DEVELOPMENT ACTIVITIES

As part of the mixed financing development activities over the years, long term loans were made by the Authority (or one of its controlled entities) to each of the various partnerships established as part of the mixed financing transaction in order to fund the revitalization of the site. As further described in Note 1, the Authority has interests in a number of these partnerships, and considers them to be blended component units.

These loans between the Authority and their blended component units are eliminated for financial reporting purposes. Any loans payable by the blended component units that are not eliminated for financial reporting because they are payable to outside entities are described in Note 7. These loans are summarized below.

# ALLEGHENY COUNTY HOUSING AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014

As of September 30, 2015, the balance of the loans payable to the Authority, and from the partnerships, are as follows:

AMP	Property	September 30, 2015
201	Sharps Terrace	\$ 5,255,198
301	Hays Manor	8,774,231
303	Groveton Village	9,206,329
501	Homestead Apartments	1,268,035
502	Homestead Apartments II	1,951,323
503	Homestead Apartments III	2,893,600
504	Homestead Apartments IV	2,485,231
701	Dumplin Hall	1,651,114
704	John Fraser Hall	3,301,865
801	Negley Gardens	2,973,235
805	Pleasant Ridge I (Ohioview I)	8,254,527
806	Pleasant Ridge II (Ohioview II)	3,689,998
814	Dalton's Edge I (Tarentum I)	2,054,407
815	Dalton's Edge II (Tarentum II)	5,540,763
821	Andrew Carnegie Apartments	992,353
Long-term debt recorded in LIPH on FDS prior to elimination		<u>\$ 60,292,209</u>

As of September 30, 2014, the balance of the loans payable to the Authority, and from the partnerships, are as follows:

AMP	Property	September 30, 2014
201	Sharps Terrace	\$ 5,012,110
301	Hays Manor	8,774,231
303	Groveton Village	8,907,976
501	Homestead Apartments	1,199,428
502	Homestead Apartments II	1,862,127
503	Homestead Apartments III	2,773,409
504	Homestead Apartments IV	2,371,833
701	Dumplin Hall	1,601,017
704	John Fraser Hall	3,301,865
801	Negley Gardens	2,835,974
805	Pleasant Ridge I (Ohioview I)	8,079,820
806	Pleasant Ridge II (Ohioview II)	3,429,409
814	Dalton's Edge I (Tarentum I)	2,193,654
815	Dalton's Edge II (Tarentum II)	5,076,574
821	Andrew Carnegie Apartments	970,706
Long-term debt recorded in LIPH on FDS prior to elimination		<u>\$ 58,390,133</u>

# ALLEGHENY COUNTY HOUSING AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014

In addition to the partnerships and properties created through mixed financing transactions reported as blended component units as described in Note 1 and previously in this Note, the Authority has invested in some mixed financing housing sites solely as a lender, except for Myers Ridge where the Authority is also the ground lessor. 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, 2015, the balance of the notes receivable, which is considered an investment in mixed finance development activities, was as follows:

<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	1,338,396
North Hills Housing #2	40 years	03/01/2051	810,590
Subtotal			21,085,664
Accumulated amortization as of September 30, 2014		\$ (5,723,050)	
Amortization for the year ended September 30, 2015		(525,593)	
	Accumulated amortization as of September 30, 2015		(6,248,643)
	Balance at September 30, 2015		<u>\$ 14,837,021</u>

# ALLEGHENY COUNTY HOUSING AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014

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As of September 30, 2014, the balance of the notes receivable, which is considered an investment in mixed finance development activities, was as follows:

<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>

\* 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.

# ALLEGHENY COUNTY HOUSING AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014

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A summary of the above notes receivable, the elimination of loans between entities, and the remaining notes receivable due from outside entities is summarized below.

	<u>September 30, 2015</u>
Notes, loans, & mortgages receivable - mixed financing partnerships	\$ 75,129,230
Elimination of loans between the Authority & controlled entities	<u>(60,292,209)</u>
Investment in mixed finance development activities, net of accumulated amortization recorded on statement of net position	<u>\$ 14,837,021</u>
	<u>September 30, 2014</u>
Notes, loans, & mortgages receivable - mixed financing partnerships	\$ 73,763,435
Elimination of loans between the Authority & controlled entities	<u>(58,390,133)</u>
Investment in mixed finance development activities, net of accumulated amortization recorded on statement of net position	<u>\$ 15,373,302</u>

## 7. 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.

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.

# ALLEGHENY COUNTY HOUSING AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014

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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, 2015 and 2014) 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 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

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# ALLEGHENY COUNTY HOUSING AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014

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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. Accrued interest was \$798,624 and \$744,480 at September 30, 2015 and 2014, respectively. 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 mortgage notes were paid in full in 2015.

# ALLEGHENY COUNTY HOUSING AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014

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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 1 and 5 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, 2015, the aggregate principal balance outstanding was \$3,300,000. A summary of future payments on these note obligations is as follows:

<u>Fiscal Year Ending</u> <u>September 30,</u>	<u>Principal</u> <u>Payment</u>	<u>Interest</u> <u>Payment</u>
2016	\$ 300,000	\$ 216,121
2017	300,000	196,474
2018	300,000	176,826
2019	300,000	157,179
2020	300,000	137,532
2021-2025	1,500,000	392,946
2026	300,000	19,648
	<u>\$ 3,300,000</u>	<u>\$ 1,296,726</u>

### Capital Lease

In January 2014, the Authority entered into an agreement in the amount of \$6,354,654 to (1) refinance the 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 will be 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, 2015 AND 2014

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Fiscal Year Ending September 30	Minimum Lease Payments
2016	\$ 1,026,070
2017	1,057,486
2018	1,089,865
2019	1,123,234
2020	624,787
Total payments	4,921,442
Less: interest	246,411
Present value	<u>\$ 4,675,031</u>

Included as capital leases are approximately \$4.4 million in capital assets: furniture, equipment, and machinery – dwellings, along with accumulated depreciation of approximately \$272,000.

In addition to the above leases, the Authority has additional capital leases totaling approximately \$128,000, which are not considered to be material.

Total long-term debt payments are as follows:

Fiscal Year Ending September 30,	
2016	\$ 1,628,851
2017	1,569,318
2018	1,566,691
2019	1,834,502
2020	1,062,319
2021-2025	2,422,946
2026-2030	3,052,172
2031-2033	806,139
2036 (Tarentum)	914,600
2042 (Groveton)	345,000
2045 (Ohioview I)	470,000
2046 (Ohioview II)	1,250,000
Total minimum debt payments	16,922,538
Less: amounts representing interest	1,543,137
Future minimum debt payments	<u>\$ 15,379,401</u>

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# ALLEGHENY COUNTY HOUSING AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014

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### Changes in Long-Term Liabilities

The schedule of changes in long-term liability activity for the year ended September 30, 2015 is presented below:

	Balance at September 30, 2014	Additions	Reductions	Balance at September 30, 2015	Due Within One Year
Groveton Housing, LP Note	\$ 345,000	\$ -	\$ -	\$ 345,000	\$ -
Homestead Housing, LP Note	806,139	-	-	806,139	-
Ohioview Housing I, LP Note	470,000	-	-	470,000	-
Tarentum Housing I, LP Note	914,600	-	-	914,600	-
Ohioview Housing II, LP Note	1,250,000	-	-	1,250,000	-
Pine Ridge Note	777,759	-	-	777,759	-
Pine Ridge Note	170,063	-	-	170,063	-
Pine Ridge Notes	204,089	-	-	204,089	-
St. Brendan Apartments Note	530,000	-	-	530,000	-
Meadows at Forest Glen Note	1,754,480	54,144	-	1,808,624	-
Three Rivers Rental Properties Notes	441,781	-	(441,781)	-	-
CFFP Notes Payable	3,600,000	-	(300,000)	3,300,000	300,000
Capital Leases	5,715,151	-	(912,024)	4,803,127	1,016,354
Compensated Absences	824,677	231,437	(164,934)	891,180	178,235
Other Noncurrent	573,504	-	(67,570)	505,934	-
Total noncurrent liabilities	<u>\$ 18,377,243</u>	<u>\$ 285,581</u>	<u>\$ (1,886,309)</u>	<u>\$ 16,776,515</u>	<u>\$ 1,494,589</u>

# ALLEGHENY COUNTY HOUSING AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014

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	806,139	-	-	806,139	-
Ohioview Housing I, LP Note	470,000	-	-	470,000	-
Tarentum Housing I, LP Note	914,600	-	-	914,600	-
Ohioview Housing II, LP Note	1,250,000	-	-	1,250,000	-
Pine Ridge Note	777,759	-	-	777,759	-
Pine Ridge Note	170,063	-	-	170,063	-
Pine Ridge Notes	204,089	-	-	204,089	-
St. Brendan Apartments Note	530,000	-	-	530,000	-
Meadows at 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, 2015 AND 2014

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### 8. 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 \$122,093 and \$129,908 as of September 30, 2015 and 2014, respectively. Amounts are due between entities and are eliminated for presentation on the financial statements. A summary of future payments on this note obligation is as follows:

Fiscal Year Ending	Principal	Interest
<u>September 30,</u>	<u>Payment</u>	<u>Payment</u>
2016	\$ 8,118	\$ 4,499
2017	8,431	4,185
2018	8,758	3,859
2019	9,096	3,521
2020	9,448	3,169
2021-2025	53,010	10,073
2026-2028	25,232	1,052
	<u>\$ 122,093</u>	<u>\$ 30,358</u>

### 9. 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.

# ALLEGHENY COUNTY HOUSING AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014

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Minimum yearly payments are as follows:

Fiscal Year Ending September 30,	Amount
2016	\$ 229,608
2017	233,052
2018	236,496
2019	240,042
2020	243,588
Thereafter	372,690
	<u>\$ 1,555,476</u>

The net book value of this building was approximately \$2,077,000 and \$2,192,000 as of September 30, 2015 and 2014, respectively. Depreciation on the building during the year was approximately \$115,000 in both 2015 and 2014.

### 10. 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 2015 and 2014, 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 in 2015 and 2014, and an additional \$6,000 catch-up for certain employees over age 50 in 2015 and 2014. After five years of service, participants are 100% vested. The Authority deposits the total contribution with a trustee for investment and administration. Employer contributions for the years ended September 30, 2015 and 2014 were approximately \$689,000 and \$661,000, respectively. Employee contributions for the years ended September 30, 2015 and 2014 were approximately \$501,000 and \$463,000, respectively.

# ALLEGHENY COUNTY HOUSING AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014

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### 11. 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 for the years ended September 30, 2015 and 2014.

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

Fiscal Year Ending September 30,	Minimum Lease Payments
2016	\$ 330,110
2017	330,110
2018	81,273
	<u>\$ 741,493</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.

The Authority is economically dependent on receiving operating subsidies and grant funding from HUD. The Authority's ability to maintain or improve operations would be severely impacted by a material reduction in HUD funds. Reductions in operating subsidies could occur in fiscal year 2016, but any such reductions are not currently expected to have an immediate material adverse impact to the Authority.

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.

# ALLEGHENY COUNTY HOUSING AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014

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The Authority is also involved in contracts related to various projects. Construction and development commitments outstanding related to these projects as of September 30, 2015 amounted to approximately \$8 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 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

2015														
Line Item No.	Description	14.850 LIPH Total	14.871 Section 8 Housing Choice Voucher	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	State/Local State/ Local TOTAL	Bus. Acct. TOTAL BUSINESS ACTIVITIES	Glenshaw Gardens - Component Unit	SUBTOTAL	Elimination	ACHA TOTAL
111	Cash - unrestricted	4,971,035	159,182	45,476	147,020	-	-	-	-	4,069,182	279,819	9,671,714	-	9,671,714
112	Cash - restricted - modernization and development	-	-	-	-	-	-	-	-	-	-	-	-	-
113	Cash - other restricted	7,319,814	397,406	-	-	-	-	-	-	475,296	-	8,192,516	-	8,192,516
114	Cash - tenant security deposits	694,871	-	-	-	-	-	-	-	47,838	9,120	751,829	-	751,829
115	Cash - restricted for payment of current liability	140	-	-	-	-	-	-	-	-	-	140	-	140
100	<b>Total Cash</b>	<b>12,985,860</b>	<b>556,588</b>	<b>45,476</b>	<b>147,020</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,592,316</b>	<b>288,939</b>	<b>18,616,199</b>	<b>-</b>	<b>18,616,199</b>
121	Accounts receivable - PHA projects	-	-	-	-	-	-	-	-	-	-	-	-	-
122-010	Accounts receivable - HUD other projects - Operating Subsidy	-	40,722	-	4,389	-	-	-	-	-	-	45,111	-	45,111
122-020	Accounts receivable - HUD other projects - Capital fund	430,866	-	-	-	-	-	-	-	-	-	430,866	-	430,866
122-030	Accounts receivable - HUD other projects - Other	-	-	-	-	-	74,258	-	-	-	-	74,258	-	74,258
122	<b>Accounts receivable - HUD other projects</b>	<b>430,866</b>	<b>40,722</b>	<b>-</b>	<b>4,389</b>	<b>-</b>	<b>74,258</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>550,235</b>	<b>-</b>	<b>550,235</b>
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	658,024	87,757	-	-	-	-	-	-	125,037	2,001	110,827	-	983,646
125	<b>Account receivable - miscellaneous</b>	<b>658,024</b>	<b>87,757</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>125,037</b>	<b>2,001</b>	<b>110,827</b>	<b>-</b>	<b>983,646</b>
126	Accounts receivable - tenants	161,150	-	-	-	-	-	-	-	-	3,789	1,866	-	166,805
126.1	Allowance for doubtful accounts - tenants	(69,532)	-	-	-	-	-	-	-	-	-	(1,700)	-	(71,232)
126.2	Allowance for doubtful accounts - other	-	-	-	-	-	-	-	-	-	-	-	-	-
127	Notes, Loans, & Mortgages Receivable - Current	-	-	-	-	-	-	-	-	-	-	-	-	-
128	Fraud recovery	86,287	-	-	-	-	-	-	-	-	-	86,287	-	86,287
128.1	Allowance for doubtful accounts - fraud	-	-	-	-	-	-	-	-	-	-	-	-	-
129	Accrued interest receivable	-	-	-	-	-	-	-	-	-	1,649	1,649	-	1,649
120	<b>Total receivables, net of allowance for doubtful accounts</b>	<b>1,266,795</b>	<b>128,479</b>	<b>-</b>	<b>4,389</b>	<b>-</b>	<b>74,258</b>	<b>-</b>	<b>125,037</b>	<b>5,790</b>	<b>112,642</b>	<b>1,717,390</b>	<b>-</b>	<b>1,717,390</b>
131	Investments - unrestricted	527,194	-	-	-	-	-	-	-	-	-	527,194	-	527,194
132	Investments - restricted	117,357	-	-	-	-	-	-	-	-	-	117,357	-	117,357
135	Investments - restricted for payment of current liability	-	-	-	-	-	-	-	-	-	-	-	-	-
142	Prepaid expenses and other assets	450,763	-	-	-	-	-	-	-	-	-	450,763	-	450,763
143	Inventories	-	-	-	-	-	-	-	-	-	-	-	-	-
143.1	Allowance for obsolete inventories	-	-	-	-	-	-	-	-	2,187	-	2,187	-	2,187
144	Inter program - due from	199,295	-	-	-	-	-	-	-	-	-	199,295	(199,295)	-
145	Assets held for sale	-	-	-	-	-	-	-	-	-	-	-	-	-
150	<b>Total Current Assets</b>	<b>15,547,264</b>	<b>685,067</b>	<b>45,476</b>	<b>151,409</b>	<b>-</b>	<b>74,258</b>	<b>-</b>	<b>125,037</b>	<b>4,600,293</b>	<b>401,581</b>	<b>21,630,385</b>	<b>(199,295)</b>	<b>21,431,090</b>
161	Land	8,725,988	-	-	-	-	-	-	-	1,285,636	48,743	10,060,367	-	10,060,367
162	Buildings	258,076,523	-	-	-	-	-	-	-	13,654,028	796,235	272,526,776	-	272,526,776
163	Furniture, equipment and machinery - dwellings	16,722,758	-	-	-	-	-	-	-	-	13,018	16,735,776	-	16,735,776
164	Furniture, equipment and machinery - administration	1,730,106	180,603	-	-	-	-	-	-	64,738	984	1,976,431	-	1,976,431
165	Leasehold improvements	-	-	-	-	-	-	-	-	-	-	-	-	-
166	Accumulated depreciation	(141,239,241)	(160,477)	-	-	-	-	-	-	(6,858,128)	(810,227)	(149,068,073)	-	(149,068,073)
167	Construction in progress	9,286,034	-	-	-	-	-	-	-	340,626	-	9,626,660	-	9,626,660
168	Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-	-
160	<b>Total capital assets, net of accumulated depreciation</b>	<b>153,302,168</b>	<b>20,126</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,486,900</b>	<b>48,743</b>	<b>161,857,937</b>	<b>-</b>	<b>161,857,937</b>
171-010	Notes, Loans, & mortgages receivable - Non-current - Not For Profit	-	-	-	-	-	-	-	-	-	-	-	-	-
171-020	Notes, Loans, & mortgages receivable - Non-current - Partnership	-	-	-	-	-	-	-	-	75,129,230	-	75,129,230	(60,292,209)	14,837,021
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	-	-	-	-	-	-	-	588,953	-	659,953	(122,093)	537,860
171	<b>Notes, Loans, &amp; mortgages receivable - Non-current</b>	<b>71,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>75,718,183</b>	<b>-</b>	<b>75,789,183</b>	<b>(60,414,302)</b>	<b>15,374,881</b>
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	<b>Notes, Loans, &amp; mortgages receivable - Non-current - past due</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
173	Grants receivable - Non-current	-	-	-	-	-	-	-	-	-	-	-	-	-
174	<b>Other assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
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	<b>Investment in joint venture</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>245,000</b>	<b>-</b>	<b>245,000</b>	<b>-</b>	<b>245,000</b>
180	<b>Total Non-current Assets</b>	<b>153,373,168</b>	<b>20,126</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>84,450,083</b>	<b>48,743</b>	<b>237,892,120</b>	<b>(60,414,302)</b>	<b>177,477,818</b>
190	<b>Total Assets</b>	<b>168,920,432</b>	<b>705,193</b>	<b>45,476</b>	<b>151,409</b>	<b>-</b>	<b>74,258</b>	<b>-</b>	<b>125,037</b>	<b>89,050,376</b>	<b>450,324</b>	<b>259,522,505</b>	<b>(60,613,597)</b>	<b>198,908,908</b>

2015														
Line Item No.	Description	14.850 LIPH Total	14.871 Section 8 Housing Choice Voucher	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	State/Local State/ Local TOTAL	Bus. Acct. TOTAL BUSINESS ACTIVITIES	Glenshaw Gardens - Component Unit	SUBTOTAL	Elimination	ACHA TOTAL
311	Bank overdraft	-	-	-	-	-	-	-	-	-	-	-	-	-
312	Accounts payable <= 90 days	752,881	-	-	-	-	-	-	-	70,813	-	823,694	-	823,694
313	Accounts payable > 90 days past due	-	-	-	-	-	-	-	-	-	-	-	-	-
321	Accrued wage/payroll taxes payable	324,168	33,487	-	-	-	-	-	-	-	29,961	387,616	-	387,616
322	Accrued compensated absences - current portion	157,333	20,902	-	-	-	-	-	-	-	-	178,235	-	178,235
324	Accrued contingency liability	-	-	-	-	-	-	-	-	-	-	-	-	-
325	Accrued interest payable	-	-	-	-	-	-	-	-	-	-	-	-	-
331-010	Accounts payable - HUD PHA Programs - Operating Subsidy	-	703	-	59,295	-	-	-	-	-	-	59,998	-	59,998
331-020	Accounts payable - HUD PHA Programs - Capital fund	-	-	-	-	-	-	-	-	-	-	-	-	-
331-030	Accounts payable - HUD PHA Programs - Other	-	-	-	-	-	-	-	-	-	-	-	-	-
331	<b>Accounts payable - HUD PHA Programs</b>	-	<b>703</b>	-	<b>59,295</b>	-	-	-	-	<b>28,328</b>	-	<b>88,326</b>	-	<b>88,326</b>
332	Accounts payable - PHA Projects	-	-	-	-	-	-	-	-	-	-	-	-	-
333	Accounts payable - other government	587,859	-	-	-	-	-	-	-	-	-	587,859	-	587,859
341	Tenant security deposits	694,871	-	-	-	-	-	-	-	47,838	9,120	751,829	-	751,829
342-030	Unearned revenue - Other	-	-	-	-	-	-	-	-	49,432	2,245	51,677	-	51,677
342	<b>Unearned Revenue</b>	-	-	-	-	-	-	-	-	<b>49,432</b>	<b>2,245</b>	<b>51,677</b>	-	<b>51,677</b>
343-010	CFFP	300,000	-	-	-	-	-	-	-	-	-	300,000	-	300,000
343-020	Capital Projects/ Mortgage Revenue	1,004,081	12,273	-	-	-	-	-	-	-	-	1,016,354	-	1,016,354
343	<b>Current portion of LTD - capital projects/mortgage revenue bonds</b>	<b>1,304,081</b>	<b>12,273</b>	-	-	-	-	-	-	-	-	<b>1,316,354</b>	-	<b>1,316,354</b>
344	Current portion of long-term debt - operating borrowings	-	-	-	-	-	-	-	-	-	8,118	-	(8,118)	-
345	Other current liabilities	549,778	7,121	-	-	-	-	-	-	306,279	-	863,178	-	863,178
346	Accrued liabilities - other	178	-	-	-	-	-	-	-	-	-	178	-	178
347	Inter program - due to	-	-	-	-	-	74,258	-	125,037	-	-	199,295	(199,295)	-
348	<b>Loan liability - current</b>	-	-	-	-	-	-	-	-	-	-	-	-	-
310	<b>Total Current Liabilities</b>	<b>4,371,149</b>	<b>74,486</b>	-	<b>59,295</b>	-	<b>74,258</b>	-	<b>125,037</b>	<b>502,690</b>	<b>49,444</b>	<b>5,256,359</b>	<b>(207,413)</b>	<b>5,048,946</b>
351-010	Long-term debt - CFFP	3,000,000	-	-	-	-	-	-	-	-	-	3,000,000	-	3,000,000
351-020	Long-term - Capital Projects/ Mortgage Revenue	70,809,898	15,358	-	-	-	-	-	-	530,000	-	71,355,256	(60,292,209)	11,063,047
351	<b>Capital Projects/ Mortgage Revenue Bonds</b>	<b>73,809,898</b>	<b>15,358</b>	-	-	-	-	-	-	<b>530,000</b>	-	<b>74,355,256</b>	<b>(60,292,209)</b>	<b>14,063,047</b>
352	Long-term debt, net of current - operating borrowings	-	-	-	-	-	-	-	-	-	113,975	-	(113,975)	-
353	Non-current liabilities - other	117,357	388,577	-	-	-	-	-	-	-	-	505,934	-	505,934
354	Accrued compensated absences- Non-current	629,335	83,610	-	-	-	-	-	-	-	-	712,945	-	712,945
355	<b>Loan liability - Non-current</b>	-	-	-	-	-	-	-	-	-	-	-	-	-
356	FASB 5 Liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-
357	Accrued Pension and OPEB Liability	-	-	-	-	-	-	-	-	-	-	-	-	-
350	<b>Total Non-Current Liabilities</b>	<b>74,556,590</b>	<b>487,545</b>	-	-	-	-	-	-	<b>530,000</b>	<b>113,975</b>	<b>75,688,110</b>	<b>(60,406,184)</b>	<b>15,281,926</b>
300	<b>Total Liabilities</b>	<b>78,927,739</b>	<b>562,031</b>	-	<b>59,295</b>	-	<b>74,258</b>	-	<b>125,037</b>	<b>1,032,690</b>	<b>163,419</b>	<b>80,944,469</b>	<b>(60,613,597)</b>	<b>20,330,872</b>
508.1	Net investment in capital assets	78,188,189	(7,505)	-	-	-	-	-	-	7,956,900	48,743	86,186,327	60,292,209	146,478,536
511.1	Restricted Net Position	7,319,814	8,829	-	-	-	-	-	-	75,561,227	-	82,889,870	(60,292,209)	22,597,661
512.1	Unrestricted Net Position	4,484,690	141,838	45,476	92,114	-	-	-	-	4,499,559	238,162	9,501,839	-	9,501,839
513	<b>Total Equity/Net Position</b>	<b>89,992,693</b>	<b>143,162</b>	<b>45,476</b>	<b>92,114</b>	-	-	-	-	<b>88,017,686</b>	<b>286,905</b>	<b>178,578,036</b>	-	<b>178,578,036</b>
600	<b>Total Liabilities and Equity/Net Position</b>	<b>168,920,432</b>	<b>705,193</b>	<b>45,476</b>	<b>151,409</b>	-	<b>74,258</b>	-	<b>125,037</b>	<b>89,050,376</b>	<b>450,324</b>	<b>259,522,505</b>	<b>(60,613,597)</b>	<b>198,908,908</b>

2015		14.850	14.871	14.181	14.856	14.218	14.870	14.231							
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	Business Activities Total	Glenshaw Gardens - Component Unit	SUBTOTAL	Financial Statement Elimination	ACHA TOTAL	
70300	Net tenant rental revenue	8,665,866								955,086	256,550	9,877,502		9,877,502	
70400	Tenant revenue - other	92,818										92,818		92,818	
70500	<b>Total Tenant Revenue</b>	<b>8,758,684</b>								<b>955,086</b>	<b>256,550</b>	<b>9,970,320</b>		<b>9,970,320</b>	
70600-010	Housing assistance payments		31,666,179	233,055	409,492							32,308,726		32,308,726	
70600-020	Ongoing administrative fees earned		3,053,449	30,651	46,512							3,130,612		3,130,612	
70600-030	FSS Coordinator		24,796									24,796		24,796	
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	<b>HUD PHA operating grants</b>	<b>11,845,385</b>	<b>34,744,424</b>	<b>263,706</b>	<b>456,004</b>		<b>446,660</b>					<b>47,756,179</b>		<b>47,756,179</b>	
70610	Capital grants	7,646,498				309,957						7,956,455		7,956,455	
70710	Management Fee	2,579,013										2,579,013	(2,579,013)		
70720	Asset Management Fee	367,440										367,440	(367,440)		
70730	Book-Keeping Fee	779,230										779,230	(779,230)		
70740	Front Line Service Fee	3,114,851										3,114,851	(3,114,851)		
70750	Other Fees														
70700	<b>Total Fee Revenue</b>	<b>6,840,534</b>										<b>6,840,534</b>	<b>(6,840,534)</b>		
70800	Other government grants							66,470	102,460			168,930		168,930	
71100-010	Housing Assistance Payment - investment income unrestricted														
71100-020	Administrative Fee - investment income unrestricted		126									126		126	
71100	<b>Investment income - unrestricted</b>	<b>8,793</b>	<b>126</b>							<b>11,922</b>		<b>20,841</b>		<b>20,841</b>	
71200	Mortgage interest income									1,902,076		1,902,076	(1,902,076)		
71300	Proceeds from disposition of assets held for sale														
71310	Cost of sale of assets														
71400-010	Housing Assistance Payment - fraud recovery														
71400-020	Administrative Fee - fraud recovery		35,379									35,379		35,379	
71400	<b>Fraud recovery</b>	<b>595</b>	<b>35,379</b>									<b>35,974</b>		<b>35,974</b>	
71500	Other revenue	1,820,280	2,231,313	31	1,829					1,048,878	217,715	5,320,046		5,320,046	
71600	Gain or loss on sale of capital assets	285										285		285	
72000-010	Housing Assistance Payment - investment income restricted														
72000-020	Administrative Fee - investment income restricted														
72000	<b>Investment income - restricted</b>	<b>6,282</b>								<b>109</b>		<b>6,391</b>		<b>6,391</b>	
70000	<b>Total Revenue - restricted</b>	<b>36,927,336</b>	<b>37,011,242</b>	<b>263,737</b>	<b>457,833</b>	<b>309,957</b>	<b>446,660</b>	<b>66,470</b>	<b>102,460</b>	<b>3,918,071</b>	<b>474,265</b>	<b>79,978,031</b>	<b>(8,742,610)</b>	<b>71,235,421</b>	
91100	Administrative salaries	3,205,270	951,614							52,642	110,289	4,319,815		4,319,815	
91200	Auditing fees	212,828	14,200							1,400	5,428	233,856		233,856	
91300	Management Fee	1,743,065	818,668	8,340	8,940							2,579,013	(2,579,013)		
91310	Book-Keeping Fee	258,639	509,792	5,212	5,587							779,230	(779,230)		
91400	Advertising and Marketing	13,288	246							3,768	444	17,746		17,746	
91500	Employee benefit contributions - administrative	1,059,732	378,672							37,474	42,709	1,518,587		1,518,587	
91600	Office Expenses	751,956	211,034		1,830		158		13,463	55,275	31,387	1,065,103		1,065,103	
91700	Legal Expense	238,583	688				8,167			7,572	281	255,291		255,291	
91800	Travel	95,714	23,775						524	5,981	1,497	127,491		127,491	
91810	Allocated Overhead														
91900	Other	564,283	139	7,733			36,212	66,470	2,203	422,784	15,183	1,115,007		1,115,007	
91000	<b>Total Operating-Administrative</b>	<b>8,143,358</b>	<b>2,908,828</b>	<b>21,285</b>	<b>16,357</b>		<b>44,537</b>	<b>66,470</b>	<b>16,190</b>	<b>586,896</b>	<b>207,218</b>	<b>12,011,139</b>	<b>(3,358,243)</b>	<b>8,652,896</b>	
92000	Asset Management Fee	367,440										367,440	(367,440)		
92100	Tenant services - salaries	60,346					297,914		70,045	16,710		445,015		445,015	
92200	Relocation Costs														
92300	Employee benefit contributions - tenant services	11,528					104,209		16,225	9,383		141,345		141,345	
92400	Tenant services - other	247,492								19,411		266,903		266,903	
92500	<b>Total Tenant Services</b>	<b>319,366</b>					<b>402,123</b>		<b>86,270</b>	<b>45,504</b>		<b>853,263</b>		<b>853,263</b>	
93100	Water	770,490								19,575	5,604	795,669		795,669	
93200	Electricity	1,991,046								70,035	22,247	2,083,328		2,083,328	
93300	Gas	995,610								43,462	25,962	1,065,034		1,065,034	
93400	Fuel														
93500	Labor														
93600	Sewer	1,288,597								38,199	10,033	1,336,829		1,336,829	
93700	Employee benefit contributions - utilities														
93750	HAP Portability-In														
93800	Other utilities expense														
93000	<b>Total Utilities</b>	<b>5,045,743</b>								<b>171,271</b>	<b>63,846</b>	<b>5,280,860</b>		<b>5,280,860</b>	

2015															
Line Item No.	Description	14.850	14.871	14.181	14.856	14.218	14.870	14.231							
		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	Business Activities Total	Glenshaw Gardens - Component Unit	SUBTOTAL	Financial Statement Elimination	ACHA TOTAL	
94100	Ordinary maintenance and operations - labor	3,361,881			-	-	-	-	-	51,673	12,961	3,426,515	-	3,426,515	
94200	Ordinary maintenance and operations - materials and other	1,376,729			-	-	-	-	-	28,541	19,835	1,425,105	-	1,425,105	
94300-010	Ord Maint and Op Contracts - Garbage and Trash Removal Contracts	345,856			-	-	-	-	-	38,296	15,248	399,400	-	399,400	
94300-020	Ord Maint and Op Contracts - Heating & Cooling Contracts	29,186			-	-	-	-	-	63,921	3,618	96,725	-	96,725	
94300-030	Ord Maint and Op Contracts - Snow Removal Contracts	-			-	-	-	-	-	-	-	-	-	-	
94300-040	Ord Maint and Op Contracts - Elevator Maintenance Contracts	145,449			-	-	-	-	-	13,034	-	158,483	-	158,483	
94300-050	Ord Maint and Op Contracts - Landscape & Grounds Contracts	10,030			-	-	-	-	-	91,450	3,463	104,943	-	104,943	
94300-060	Ord Maint and Op Contracts - Unit Turnaround Contracts	150,921			-	-	-	-	-	-	-	150,921	-	150,921	
94300-070	Ord Maint and Op Contracts - Electrical Contracts	1,891			-	-	-	-	-	6,048	640	8,579	-	8,579	
94300-080	Ord Maint and Op Contracts - Plumbing Contracts	3,888			-	-	-	-	-	26,764	11,810	42,462	-	42,462	
94300-090	Ord Maint and Op Contracts - Extermination Contracts	147,918			-	-	-	-	-	5,150	684	153,752	-	153,752	
94300-100	Ord Maint and Op Contracts - Janitorial Contracts	3,127,350			-	-	-	-	-	4,029	2,713	3,134,092	(3,114,851)	19,241	
94300-110	Ord Maint and Op Contracts - Routine Maintenance Contracts	315,579			-	-	-	-	-	85,397	2,584	403,560	-	403,560	
94300-120	Ord Maint and Op Contracts - Misc Contracts	466,563			-	-	-	-	-	74,658	3,077	544,298	-	544,298	
94300	<b>Total Ordinary Maintenance and Operations Contracts</b>	<b>4,744,631</b>	-	-	-	-	-	-	-	<b>408,747</b>	<b>43,837</b>	<b>5,197,215</b>	<b>(3,114,851)</b>	<b>2,082,364</b>	
94500	Employee benefit contribution - ordinary maintenance	1,307,787			-	-	-	-	-	-	-	1,307,787	-	1,307,787	
94000	<b>Total Maintenance</b>	<b>10,791,028</b>	-	-	-	-	-	-	-	<b>488,961</b>	<b>76,633</b>	<b>11,356,622</b>	<b>(3,114,851)</b>	<b>8,241,771</b>	
95100	Protective services - labor	528,658			-	-	-	-	-	-	-	528,658	-	528,658	
95200	Protective services - other contract costs	40,266			-	-	-	-	-	312	-	40,578	-	40,578	
95300	Protective services - other	3,129			-	-	-	-	-	844	-	3,973	-	3,973	
95500	Employee benefit contributions - protective services	164,256			-	-	-	-	-	-	-	164,256	-	164,256	
95000	<b>Total Protective Services</b>	<b>736,309</b>	-	-	-	-	-	-	-	<b>1,156</b>	-	<b>737,465</b>	-	<b>737,465</b>	
96110	Property Insurance	836,370	6,822	-	-	-	-	-	-	10,484	-	853,676	-	853,676	
96120	Liability Insurance	193,016	18,364	-	-	-	-	-	-	9,483	-	220,863	-	220,863	
96130	Workmen's Compensation	328,314	3,026	-	-	-	-	-	-	5,882	5,839	343,061	-	343,061	
96140	All other Insurance	147,099	6,312	-	-	-	-	-	-	379	-	153,790	-	153,790	
96100	<b>Total insurance Premiums</b>	<b>1,504,799</b>	<b>34,524</b>	-	-	-	-	-	-	<b>25,849</b>	<b>6,218</b>	<b>1,571,390</b>	-	<b>1,571,390</b>	
96200	Other general expenses	786,761	166,927	-	674	-	-	-	-	-	67,693	1,022,055	-	1,022,055	
96210	Compensated absences	178,489	-	-	-	-	-	-	-	-	-	178,489	-	178,489	
96300	Payments in lieu of taxes	463,137	-	-	-	-	-	-	-	-	-	463,137	-	463,137	
96400	Bad debt - tenant rents	219,698	-	-	-	-	-	-	-	-	-	219,698	-	219,698	
96500	Bad debt - mortgages	-	-	-	-	-	-	-	-	-	-	-	-	-	
96600	Bad debt - other	-	2,768	-	558	-	-	-	-	-	-	3,326	-	3,326	
96800	Severance expense	-	-	-	-	-	-	-	-	-	-	-	-	-	
96000	<b>Total Other General Expenses</b>	<b>1,648,085</b>	<b>169,695</b>	-	<b>1,232</b>	-	-	-	-	-	<b>67,693</b>	<b>1,886,705</b>	-	<b>1,886,705</b>	
96710	Interest of Mortgage (or Bonds) Payable	238,213	-	-	-	-	-	-	-	2,085	2,609	242,907	-	242,907	
96720	Interest on Notes Payable (Short and Long Term)	2,071,215	1,885	-	-	-	-	-	-	-	-	2,073,100	(1,902,076)	171,024	
96730	Amortization of Bond Issue Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	
96700	<b>Total Interest expense and Amortization cost</b>	<b>2,309,428</b>	<b>1,885</b>	-	-	-	-	-	-	<b>2,085</b>	<b>2,609</b>	<b>2,316,007</b>	<b>(1,902,076)</b>	<b>413,931</b>	
96900	<b>Total Operating Expenses</b>	<b>30,865,556</b>	<b>3,114,932</b>	<b>21,285</b>	<b>17,589</b>	-	<b>446,660</b>	<b>66,470</b>	<b>102,460</b>	<b>1,321,722</b>	<b>424,217</b>	<b>36,380,891</b>	<b>(8,742,610)</b>	<b>27,638,281</b>	
97000	<b>Excess Revenue Over Operating Expenses</b>	<b>6,061,780</b>	<b>33,896,310</b>	<b>242,452</b>	<b>440,244</b>	<b>309,957</b>	-	-	-	<b>2,596,349</b>	<b>50,048</b>	<b>43,597,140</b>	-	<b>43,597,140</b>	
97100	Extraordinary maintenance	101,636			-	-	-	-	-	-	-	101,636	-	101,636	
97200	Casualty losses- Non-capitalized	167,472			-	-	-	-	-	-	-	167,472	-	167,472	
97300-010	Mainstream 1 & 5 year	-			-	-	-	-	-	-	-	-	-	-	
97300-020	Home-Ownership	-	309,853	-	-	-	-	-	-	-	-	309,853	-	309,853	
97300-025	Litigation	-	-	-	-	-	-	-	-	-	-	-	-	-	
97300-030	Hope IV	-	-	-	-	-	-	-	-	-	-	-	-	-	
97300-035	Moving to Work	-	-	-	-	-	-	-	-	-	-	-	-	-	
97300-040	Tenant Protection	-	345,237	-	-	-	-	-	-	-	-	345,237	-	345,237	
97300-050	Portability In	-	1,044,888	-	-	-	-	-	-	-	-	1,044,888	-	1,044,888	
97300-060	Enhanced	-	-	-	-	-	-	-	-	-	-	-	-	-	
97300-070	All Other	-	30,092,507	247,958	409,492	-	-	-	-	-	-	30,749,957	-	30,749,957	
97300	<b>Total Housing assistance payments</b>	-	<b>31,792,485</b>	<b>247,958</b>	<b>409,492</b>	-	-	-	-	-	-	<b>32,449,935</b>	-	<b>32,449,935</b>	
97400	Depreciation expense	7,775,506			-	-	-	-	-	1,021,749	-	8,824,099	-	8,824,099	
97350	Port In	-	2,054,462	-	-	-	-	-	-	-	-	2,054,462	-	2,054,462	
97800	Dwelling units rent expense	-	-	-	-	-	-	-	-	-	-	-	-	-	
90000	<b>Total Expenses</b>	<b>38,910,170</b>	<b>36,988,723</b>	<b>269,243</b>	<b>427,081</b>	-	<b>446,660</b>	<b>66,470</b>	<b>102,460</b>	<b>2,343,471</b>	<b>424,217</b>	<b>79,978,495</b>	<b>(8,742,610)</b>	<b>71,235,885</b>	

2015														
Line Item No.	Description	14.850	14.871	14.181	14.856	14.218	14.870	14.231	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	TOTAL	Total	Component Unit		Elimination	
10010	Operating transfer in	578,196				-	-					578,196	(578,196)	-
10020	Operating transfer out	(578,196)				-	-					(578,196)	578,196	-
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	1,691,300				-	-					1,691,300	(1,691,300)	-
10092	Inter AMP Excess Cash Transfer Out	(1,691,300)				-	-					(1,691,300)	1,691,300	-
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	(1,982,834)	22,519	(5,506)	30,752	309,957	-	-	-	1,574,600	50,048	(464)	-	(464)
11020	Required Annual Debt Principal Payments	1,176,088	12,273			-	-					1,188,361		1,188,361
11030	Beginning equity	90,912,527	120,643	50,982	61,362	753,043	-	-		86,443,086	236,857	178,578,500		178,578,500
11040-010	Equity Transfers - CDBG to LIPH	1,063,000				(1,063,000)								
11040-020	Equity Transfers - Bus Act to LIPH trf other inc													
11040-030	Equity Transfers - CDBG to LIPH work on LIPH prop used CDBG \$													
11040-040	Equity Transfers - CDBG to Bus Act work at nonAMP propies using CDBG \$													
11040-050	Equity Transfers - COCC to HCV fund HCB													
11040-060	Equity Transfers - State Local to Bus Act work at non AMP related prop													
11040-070	Equity Transfers -													
11040-080	Equity Transfers -													
11040	Prior period adjustments, equity transfers, and correction of errors	1,063,000				(1,063,000)								
11170-001	Administrative Fee Equity- Beginning Balance		12,063									12,063		12,063
11170-010	Administrative Fee Revenue		3,078,245									3,078,245		3,078,245
11170-020	Hard to House Fee Revenue													
11170-030	Audit Costs													
11170-040	Investment Income		126									126		126
11170-045	Fraud Recovery Revenue		35,379									35,379		35,379
11170-050	Other Revenue		2,204,758									2,204,758		2,204,758
11170-051	Comment for Other Revenue													
11170-060	Total Admin Fee Revenues		5,318,508									5,318,508		5,318,508
11170-080	Total Operating Expenses		5,169,394									5,169,394		5,169,394
11170-090	Depreciation		26,844									26,844		26,844
11170-100	Other Expenses													
11170-101	Comment for Other Expense													
11170-110	Total Expenses		5,196,238									5,196,238		5,196,238
11170-002	Net Administrative Fee		122,270									122,270		122,270
11170-003	Administrative Fee Equity- Ending Balance		134,333									134,333		134,333
11170	Administrative Fee Equity		134,333									134,333		134,333
11180-001	Housing Assistance Payments Equity - Beginning Balance		108,580									108,580		108,580
11180-010	Housing Assistance Payments Revenue		31,666,179									31,666,179		31,666,179
11180-015	Fraud Recovery Revenue													
11180-020	Other revenue		26,555									26,555		26,555
11180-021	Comment for other revenue													
11180-025	Investment Income													
11180-030	Total HAP revenues		31,692,734									31,692,734		31,692,734
11180-080	Housing Assistance Payments		31,792,485									31,792,485		31,792,485
11180-090	Other expense													
11180-091	Comment for other expense													
11180-100	Total Housing Assistance Payments Expense		31,792,485									31,792,485		31,792,485
11180-002	Net Housing Assistance Payments		(99,751)									(99,751)		(99,751)
11180-003	Housing Assistance Payment Equity - Ending Balance		8,829									8,829		8,829
11180	Housing Assistance Payments Equity		8,829									8,829		8,829
11190	Unit Months Available	34,554	68,433	720	840	-	-			1,908	432	106,887		106,887
11210	Unit Months Leased	33,728	68,433	698	840	-	-			1,855	420	105,974		105,974
11270	Excess Cash	1,293,982				-	-					1,293,982		1,293,982
11610	Land Purchases					-	-							
11620	Building Purchases	7,348,921				-	-					7,348,921		7,348,921
11630	Furniture & Equipment-Dwelling Purchases					-	-							
11640	Furniture & Equipment-Administrative Purchases					-	-							
13510	CFPP Debt Service Payments	535,790				-	-					535,790		535,790
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	
111	Cash - unrestricted	67,303	289,428	50,036	63,563	197,261	309,087	332,530	49,523	82,198	15,733	34,083	246,860		11,340	142,396	71,973	68,435	66,178	217,562	94,714	68,274	191,239	100,352	104,769	
112	Cash - restricted-modernization and development																									
113	Cash - other restricted	1,230			456,727					693,508						464,625	561,086	497,487	249,512			596,525			296,242	
114	Cash - tenant security deposits	42,869	48,081	18,779	5,530	52,699	57,602	15,955	12,032	8,660	2,200	7,917	29,972		40,300	9,024	10,589	8,843	12,334	41,011	20,853	11,463	53,055	22,859	20,373	
115	Cash - Restricted for payment of current liability																									
100	<b>Total Cash</b>	<b>111,402</b>	<b>337,509</b>	<b>68,815</b>	<b>528,820</b>	<b>249,960</b>	<b>366,689</b>	<b>348,485</b>	<b>61,557</b>	<b>784,366</b>	<b>17,933</b>	<b>42,000</b>	<b>276,832</b>	-	<b>51,640</b>	<b>616,045</b>	<b>643,628</b>	<b>574,765</b>	<b>328,024</b>	<b>258,573</b>	<b>115,707</b>	<b>676,262</b>	<b>244,294</b>	<b>123,211</b>	<b>421,384</b>	
121	Accounts receivable - PHA projects																									
122-010	Accounts receivable - HUD other projects - Operating Subsidy																									
122-020	Accounts receivable - HUD other projects - Capital fund		110,590												273,302						28,794				15,535	
122-030	Accounts receivable - HUD other projects - Other																									
122	<b>Accounts receivable - HUD other projects</b>	<b>110,590</b>	-	-	-	-	-	-	-	-	-	-	-	-	<b>273,302</b>	-	-	-	-	-	<b>28,794</b>	-	-	<b>15,535</b>	-	
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	380	977	22,482			99			5,987		200	17,340		26,479	723	196				625	56		10,533		119
125	<b>Account receivable - miscellaneous</b>	<b>380</b>	<b>977</b>	<b>22,482</b>	-	-	<b>99</b>	-	-	<b>5,987</b>	-	<b>200</b>	<b>17,340</b>	-	<b>26,479</b>	<b>723</b>	<b>196</b>	-	-	-	<b>625</b>	<b>56</b>	-	<b>10,533</b>	-	<b>119</b>
126	Accounts receivable - tenants	28,307	4,601					47		1,945		3,544	2,039		26,479	723	196			1,095	41,464	14,578		22,799	8,368	4,020
126.1	Allowance for doubtful accounts - tenants	(11,876)	(216)							(1,625)		(2,794)	(529)							(12)	(19,059)	(9,446)		(8,426)	(6,209)	(1,859)
126.2	Allowance for doubtful accounts - other																									
127	Notes, Loans, & Mortgages Receivable - Current																									
128	Fraud recovery	2,740	2,516		900	1,537	526	7,979	1,653	2,560		3,147	3,408		1,243						17,818	7,442	1,157	8,046	4,983	
128.1	Allowance for doubtful accounts - fraud																									
129	Accrued interest receivable																									
120	<b>Total receivables, net of allowance for doubtful accounts</b>	<b>130,141</b>	<b>7,878</b>	<b>22,482</b>	<b>900</b>	<b>1,537</b>	<b>625</b>	<b>8,026</b>	<b>1,653</b>	<b>8,876</b>	-	<b>4,097</b>	<b>22,258</b>	-	<b>301,024</b>	<b>723</b>	<b>196</b>	<b>1,083</b>	-	<b>40,848</b>	<b>41,424</b>	<b>1,157</b>	<b>32,942</b>	<b>22,677</b>	<b>2,280</b>	
131	Investments - unrestricted																									
132	Investments - restricted																									
135	Investments - Restricted for payment of current liability																									
142	Prepaid expenses and other assets							200,000																		
143	Inventories																									
143.1	Allowance for obsolete inventories																									
144	Inter program - due from																									
145	Assets held for sale																									
150	<b>Total Current Assets</b>	<b>241,543</b>	<b>345,387</b>	<b>91,297</b>	<b>526,810</b>	<b>251,497</b>	<b>367,314</b>	<b>556,511</b>	<b>63,210</b>	<b>793,242</b>	<b>17,933</b>	<b>46,097</b>	<b>299,090</b>	-	<b>352,664</b>	<b>616,768</b>	<b>643,824</b>	<b>575,848</b>	<b>328,024</b>	<b>299,421</b>	<b>157,131</b>	<b>677,419</b>	<b>277,236</b>	<b>145,888</b>	<b>423,664</b>	
161	Land	650,380	113,546	273,082	126,903	437,660	337,501	916,474	172,373	1,994,912			283,581		711,881	115,594	115,590	29,215	115,590	601,700	164,355	39,290	509,254	1,19,666	30,568	
162	Buildings	13,126,669	5,286,293	3,141,067	5,899,444	8,462,834	8,467,758	9,757,834	11,331,412	8,922,068			17,376,104		11,400,173	6,134,919	6,462,249	6,866,085	9,218,147	12,000,189	11,800,299	6,330,942	17,467,773	2,750,538	11,161,400	
163	Furniture, equipment and machinery - dwellings	1,243,677	702,309	65,485	66,670	877,891	1,738,708	107,220	697,438	111,293			873,011		1,682,623	2,038	46,212	276,470	4,887	951,050	4,186,481	142,241	1,097,368	1,289,012		
164	Furniture, equipment and machinery - administration	52,532		137,334		14,071	9,156	29,230	64,011	7,968		7,041	56,801		33,425	17,446				76,904	5,471	4,482	18,506		73,437	
165	Leasehold improvements																									
166	Accumulated depreciation	(11,376,926)	(4,514,132)	(1,437,529)	(1,848,231)	(8,870,291)	(7,726,074)	(4,656,915)	(7,983,813)	(3,101,320)		(4,225)	(13,319,628)		(9,899,825)	(2,106,585)	(1,956,387)	(2,147,509)	(2,052,171)	(10,582,858)	(9,834,004)	(1,635,137)	(12,031,011)	(3,329,772)	(1,571,765)	
167	Construction in progress	2,999,149	35,345					2,000							2,101,494							1,192,718		42,696	128,004	
168	Infrastructure																									
160	<b>Total capital assets, net of accumulated depreciation</b>	<b>6,695,481</b>	<b>1,623,361</b>	<b>2,179,439</b>	<b>4,244,786</b>	<b>922,165</b>	<b>2,827,049</b>	<b>6,155,843</b>	<b>4,281,421</b>	<b>7,944,921</b>	-	<b>2,816</b>	<b>5,269,869</b>	-	<b>6,029,771</b>	<b>4,163,432</b>	<b>4,667,664</b>	<b>5,024,261</b>	<b>7,286,453</b>	<b>3,046,985</b>	<b>6,895,320</b>	<b>4,881,818</b>	<b>6,904,586</b>	<b>957,268</b>	<b>9,693,640</b>	
171-010	Notes, Loans, & mortgages receivable - Non-current - Not For Profit																									
171-020	Notes, Loans, & mortgages receivable - Non-current - Partnership																									
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																									
171	<b>Notes, Loans, &amp; mortgages receivable - Non-current</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
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	<b>Notes, Loans, &amp; mortgages receivable - Non-current - past due</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
173	Grants receivable - Non-current																									
174-010	Other assets - Not For Profit																									
174-020	Other assets - Partnership																									
174-030	Other assets - Joint Venture																									

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	11,190	1,976	5,435	3,627	8,391	4,223	960	1,511	6,500			206		8,971	2,413	5,988	4,073	3,325	10,284	4,671	35	1,127	3,070	4,157
313	Accounts payable > 90 days past due																								
11625	Accrued wage/payroll taxes payable	11,625	3,597	558	1,587	6,767	4,322	3,694	404	2,422			4,867		3,916	3,083	2,444	1,479	1,509	8,468	7,544	1,584	3,273	2,547	2,496
322	Accrued compensated absences - current portion	6,461	2,719	597	2,471	4,146	5,244	4,138	386	2,889			2,218		2,760	424	161	175	5,376	5,083	1,776	5,017	1,754	2,361	
324	Accrued contingency liability																								
325	Accrued interest payable																								
331-010	Accounts payable - HUD PHIA Programs - Operating Subsidy																								
331-020	Accounts payable - HUD PHIA Programs - Capital fund																								
331-030	Accounts payable - HUD PHIA Programs - Other																								
331	<b>Accounts payable - HUD PHIA Programs</b>																								
332	Accounts payable - PHIA Projects																								
333	Accounts payable - other government	5,908	11,975	14,790	3,628	45,331	50,333	258	317	99	475		9,827		17,715	6,609		583	200	12,116	2,314		25,496	11,306	
341	Tenant security deposits	42,869	48,081	18,779	5,530	52,699	57,602	15,955	12,032	8,660	2,200	7,917	29,972		40,300	9,024	10,589	8,843	12,334	41,011	20,853	11,463	53,055	22,859	20,373
342-010	Unearned revenue - Operating Subsidy																								
342-020	Unearned revenue - Capital fund																								
342-030	Unearned revenue - Other																								
342	<b>Unearned Revenue</b>																								
343-010	CFPP	1,588								30,845											20,870		35,000	2,542	10,259
343-020	Capital Projects/ Mortgage Revenue	30,787	17,726		21,457	135,276			16,793				21,457		41,049						23,323	519,645	27,055	78,367	
	<b>Current portion of LTD- capital projects/mortgage revenue bonds</b>	<b>32,375</b>	<b>17,726</b>		<b>21,457</b>	<b>135,276</b>			<b>16,793</b>	<b>30,845</b>			<b>21,457</b>		<b>41,049</b>						<b>44,193</b>	<b>519,645</b>	<b>35,000</b>	<b>29,597</b>	<b>88,626</b>
344	Current portion of long-term debt - operating borrowings																								
345	Other current liabilities		6,967	26,163	1,683	7,595	5,609	10,538	3,073	2,070	1,024	1,110	3,448		4,563	68,280	8,431	7,913	5,420	6,438	5,700	2,949	6,001	45,513	37,111
346	Accrued liabilities - other																								
347	Defer 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	<b>Loan liability - current</b>																								
310	<b>Total Current Liabilities</b>	<b>110,428</b>	<b>93,041</b>	<b>66,322</b>	<b>18,526</b>	<b>146,386</b>	<b>262,609</b>	<b>35,543</b>	<b>34,516</b>	<b>53,485</b>	<b>3,699</b>	<b>9,027</b>	<b>71,995</b>		<b>119,274</b>	<b>89,835</b>	<b>27,613</b>	<b>23,052</b>	<b>22,963</b>	<b>127,886</b>	<b>565,810</b>	<b>52,807</b>	<b>123,566</b>	<b>175,675</b>	<b>66,498</b>
351-010	Long-term debt - CFPP	15,875								308,452											208,702		250,000	25,423	102,589
351-020	Long-term - Capital Projects/ Mortgage Revenue	122,909	68,454	1,151,510	5,255,198	87,528	554,985	8,774,231	70,247	9,551,329			86,708		194,457	2,074,175	1,951,323	2,893,600	2,485,231	94,604	2,080,480	1,851,114	108,756	299,446	3,301,865
351	<b>Capital Projects/ Mortgage Revenue Bonds</b>	<b>138,784</b>	<b>68,454</b>	<b>1,151,510</b>	<b>5,255,198</b>	<b>87,528</b>	<b>554,985</b>	<b>8,774,231</b>	<b>70,247</b>	<b>9,859,781</b>			<b>86,708</b>		<b>194,457</b>	<b>2,074,175</b>	<b>1,951,323</b>	<b>2,893,600</b>	<b>2,485,231</b>	<b>303,306</b>	<b>2,080,480</b>	<b>1,901,114</b>	<b>134,179</b>	<b>402,635</b>	<b>3,301,865</b>
352	Long-term debt, net of current - operating borrowings																								
353	Non-current liabilities - other																								
354	Accrued compensated absences- Non-current	25,844	10,877	2,390	9,884	16,585	20,975	16,551	1,543	11,558			8,874		11,040	1,695	643	643	698	21,503	20,333	7,102	20,067	7,015	9,444
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	<b>Loan liability - Non-current</b>																								
356	FASB 5 Liabilities																								
357	Accrued Pension and OPEB Liability																								
350	<b>Total Non-Current Liabilities</b>	<b>164,628</b>	<b>79,331</b>	<b>1,153,900</b>	<b>5,265,082</b>	<b>104,113</b>	<b>575,960</b>	<b>8,790,782</b>	<b>71,790</b>	<b>9,871,339</b>			<b>95,582</b>		<b>205,497</b>	<b>2,075,870</b>	<b>1,951,966</b>	<b>2,894,243</b>	<b>2,485,929</b>	<b>324,809</b>	<b>2,100,813</b>	<b>1,908,216</b>	<b>154,246</b>	<b>409,050</b>	<b>3,311,309</b>
300	<b>Total Liabilities</b>	<b>275,056</b>	<b>172,372</b>	<b>1,220,222</b>	<b>5,283,608</b>	<b>250,499</b>	<b>838,569</b>	<b>8,826,325</b>	<b>106,306</b>	<b>9,924,824</b>	<b>3,699</b>	<b>9,027</b>	<b>167,577</b>		<b>324,771</b>	<b>2,165,705</b>	<b>1,979,579</b>	<b>2,917,295</b>	<b>2,508,892</b>	<b>452,695</b>	<b>2,666,623</b>	<b>1,961,023</b>	<b>277,812</b>	<b>584,725</b>	<b>3,377,807</b>
508-1	Net investment in capital assets	6,524,322	1,537,181	1,027,929	(1,010,412)	813,180	2,136,788	(2,618,388)	4,194,381	(1,945,705)		2,816	5,161,704		5,794,265	2,089,287	2,716,341	2,130,661	4,801,222	2,699,486	4,295,195	2,945,704	6,740,810	466,607	6,391,775
511-1	Restricted Net Position	1,230			456,727				693,508							484,625	561,086	497,487	249,512						596,525
512-1	Unrestricted Net Position	136,416	259,195	22,585	41,673	109,983	219,006	504,417	43,944	65,536	14,234	37,070	239,678		263,399	60,613	54,502	54,666	54,851	194,225	90,633	55,985	163,200	51,824	51,480
513	<b>Total Equity/Net Position</b>	<b>6,661,968</b>	<b>1,796,376</b>	<b>1,050,514</b>	<b>(512,012)</b>	<b>923,163</b>	<b>2,355,794</b>	<b>(2,113,971)</b>	<b>4,238,325</b>	<b>(1,186,661)</b>	<b>14,234</b>	<b>39,886</b>	<b>5,401,382</b>		<b>6,057,664</b>	<b>2,614,495</b>	<b>3,331,909</b>	<b>2,682,814</b>	<b>5,105,585</b>	<b>2,893,711</b>	<b>4,385,828</b>	<b>3,598,214</b>	<b>6,904,010</b>	<b>518,431</b>	<b>6,739,497</b>
600	<b>Total Liabilities and Equity/Net Position</b>	<b>6,937,024</b>	<b>1,968,748</b>	<b>2,270,736</b>	<b>4,771,596</b>	<b>1,173,662</b>	<b>3,194,363</b>	<b>6,712,354</b>	<b>4,344,631</b>	<b>8,738,163</b>	<b>17,933</b>	<b>48,913</b>	<b>5,568,959</b>		<b>6,382,435</b>	<b>4,780,200</b>	<b>5,311,488</b>	<b>5,600,109</b>	<b>7,614,477</b>	<b>3,346,406</b>	<b>7,052,451</b>	<b>5,559,237</b>	<b>7,181,822</b>	<b>1,103,156</b>	<b>10,117,304</b>



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 820	AMP 821	AMP 822	AMP 823	AMP 824	TOTAL AMPs	COCC	TOTAL PUBLIC HOUSING			
311	Bank overdraft																												
312	Accounts payable <= 90 days	1,222	94	-	12,000	-	3,923	1,135						758	16,870					86	26	49,130	1,422	178,799	574,082	752,881			
313	Accounts payable > 90 days past due																												
11625	Accrued wage/retail taxes payable	4,043	2,696				4,190	2,858						1,922	1,915					180				95,992	228,176	328,168			
322	Accrued compensated absences - current portion	2,682	367				1,840	1,779						396	396					507				64,284	93,049	157,333			
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																												
331-030	Accounts payable - HUD PHA Programs - Other																												
331	<b>Accounts payable - HUD PHA Programs</b>																												
332	Accounts payable - PHA Projects																												
333	Accounts payable - other government	2,186						888												352,335				574,689	13,170	587,859			
341	Tenant security deposits	13,411	6,298				32,510	21,956						19,758	29,616				1,780	3,032	636	10,211	2,663	694,871	694,871				
342-010	Unearned revenue - Operating Subsidy																												
342-020	Unearned revenue - Capital fund																												
342-030	Unearned revenue - Other																												
342	<b>Unearned Revenue</b>																												
343-010	CFPP													98,896	100,000									300,000		300,000			
343-020	Capital Projects/ Mortgage Revenue													918	1,203									935,056	69,025	1,004,081			
	<b>Current portion of LTD- capital projects/mortgage revenue bonds</b>													<b>99,814</b>	<b>101,203</b>									<b>1,235,056</b>	<b>69,025</b>	<b>1,304,081</b>			
344	Current portion of long-term debt - operating borrowings																												
345	Other current liabilities	120	3,322				2,696	21,693						28,123	43,230					213	390	120	64	1,178	368,757	181,021	549,778		
346	Accrued liabilities - other																												
347	Inter program - due to																							178		178			
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	<b>Loan liability - current</b>																												
310	<b>Total Current Liabilities</b>	<b>23,664</b>	<b>12,777</b>		<b>12,000</b>		<b>45,159</b>	<b>50,309</b>						<b>150,771</b>	<b>193,230</b>					<b>1,993</b>	<b>356,530</b>	<b>782</b>	<b>59,583</b>	<b>5,263</b>	<b>3,212,626</b>	<b>1,158,523</b>	<b>4,371,149</b>		
351-010	Long-term debt - CFPP													988,959	1,100,000									3,000,000		3,000,000			
351-020	Long-term - Capital Projects/ Mortgage Revenue		2,973,235				8,724,527	4,939,998						2,970,410	5,542,601						992,353			1,808,624		70,809,898			
351	<b>Capital Projects/ Mortgage Revenue Bonds</b>		<b>2,973,235</b>				<b>8,724,527</b>	<b>4,939,998</b>						<b>3,959,369</b>	<b>6,642,601</b>						<b>992,353</b>			<b>1,808,624</b>		<b>73,809,898</b>			
352	Long-term debt, net of current - operating borrowings																												
353	Non-current liabilities - other																												
354	Accrued compensated absences- Non-current	10,729	1,469				7,362	7,116						1,585	1,585						2,029			257,130		117,357			
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	<b>Loan liability - Non-current</b>																												
356	FASB 5 Liabilities																												
357	Accrued Pension and OPEB Liability																												
350	<b>Total Non-Current Liabilities</b>	<b>10,729</b>	<b>2,974,704</b>				<b>8,731,889</b>	<b>4,947,114</b>						<b>3,960,954</b>	<b>6,644,186</b>					<b>994,382</b>			<b>1,808,624</b>		<b>74,067,037</b>	<b>489,553</b>	<b>74,556,590</b>		
300	<b>Total Liabilities</b>	<b>34,393</b>	<b>2,987,481</b>		<b>12,000</b>		<b>8,777,048</b>	<b>4,997,423</b>						<b>4,111,725</b>	<b>6,837,425</b>					<b>1,993</b>	<b>1,350,912</b>	<b>782</b>	<b>1,868,207</b>	<b>5,263</b>	<b>77,279,663</b>	<b>1,648,076</b>	<b>78,927,739</b>		
508.1	Net investment in capital assets	371,232	372,340				5,768,115	3,965,237	150,000	149,347				1,149,323	1,248,779					208,320	2,469,747		223,812	3,060,762	76,032,133	2,156,056	78,188,189		
511.1	Restricted Net Position		130,952				2,277	863,592	392,451	64	523,337			446,257	621,597						97,684				6,894,133	435,681	7,319,814		
512.1	Unrestricted Net Position	68,005	37,243	3,464	4,138	19,783	86,289	50,435	21,261	15,350	25,615	17,990	8,266	46,910	127,447					6,761	36,377	16,514	21,665	9,756	28,002	107,967	3,548,353	936,337	4,484,690
513	<b>Total Equity/Net Position</b>	<b>439,237</b>	<b>540,535</b>	<b>3,464</b>	<b>4,138</b>	<b>22,060</b>	<b>6,717,996</b>	<b>4,408,123</b>	<b>171,525</b>	<b>687,034</b>	<b>25,615</b>	<b>17,990</b>	<b>8,266</b>	<b>1,642,490</b>	<b>1,997,823</b>					<b>6,761</b>	<b>36,377</b>	<b>224,834</b>	<b>2,589,096</b>	<b>9,756</b>	<b>251,814</b>	<b>3,168,729</b>	<b>86,474,619</b>	<b>3,518,074</b>	<b>89,992,493</b>
600	<b>Total Liabilities and Equity/Net Position</b>	<b>473,630</b>	<b>3,528,016</b>	<b>3,464</b>	<b>16,138</b>	<b>22,060</b>	<b>15,495,044</b>	<b>9,405,546</b>	<b>171,525</b>	<b>687,034</b>	<b>25,615</b>	<b>17,990</b>	<b>8,266</b>	<b>5,754,215</b>	<b>8,835,248</b>					<b>6,761</b>	<b>36,377</b>	<b>226,827</b>	<b>3,940,008</b>	<b>10,538</b>	<b>2,120,021</b>	<b>3,173,992</b>	<b>163,754,282</b>	<b>5,166,150</b>	<b>168,920,432</b>

















# **ALLEGHENY COUNTY HOUSING AUTHORITY**

## **NOTE TO FINANCIAL DATA SCHEDULES**

**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

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### **1. ELIMINATION ENTRIES**

The Financial Data Summary is reported on the accrual basis by individual programs. The interprogram due to/due from balances, as well as transfers between individual programs and projects, are eliminated for the statements of net position.

# ALLEGHENY COUNTY HOUSING AUTHORITY

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED SEPTEMBER 30, 2015

	<u>Federal CFDA Number</u>	<u>Expenditures</u>
<u>U.S. Department of Housing and Urban Development (HUD)</u>		
Public and Indian Housing	14.850	\$ 11,267,189
Public Housing Capital Fund	14.872	8,224,694
Resident Opportunity and Supportive Services - Service Coordinators	14.870	446,660
Lower Income Housing Assistance Program - Section 8 Moderate Rehabilitation	14.856	456,004
Section 8 Housing Choice Vouchers	14.871	36,961,879
Supportive Housing for Persons with Disabilities	14.181	263,706
<u>Passed through the County of Allegheny, Pennsylvania:</u>		
Community Development Block Grants/Entitlement Grants	14.218	309,957
Emergency Solutions Grant Program	14.231	29,734
<u>Passed through the City of Pittsburgh, Pennsylvania:</u>		
Emergency Solutions Grant Program	14.231	<u>36,736</u>
Subtotal 14.231		<u>66,470</u>
Total Expenditures of Federal Awards		<u><u>\$ 57,996,559</u></u>

See accompanying note to schedule of expenditures of federal awards.

# ALLEGHENY COUNTY HOUSING AUTHORITY

## NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED SEPTEMBER 30, 2015

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### **1. BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards for the year ended September 30, 2015 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, 2015

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, 2015, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated June 16, 2016.

**Internal Control over Financial Reporting**

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

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

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

**Compliance and Other Matters**

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

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

**Purpose of this Report**

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

*Mahe Duessel*

Pittsburgh, Pennsylvania  
June 16, 2016

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, 2015. 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, 2015.

**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.

*Maher Duessel*

Pittsburgh, Pennsylvania  
June 16, 2016

# ALLEGHENY COUNTY HOUSING AUTHORITY

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED SEPTEMBER 30, 2015

### 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: \$1,739,897

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, 2015**

**NONE**