

# **Allegheny County Housing Authority**

Single Audit

September 30, 2011

**MaherDuessel**  
Certified Public Accountants

Pittsburgh | Harrisburg | Butler

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# ALLEGHENY COUNTY HOUSING AUTHORITY

FOR THE YEARS ENDED SEPTEMBER 30, 2011 AND 2010

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# ALLEGHENY COUNTY HOUSING AUTHORITY

FOR THE YEARS ENDED SEPTEMBER 30, 2011 AND 2010

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## Independent Auditor's Report

Board of Directors  
Allegheny County Housing Authority

We have audited the accompanying financial statements of the business-type activities of the Allegheny County Housing Authority (Authority) as of and for the years ended September 30, 2011 and 2010, which collectively comprise the Authority's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Authority's management. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Authority as of September 30, 2011 and 2010, and the respective changes in financial position and cash flows, thereof for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 19, 2012, 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's financial statements as a whole. The financial data schedules are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying 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 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Mahe Duessel*

Pittsburgh, Pennsylvania  
June 19, 2012

# **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, 2011. 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, 2011.

## FINANCIAL HIGHLIGHTS

- During 2011, the Enterprise Fund's total assets increased by \$5.2 million (or 2.5%). Total assets were \$212.2 million and \$207 million for 2011 and 2010, respectively. The \$5.2 million increase is comprised of three factors, changes in current assets, changes in capital assets and changes in other assets. Capital assets increased by \$7.3 million. Other assets decreased \$0.2 million. Current assets decreased \$2.0 million. The net increase in capital assets is mainly due to the acceptance of the John Fraser High Rise tax credit property, and the construction in progress relating to the ARRA funding. These capital asset additions are offset by the normal depreciation expense for the year.
- The Enterprise Fund had an increase in net assets of \$7.0 million (or 3.78%). Total net assets were \$192.2 and \$185.2 million for 2011 and 2010, respectively. Unrestricted net assets decreased by \$1.9 million while restricted net assets increased \$0.3 million, and capital net assets net of related debt increased by \$8.6 million. The change in unrestricted net assets represents the need to use unrestricted reserves to fund expenses in 2011. The increase in capital net assets net of related debt is again, related to John Fraser High Rise tax credit property.
- The Enterprise Fund's total operating revenues decreased by \$3.0 million (or 4.67%) from \$64.2 million in fiscal year 2010 to \$61.2 million fiscal year 2011. The \$3.0 million decrease is related to the following main factors. Operating Subsidy declined by \$2.5 million and the ACHA decided to forego capital funding for its police department in the amount of \$0.9 million. Tenant revenue increased by \$0.2 million and other revenue increased by \$0.4 million.
- The Enterprise Fund's total operating expenses increased by \$5.2 million (or 9.366%). Total operating expenses were \$60.7 million and \$55.5 million for 2011 and 2010, respectively. Increases in operating expenses occurred in maintenance costs of \$0.5 million, administrative cost of \$0.5 million, HAP expenses of \$2.8 million and general expenses of \$0.9 million.
- The Enterprise Fund's total non-operating expenses changed by \$3.2 million (or 26.23%). Total non-operating expenses were (\$9.0) million and (\$12.2) million for 2011 and 2010, respectively. The "loss on disposal of capital assets" shows a decrease of \$3.8 million in expense. Depreciation and amortization expense increased \$0.8 million while interest expense declined by \$0.2 million.
- The Enterprise Fund's total capital contributions increased \$6.8 million (or 78.29%) in 2011 as compared to 2010. Total capital contributions were \$15.5 million and \$8.7 million for 2011 and 2010, respectively. HUD capital grants decreased by \$1.2 million. Partnership contributions increased \$8.0 million. The main factor for the increase of Partnership contributions in 2011 was the acceptance of the John Fraser High Rise tax credit property.

## USING THIS ANNUAL REPORT

The following graphic outlines the format of the Annual Report:

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

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

Net assets are reported in three broad categories:

Invested in Capital Assets, Net of Related Debt: This component of net assets 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 Assets: This component of net assets 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 assets relate to its mixed finance development transactions and debt agreements, and also for use in the Housing Choice Voucher Program.

Unrestricted Net Assets: Consists of net assets that do not meet the definition of “Net Assets Invested in Capital Assets, Net of Related Debt” or “Restricted Net Assets,” 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 Assets (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 Assets is the “change in net assets,” 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, the Authority rents apartments that it owns to low-income households. The Conventional Public Housing 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 (except for ARRA Capital Funding) 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 (except for ARRA Capital Funding) is required to be reported within the Low-Income Public Housing Program on the Financial Data Schedule.

Capital Fund Program - ARRA – Represents the American Recovery and Relief Act more commonly known as “stimulus funding.” The Authority was awarded \$7.7 million under the formula grant and also received competitive funding in the amount of \$5.8 million comprised of three separate and distinct grants.

Housing Choice Voucher Program - Under the Housing Choice Voucher 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 program is administered under an Annual Contributions Contract (ACC) with HUD. HUD provides Annual Contributions Funding to enable the Authority to structure a lease that sets the participants’ rent at 30% of household income.

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

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

VASH - Represents Veterans Affairs Supportive Housing funding, which combines HUD Housing Choice Voucher rental assistance for homeless veterans with case management and clinical services provided by the Veterans Affairs at its medical centers and in the community.

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

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

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

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

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

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

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

## AUTHORITY-WIDE FINANCIAL STATEMENTS

### Statements of Net Assets

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

**TABLE 1**  
**STATEMENTS OF NET ASSETS**

	2011 (in millions of dollars)	2010 (in millions of dollars)
Current Assets	\$ 30.8	\$ 32.8
Capital Assets	163.1	155.8
Other Assets	18.3	18.4
Total Assets	\$ 212.2	\$ 207.0
Current Liabilities	\$ 6.3	\$ 6.8
Noncurrent Liabilities	13.6	14.9
Total Liabilities	\$ 19.9	\$ 21.7
Net Assets:		
Invested in Capital Assets, Net of Related Debt	\$ 149.6	\$ 141.0
Restricted	27.7	27.4
Unrestricted	14.9	16.8
Total Net Assets	\$ 192.2	\$ 185.2

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

### Major Factors Affecting the Statements of Net Assets

Current assets decreased \$2.0 million in fiscal year 2011. Cash and investments increased by \$5.4 million. This increase is directly attributable to the decrease in the HUD receivable. Accounts and notes receivable decreased by \$7.4 million due to a decrease in the HUD receivable within our Capital Fund Program. Prepaid assets and inventory remained static.

Capital assets increased \$7.3 million due to acceptance of the John Fraser High Rise tax credit property, and the construction in progress relating to the ARRA funds received from HUD. Land experienced a decline of \$1.1 million due to a reclassification of land improvements. Furniture and equipment increased \$0.1 million. Buildings rose by \$14.5

million due to Fraser Hall coming on-line and the completion of various construction in progress amounts funded through ARRA. Construction in progress, which increased \$1.5 million, due to ongoing ARRA capital improvements. Accumulated depreciation rose \$7.7 million.

Total liabilities decreased \$1.8 million. Total current liabilities dropped \$0.5 million and total non-current liabilities decline \$1.3 million. The most significant activity affecting liabilities was the decline in principle on our outstanding notes.

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

**TABLE 2**  
**CHANGE IN UNRESTRICTED NET ASSETS**

	<u>Millions of Dollars</u>	<u>Millions of Dollars</u>
<b>Unrestricted Net Assets as of September 30, 2010</b>		<u>\$ 16.8</u>
Operating Income	\$ 0.6	
Non-Operating Revenue (Expenses)	(9.0)	
Capital Contributions	<u>15.4</u>	
Net Increase in Net Assets		<u>7.0</u>
<u>Other Changes in Net Assets</u>		
Change in Capital Net Assets (net of related debt)	(8.6)	
Change in Restricted Net Assets	<u>(0.3)</u>	
		<u>(8.9)</u>
<b>Unrestricted Net Assets as of September 30, 2011</b>		<u><u>\$ 14.9</u></u>

This table demonstrates that the change in net assets of \$7.0 million was utilized as follows: the Authority increased its capital assets (net of related debt) \$8.6 million, its restricted net assets decreased by \$0.2 million, and decreased unrestricted net assets by \$1.4 million.

**TABLE 3****STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS**

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

	2011 (in millions of dollars)	2010 (in millions of dollars)
Revenues:		
Resident revenue - rents and other	\$ 8.6	\$ 8.4
Operating subsidies and grant	49.1	52.7
Capital grants	7.0	8.2
Investment income	0.1	0.1
Partnership contributions	8.4	0.4
Other revenue	3.5	3.1
Total revenues	<u>76.7</u>	<u>72.9</u>
Expenses:		
Administrative	13.0	12.5
Tenant services	0.4	0.3
Utilities	4.5	4.5
Maintenance	8.7	8.2
Protective services	0.9	0.7
Insurance	1.1	0.9
Loss (gain) on disposition of fixed assets	-	3.8
General	2.4	1.5
Housing assistance payments	29.7	26.9
Depreciation and amortization	8.3	7.6
Casualty losses	-	-
Interest expense	0.7	0.8
Total expenses	<u>69.7</u>	<u>67.7</u>
Net increase/(decrease)	<u>\$ 7.0</u>	<u>\$ 5.2</u>

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

Total revenues increased by \$3.8 million (as compared to the previous year) primarily due to the increase in partnership contributions. Partnership contributions increased \$8.0 million due to the John Fraser High Rise tax credit property coming online. Operating

Subsidy and Grants decreased by \$3.6 million. This decrease is mostly attributable to an overall decline in our core operating subsidy of \$2.5 million, as well as, the Authority's decision to expense the police to the operating budget thereby foregoing \$0.9 million in Capital Fund revenue. Capital grants decreased \$1.2 million due to an overall reduction of funds by HUD. Tenant revenue increased by \$0.2 million due to increased leasing and additional units coming on-line in 2011.

Total expenses increased by \$2.0 million in fiscal year 2011. HAP expenses increased by \$2.8 million. Administrative expenses rose \$0.5 million. Utility expense remained static. Loss on disposition of fixed assets decreased by \$3.8 million, due to the Burns Heights demolition in 2010, and depreciation expense rose by \$0.8 million. Maintenance expenses increased by \$0.5 million. General expenses rose by \$0.9 million due mainly to an increase in the funding of restricted reserves for our partnerships.

## **CAPITAL ASSETS AND DEBT ADMINISTRATION**

**TABLE 4**

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

	2011 (in millions of dollars)	2010 (in millions of dollars)
Land and land rights	\$ 9.9	\$ 10.9
Buildings	243.0	228.6
Equipment - dwellings	12.5	12.5
Equipment - administrative	1.3	1.2
Accumulated depreciation	(118.5)	(110.8)
Construction in progress	14.9	13.4
Total	\$ 163.1	\$ 155.8

### **Capital Assets**

As of September 30, 2011, the Authority had \$163.1 million invested in a variety of capital assets as reflected in the table above, which represents a net increase (addition, deductions, and depreciation) of \$7.3 million from \$155.8 million at September 30, 2010. This increase is due mainly to increases in buildings of \$14.4 million (approximately \$7.3 million of which related to the John Fraser High Rise tax credit property coming on-line) and accumulated depreciation of \$7.7 million. Construction in progress increased \$1.5 million, while land improvements of \$1.0 million were transferred to the buildings line item.

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

	Totals	
	2011	2010
Current portion of long-term debt	\$ 1.3	\$ 1.3
Noncurrent portion of long-term debt	12.2	13.4
Total debt	\$ 13.5	\$ 14.7

**Debt Outstanding**

As of year-end, the Authority had \$13.5 million in debt outstanding compared to \$14.7 million in 2010. The decrease is due to the normal retirement of debt.

**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.
- Uncertainty brought about by the historic collapse of the stock market.

**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 ASSETS

SEPTEMBER 30, 2011 AND 2010

Assets		
	2011	2010
Current assets:		
Cash and cash equivalents:		
Cash - unrestricted	\$ 7,738,631	\$ 11,807,643
Cash - other restricted	10,188,197	9,978,317
Cash - tenant security deposits	591,267	544,072
Total cash and cash equivalents	18,518,095	22,330,032
Accounts and notes receivables, net of allowances for doubtful accounts:		
Accounts receivable - HUD other projects	1,878,433	9,012,645
Accounts receivable - other government	-	61,806
Accounts receivable - miscellaneous	284,160	414,196
Accounts receivable - tenants - dwelling rents	85,003	212,400
Allowance for doubtful accounts - dwelling rents and other	(16,985)	(102,027)
Total accounts and notes receivables, net of allowances for doubtful accounts	2,230,611	9,599,020
Current investments:		
Investments - unrestricted	9,731,196	322,545
Investments - restricted	-	191,873
Total current investments	9,731,196	514,418
Prepaid expenses and other assets	319,539	378,006
Inventories	2,187	2,187
Total current assets	30,801,628	32,823,663
Noncurrent assets:		
Capital assets:		
Land	9,850,800	10,946,683
Buildings	243,074,126	228,604,782
Furniture, equipment, and machinery - dwellings	12,454,320	12,492,464
Furniture, equipment, and machinery - administration	1,339,767	1,160,688
Accumulated depreciation	(118,479,022)	(110,821,242)
Construction in progress	14,901,038	13,373,908
Total capital assets, net of accumulated depreciation	163,141,029	155,757,283
Investment in mixed finance activities, net of accumulated amortization	17,017,227	17,211,854
Notes and mortgages receivable - non-current	977,367	955,776
Investment in partnership	245,000	245,000
Total noncurrent assets	181,380,623	174,169,913
<b>Total Assets</b>	<b>\$ 212,182,251</b>	<b>\$ 206,993,576</b>

(Continued)

See accompanying notes to financial statements.

# ALLEGHENY COUNTY HOUSING AUTHORITY

## STATEMENTS OF NET ASSETS

SEPTEMBER 30, 2011 AND 2010

(Continued)

### Liabilities and Net Assets

	2011	2010
<b>Liabilities:</b>		
<u>Current liabilities:</u>		
Accounts payable	\$ 919,343	\$ 2,875,761
Accrued wage/payroll taxes payable	184,057	256,091
Accrued compensated absences - current	167,826	150,661
Accounts payable - HUD PHA programs	1,554,381	276,158
Accounts payable - other government	170,091	188,393
Tenant security deposits	591,267	544,072
Deferred revenue	386,173	349,286
Current portion of capital lease obligations/debt	1,341,384	1,332,281
Other current liabilities	978,448	879,561
Total current liabilities	6,292,970	6,852,264
<u>Noncurrent liabilities:</u>		
Noncurrent portion - capital lease obligations/debt	12,194,599	13,350,325
Accrued compensated absences - noncurrent	671,303	603,085
Noncurrent liabilities - other	773,764	964,715
Total noncurrent liabilities	13,639,666	14,918,125
Total Liabilities	19,932,636	21,770,389
<u>Net Assets:</u>		
Invested in capital assets, net of related debt	149,605,046	141,074,677
Restricted for:		
Business Activities Loans	17,735,912	17,874,642
Partnership reserves	5,922,320	5,196,226
Housing Choice Voucher Program	3,682,687	3,704,990
Other Section 8 programs	335,931	576,542
Unrestricted net assets	14,967,719	16,796,110
Total Net Assets	192,249,615	185,223,187
<b>Total Liabilities and Net Assets</b>	\$ 212,182,251	\$ 206,993,576

(Concluded)

See accompanying notes to financial statements.

# ALLEGHENY COUNTY HOUSING AUTHORITY

## STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS

FOR THE YEARS ENDED SEPTEMBER 30, 2011 AND 2010

	2011	2010
<b>Operating Revenues:</b>		
<hr/>		
Tenant revenue:		
Net tenant rental revenue	\$ 8,468,017	\$ 8,310,766
Tenant revenue - other	120,809	121,660
Total tenant revenue	8,588,826	8,432,426
HUD PHA operating grants	47,194,935	51,515,851
Other governmental operating grants	1,896,109	1,134,115
Investment income - unrestricted	46,032	47,719
Other revenue	3,531,128	3,104,633
Investment income - restricted	25,799	43,467
Total operating revenues	61,282,829	64,278,211
<b>Operating Expenses:</b>		
<hr/>		
Housing assistance payments	29,653,840	26,941,374
Administrative:		
Administrative salaries	5,201,785	5,213,458
Auditing fees	196,163	173,376
Advertising and marketing	50,951	103,103
Employee benefit contributions - administrative	2,050,612	2,049,149
Office expenses	1,936,643	2,187,957
Legal expense	520,663	451,340
Travel	170,695	186,158
Other operating - administrative	2,921,037	2,092,197
Tenant services:		
Tenant services - salaries	157,084	128,448
Employee benefit contributions - tenant services	52,397	49,209
Tenant services - other	155,863	163,735
Utilities:		
Water	572,479	507,962
Electricity	1,803,386	1,765,375
Gas	1,195,434	1,335,415
Sewer	973,179	873,270
Ordinary maintenance and operations:		
Ordinary maintenance and operations - labor	3,357,599	3,048,715
Ordinary maintenance and operations - materials and other	1,450,662	1,360,215
Ordinary maintenance and operations - contract costs	2,438,280	2,377,364
Employee benefit contributions - ordinary maintenance	1,439,193	1,408,378
Protective services:		
Protective services - labor	521,992	444,852
Protective services - other contract costs	169,124	72,834
Protective services - other	62,892	-
Employee benefit contributions - protective services	190,976	145,856

(Continued)

See accompanying notes to financial statements.

# ALLEGHENY COUNTY HOUSING AUTHORITY

## STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS

FOR THE YEARS ENDED SEPTEMBER 30, 2011 AND 2010  
(Continued)

	2011	2010
Insurance expense:		
Property insurance	544,507	371,903
Liability insurance	208,682	212,299
Workman's compensation insurance	174,293	196,439
Other insurance	125,887	143,843
General expenses:		
Other general expenses	2,036,788	1,048,721
Payments in lieu of taxes	227,901	248,463
Bad debt	145,137	209,233
Total operating expenses	60,706,124	55,510,641
<b>Operating Income (Loss)</b>	<b>576,705</b>	<b>8,767,570</b>
<b>Non-Operating Revenue (Expenses):</b>		
Casualty losses - non-capitalized	-	(12,644)
Interest expense	(651,545)	(836,907)
Gain (loss) on disposal of capital asset	(50,306)	(3,828,634)
Depreciation and amortization expense	(8,320,821)	(7,550,286)
Total non-operating revenue (expenses)	(9,022,672)	(12,228,471)
<b>Capital Contributions:</b>		
HUD capital grants	7,058,227	8,296,039
Partnership contribution	8,414,168	382,061
Total capital contributions	15,472,395	8,678,100
<b>Change in Net Assets</b>	7,026,428	5,217,199
Total net assets	185,223,187	180,005,988
Total net assets - ending	\$ 192,249,615	\$ 185,223,187

(Concluded)

See accompanying notes to financial statements.

# ALLEGHENY COUNTY HOUSING AUTHORITY

## STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED SEPTEMBER 30, 2011 AND 2010

	2011	2010
<b>Cash Flows From Operating Activities:</b>		
Operating grants received	\$ 50,338,037	\$ 54,185,858
Receipts from tenants	8,678,376	8,535,212
Other receipts	3,698,051	2,354,282
Housing assistance payments	(29,653,840)	(26,941,374)
Payments for good and services	(20,088,963)	(15,772,460)
Payments to employees	(12,958,289)	(12,458,306)
	13,372	9,903,212
Net cash provided by (used in) operating activities		
<b>Cash Flows From Noncapital and Related Financing Activities:</b>		
Cash received from partnership contribution	-	382,061
Loans paid out	(119,032)	-
Loan repayments received	24,306	132,524
	(94,726)	514,585
Net cash provided by (used in) noncapital and related financing activities		
<b>Cash Flows From Capital and Related Financing Activities:</b>		
HUD and other capital grants	14,285,475	1,826,274
Acquisition of fixed assets and construction of capital assets	(6,650,215)	(9,917,423)
Investment in mixed finance development activities	(345,425)	(1,862,108)
Capital lease/debt principal paid	(1,223,926)	(1,344,117)
Interest paid	(651,545)	(836,907)
	5,414,364	(12,134,281)
Net cash provided by (used in) capital and related financing activities		
<b>Cash Flows From Investing Activities:</b>		
Purchase (sale) of investments	(9,216,778)	5,089,899
Interest income	71,831	91,186
	(9,144,947)	5,181,085
Net cash provided by (used in) investing activities		
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	(3,811,937)	3,464,601
<b>Cash and Cash Equivalents:</b>		
Beginning of year	22,330,032	18,865,431
End of year	\$ 18,518,095	\$ 22,330,032
<b>Noncash Investment, Capital, and Financing Activities:</b>		
Acquisition of capital assets through partnership contribution	\$ 8,414,168	\$ -

(Continued)

See accompanying notes to financial statements.

# ALLEGHENY COUNTY HOUSING AUTHORITY

## STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED SEPTEMBER 30, 2011 AND 2010

(Continued)

	2011	2010
<b>Reconciliation of Operating Income (Loss) to Net Cash and Cash Equivalents From Operating Activities:</b>		
Operating income (loss)	\$ 576,705	\$ 8,767,570
Adjustments to reconcile operating income (loss) to cash and cash equivalents provided by (used in) operating activities:		
Investment (income) loss	(71,831)	(91,186)
Change in assets and liabilities:		
Accounts receivable	141,161	1,459,389
Prepaid expenses and other assets	58,467	48,297
Accounts payable and accrued liabilities	(728,017)	283,414
Deferred revenue	36,887	(564,272)
Total adjustments	(563,333)	1,135,642
Net cash and cash equivalents provided by (used in) operating activities	\$ 13,372	\$ 9,903,212

(Concluded)

See accompanying notes to financial statements.

# ALLEGHENY COUNTY HOUSING AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2011 AND 2010

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Reporting Entity

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

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

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

#### Component Units

Consistent with applicable guidance, the criteria used by the Authority to evaluate the possible inclusion of potential component units within its reporting entity are financial accountability and the nature and significance of the relationship. In determining financial accountability in a given situation, the Authority reviews the applicability of the following criteria:

The Authority is financially accountable for:

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

# ALLEGHENY COUNTY HOUSING AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2011 AND 2010

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organization or if there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the Authority.

- a. Impose its Will - If the Authority can significantly influence the programs, projects, or activities of, or the level of services performed or provided by, the organization.
  - b. Financial Benefit or Burden - Exists 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 seven additional housing sites, and receives a management fee for its services. Stand-alone financial statements for Glenshaw are not issued.

#### Other Blended Component Units -

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

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# ALLEGHENY COUNTY HOUSING AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2011 AND 2010

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financial statements 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. For further information refer to Note 3 – Partnerships.

### Basis of Accounting

The Authority is accounted for as a proprietary fund and is considered to be an Enterprise Fund and, as such, uses the accrual basis of accounting. Accordingly, revenues are recognized when earned and expenses are recognized when incurred. Private-sector standards of accounting and financial reporting issued prior to December 1, 1989 generally are followed to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board (GASB).

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

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

All Capital Fund Program activity (except for Capital Fund Program funding through the American Recovery and Reinvestment Act (ARRA), as described below) is required to be reported together with the LIPH 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 (except for Capital Fund Program funding through the ARRA, as described below) is required to be reported together with the LIPH Program on the Financial Data Schedule.

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# ALLEGHENY COUNTY HOUSING AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2011 AND 2010

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Capital Fund Program - ARRA: Under the Capital Fund Program - ARRA, the Authority receives additional funding to be used for purposes similar to the regular Capital Fund Program as described above. This program is required to be reported separately from the regular Capital Fund Program on the Financial Data Schedule.

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

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

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

VASH: Represents Veterans Affairs Supportive Housing (VASH) funding, which combines HUD Housing Choice Voucher rental assistance for homeless veterans with case management and clinical services provided by the Veterans Affairs at its medical centers and in the community.

DHAP: Represents Disaster Housing Assistance Program (DHAP), which is HUD funds used to provide temporary rental assistance to families displaced as a result of natural disasters.

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

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

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# ALLEGHENY COUNTY HOUSING AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2011 AND 2010

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

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

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

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

### Operating Revenue and Expense

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. Non-operating revenues and expenses consist of those revenues and expenses relating to capital items.

### Non-operating Revenue - Partnership Contribution

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

### Budgets

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

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# ALLEGHENY COUNTY HOUSING AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2011 AND 2010

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### Statements of Cash Flows

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

### Accounts Receivable

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

### Investments

The Authority's investments are stated at fair value.

### Capital Assets

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

### Compensated Absences

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

### Inventories

Materials and supplies are expensed when purchased.

# ALLEGHENY COUNTY HOUSING AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2011 AND 2010

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### Classifications of Net Assets

The following are the three categories of net assets as required by GASB Statement No. 34:

- Invested in capital assets, net of related debt – This component of net assets consists of capital assets net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of these assets.
- Restricted – The Authority’s restricted net assets as of September 30, 2011 consisted of \$17,735,912 restricted in accordance with mixed financing and loan agreements as discussed in Notes 5 and 6, respectively, \$5,922,320 restricted per various partnership escrow agreements in the Business LIPH Program, and \$3,682,687 and \$335,931 of net assets restricted in the Housing Choice Voucher Program and other Section 8 Programs, respectively, as this portion of net assets is available only for future housing assistance payments.

The Authority’s restricted net assets as of September 30, 2010, consisted of \$17,874,642 restricted in accordance with mixed financing and loan agreements as discussed in Notes 5 and 6, respectively, \$5,196,226 restricted per various partnership escrow agreements in the Business LIPH Program, and \$3,704,990 and \$576,542 of net assets restricted in the Housing Choice Voucher Program and other Section 8 programs, respectively, as this portion of net assets is available only for future housing assistance payments.

- Unrestricted – This component of net assets consists of net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

## **2. CASH AND INVESTMENTS**

### Cash

Statutes allow the Authority to invest in direct obligations of the federal government backed by the full faith and credit of the United States of America, obligations of federal government agencies, securities of government-sponsored agencies, and

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# ALLEGHENY COUNTY HOUSING AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2011 AND 2010

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demand and savings deposits. The Authority's depositories are required by statute to continuously and fully secure all deposits in excess of the amounts insured under federal or state plans by the deposit or setting aside of collateral of the types, and in the manner as is prescribed by state law for the security of public funds. Such collateral shall at all times be of a market value at least equal to the amount of deposits so secured.

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

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

As of September 30, 2011, \$2,512,833 of the Authority's \$18,168,653 bank balance was insured by the Federal Deposit Insurance Corporation. The remaining bank balance of \$15,655,820 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 \$17,180,553 as of September 30, 2011.

Excluded from the above amounts, but presented as cash and cash equivalents on the statement of net assets, are investments of \$1,337,542 (book and bank value) described in more detail under the investments section below.

As of September 30, 2010, \$1,424,705 of the Authority's \$20,634,212 bank balance was insured by the Federal Deposit Insurance Corporation. The remaining bank balance of \$19,209,507 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 \$19,095,684 as of September 30, 2010.

Excluded from the above amounts, but presented as cash and cash equivalents on the statement of net assets, are investments of \$3,234,348 (book and bank value) described in more detail under the investments section below.

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# ALLEGHENY COUNTY HOUSING AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2011 AND 2010

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### Investments

Investments consisted of the following at September 30, 2011 and 2010:

<u>Investment Type</u>	<u>Fair Market Value</u>	
	<u>2011</u>	<u>2010</u>
INVEST	\$ 15,986	\$ 15,975
U.S. Agencies	469,752	413,791
Mutual fund - Blackrock	10,583,000	3,319,000
	<u>\$ 11,068,738</u>	<u>\$ 3,748,766</u>

As of September 30, 2011, the entire investments in INVEST and U.S. Agencies of \$15,986 and \$469,752, respectively, as well as \$851,804 of the mutual fund investment are considered to be cash equivalents for presentation on the statement of net assets. As of September 30, 2010, the entire investments in INVEST and U.S. Agencies of \$15,975 and \$413,791, respectively, as well as \$2,804,582 of the mutual fund investment are considered to be cash equivalents for presentation on the statement of net assets.

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, 2011 and 2010, investments in Blackrock has 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

# ALLEGHENY COUNTY HOUSING AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2011 AND 2010

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exposed to custodial credit risk because they are not evidenced by securities that exist in physical or book entry form.

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

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

### 3. PARTNERSHIPS

Because of the Authority's ongoing involvement and regulatory authority with the partnerships discussed below, HUD limitations on use of the properties, and because the outside entities involved in the partnerships do not benefit in the risks and rewards of ownership, except under certain limited circumstances, all the below partnerships are considered component units of the Authority.

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

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

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

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# ALLEGHENY COUNTY HOUSING AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2011 AND 2010

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

The Authority, through its wholly-owned nonprofit subsidiary, Three Rivers Communities, Inc., is the co-general partner, along with Trek Development, of seven limited partnerships. The partnerships are formed to facilitate private investment in low income and tax credit housing at various sites in Allegheny County. The limited partnerships use mixed financing funding sources including tax credits, private equity funding, bank loans, and HUD Capital Program Funding and HUD HOPE VI Program Funding for the construction of the housing units. The third-party independent investor in all of the partnerships is Columbia Housing SLP Corporation, except for the Sharpsburg Housing Limited Partnership, where the third-party investor is PNC Capital. The partnerships have retained operational responsibility for the buildings and have appointed the Authority as the management agent. The Authority may, under certain circumstances, be compelled to reacquire the property. The partnerships are as follows:

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

The Authority, through its wholly-owned nonprofit subsidiary, Waterfront Housing G.P. Corp., is the co-general partner, along with Trek Development, of Felix Negley Limited Partnership. The partnership was formed to facilitate private investment in 26 units of low income and tax credit housing using mixed financing funding sources

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# ALLEGHENY COUNTY HOUSING AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2011 AND 2010

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including tax credits and private equity funding. The third-party equity investor and limited partner is PNC Bank. The partnership has retained operational responsibility for the buildings and the Authority is the management agent. The Authority may, under certain circumstances, be compelled to reacquire the property.

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

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

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

During the year ending September 30, 2004, West Pine Affordable Housing, Inc., a wholly-owned subsidiary of the Authority, became a limited partner in West Pine

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# ALLEGHENY COUNTY HOUSING AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2011 AND 2010

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Associates at a cost of \$225,000, and during the year ended September 30, 2008, increased their investment to \$245,000. The low-income housing apartment complex consists of 38 units, of which eight units will be occupied by public housing tenants, under a regulatory and operating agreement. The Authority, under no circumstances, can be compelled to acquire the property or acquire operational responsibility. The \$245,000 investment is shown on the statement of net assets as investment in partnership as of September 30, 2011.

#### **4. CAPITAL ASSETS/ACCUMULATED DEPRECIATION**

A summary of changes in capital assets during fiscal year 2011 for the primary enterprise entity is as follows:

# ALLEGHENY COUNTY HOUSING AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2011 AND 2010

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	September 30, 2010	Increases/ Transfers	Decreases/ Transfers	September 30, 2011
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Capital assets, not being depreciated:				
Land	\$ 10,946,683	\$ 51,317	\$ (1,147,200)	\$ 9,850,800
Construction in progress	13,373,908	7,113,600	(5,586,470)	14,901,038
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total capital assets not being depreciated	24,320,591	7,164,917	(6,733,670)	24,751,838
Capital assets being depreciated:				
Buildings	228,604,782	14,469,344	-	243,074,126
Furniture, equipment, and machinery - dwellings	12,492,464	-	(38,144)	12,454,320
Furniture, equipment, and machinery - administration	1,160,688	189,176	(10,097)	1,339,767
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total capital assets, being depreciated	242,257,934	14,658,520	(48,241)	256,868,213
Less accumulated depreciation for:				
Buildings	(102,597,824)	(6,895,519)	-	(109,493,343)
Furniture, equipment, and machinery - dwellings	(7,440,087)	(668,733)	-	(8,108,820)
Furniture, equipment, and machinery - administration	(783,331)	(141,769)	48,241	(876,859)
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total accumulated depreciation	(110,821,242)	(7,706,021)	48,241	(118,479,022)
Total capital assets being depreciated, net	131,436,692	6,952,499	-	138,389,191
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total capital assets	<u>\$ 155,757,283</u>	<u>\$ 14,117,416</u>	<u>\$ (6,733,670)</u>	<u>\$ 163,141,029</u>

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Included in transfers out of land is approximately \$944,000 of land improvements that were previously reported within the land grouping, and were reclassified to buildings in 2011.

# ALLEGHENY COUNTY HOUSING AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2011 AND 2010

A summary of changes in capital assets during fiscal year 2010 for the primary enterprise entity is as follows:

	September 30, 2009	Increases/ Transfers	Decreases/ Transfers	September 30, 2010
Capital assets, not being depreciated:				
Land	\$ 10,771,134	\$ 175,549	\$ -	\$ 10,946,683
Construction in progress	4,824,290	9,338,432	(788,814)	13,373,908
Total capital assets not being depreciated	<u>15,595,424</u>	<u>9,513,981</u>	<u>(788,814)</u>	<u>24,320,591</u>
Capital assets being depreciated:				
Buildings	239,266,695	1,320,509	(11,982,422)	228,604,782
Furniture, equipment, and machinery - dwellings	12,938,825	23,855	(470,216)	12,492,464
Furniture, equipment, and machinery - administration	928,373	232,315	-	1,160,688
Total capital assets, being depreciated	<u>253,133,893</u>	<u>1,576,679</u>	<u>(12,452,638)</u>	<u>242,257,934</u>
Less accumulated depreciation for:				
Buildings	(104,562,453)	(6,180,683)	8,145,312	(102,597,824)
Furniture, equipment, and machinery - dwellings	(6,716,357)	(723,730)	-	(7,440,087)
Furniture, equipment, and machinery - administration	(714,877)	(68,454)	-	(783,331)
Total accumulated depreciation	<u>(111,993,687)</u>	<u>(6,972,867)</u>	<u>8,145,312</u>	<u>(110,821,242)</u>
Total capital assets being depreciated, net	<u>141,140,206</u>	<u>(5,396,188)</u>	<u>(4,307,326)</u>	<u>131,436,692</u>
Total capital assets	<u>\$ 156,735,630</u>	<u>\$ 4,117,793</u>	<u>\$ (5,096,140)</u>	<u>\$ 155,757,283</u>

# ALLEGHENY COUNTY HOUSING AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2011 AND 2010

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### 5. NOTES RECEIVABLE

In 2002, the Authority recorded long-term notes receivable for second mortgages of \$80,000 in Business Activities (Three Rivers) and \$71,000 in the LIPH Fund, (total \$151,000), at 0% for twenty years. If a property is sold, the related note becomes due. After ten years, the Authority will forgive these notes at a rate of 10% a year for ten years. These mortgages are still outstanding at September 30, 2011.

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, 2011 and 2010 was \$187,682 and \$221,988, respectively.

Business Activities (Three Rivers) also has a long-term note receivable from a private developer for the Lavender Heights property of \$505,300 for 30 years at zero percent. The receivable is recorded at its net present value, assuming a 5% interest rate, of \$209,963 at September 30, 2011 and \$199,964 at September 30, 2010.

Business Activities (Three Rivers) also has a long-term note receivable from St. Joseph Apartment Associates for the St. Joseph property in Wilmerding. The receivable is recorded at its net present value, assuming a 1% interest rate, of \$119,033 at September 30, 2011.

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 will amortize these notes at a rate of 10% a year for ten years. All notes were outstanding as of September 30, 2011, and the amortization expense for these notes was \$73,135 in both fiscal years 2011 and 2010. Cumulative amortization as of September 30, 2011 and 2010 was \$421,658 and \$348,523, respectively. The outstanding balance on these notes was \$309,689 and \$382,824 as of September 30, 2011 and 2010, respectively

A summary of the above-described notes receivable as of September 30, 2011 and 2010 is as follows:

# ALLEGHENY COUNTY HOUSING AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2011 AND 2010

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Note	2011	2010
Second mortgages	\$ 151,000	\$ 151,000
St. Joseph	119,033	-
Lavender Heights	209,963	199,964
Pleasant Ridge second mortgages	309,689	382,824
Life Center note	187,682	221,988
Total	<u>\$ 977,367</u>	<u>\$ 955,776</u>

### 6. MIXED FINANCE DEVELOPMENT ACTIVITIES

In addition to the partnerships, as noted in Note 3, the Authority has invested in various mixed financing agreements, in an effort to improve housing stock using outside funding sources along with traditional HUD funding. The Authority holds various notes and mortgages receivable totaling \$21,144,211. The notes and mortgages range in length from 15 years to 40 years, with no payment being due until maturity. Interest rates range from 0% to 7.11%. These long-term investments are amortized over the life of each note receivable, as it is the Authority's intent to continue to utilize these properties for its low-income housing mission over the life of these loans. Amortization expense is included in depreciation and amortization expense in the statements of revenues, expenses, and changes in net assets.

# ALLEGHENY COUNTY HOUSING AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2011 AND 2010

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As of September 30, 2011, the balance of investment in mixed finance development activities totaled as noted:

<u>Property</u>	<u>Term</u>	<u>Due Date</u>	<u>Amount</u>
Monroe Meadows	30 years	01/10/2031	\$ 940,500
Forest Green #1	40 years	08/14/2040	2,475,000
Myers Ridge	40 years	02/13/2040	3,238,830
Forest Green #2	40 years	08/14/2040	49,715
Myers Ridge #2	40 years	08/01/2040	3,124,045
Caldwell Station	15 years	06/18/2012	434,000
Ohioview Infrastructure	40 years	10/17/2044	8,674,588
North Hills Housing #1	40 years	03/01/2051	1,363,333
North Hills Housing #2	40 years	03/01/2051	<u>844,200</u>
Subtotal			21,144,211
Amortization as of September 30, 2010		(3,586,932)	
Amortization for the year ended September 30, 2011		<u>(540,052)</u>	
	Amortization as of September 30, 2011		<u>(4,126,984)</u>
	Balance at September 30, 2011		<u>\$ 17,017,227</u>

# ALLEGHENY COUNTY HOUSING AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2011 AND 2010

As of September 30, 2010, the balance of investment in mixed finance development activities totaled as noted:

<u>Property</u>	<u>Term</u>	<u>Due Date</u>	<u>Amount</u>
Monroe Meadows	30 years	01/10/31	\$ 940,500
Forest Green #1	40 years	08/14/40	2,475,000
Myers Ridge	40 years	02/13/40	3,238,830
Forest Green #2	40 years	08/14/40	49,715
Myers Ridge #2	40 years	08/01/40	3,124,045
Caldwell Station	15 years	06/18/12	434,000
Ohioview Infrastructure	40 years	10/17/44	8,674,588
North Hills Housing #1	40 years	03/01/51	1,363,333
North Hills Housing #2	40 years	03/01/51	498,775
Subtotal			20,798,786
Amortization as of September 30, 2009		(3,087,594)	
Amortization for the year ended September 30, 2010		(499,338)	
	Amortization as of September 30, 2010		(3,586,932)
	Balance at September 30, 2010		\$ 17,211,854

### 7. TARENTUM LIFE CENTER LEASE

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

The term of the lease is for 15 years, with payments due monthly, ranging from approximately \$17,000 at the beginning of the lease term to approximately \$21,000 at the end of the lease term. The tenant may terminate this lease at any time during the fourth year of the lease by paying the Authority a termination fee of \$300,000. To secure payment of such a fee, the tenant has deposited \$300,000 with an escrow agent in the Authority's name.

# ALLEGHENY COUNTY HOUSING AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2011 AND 2010

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Expected yearly payments are as follows:

Fiscal Year Ending September 30,	Amount
2012	\$ 216,420
2013	219,666
2014	222,912
2015	226,260
2016	229,608
Thereafter	1,325,868
	<u>\$ 2,440,734</u>

The net book value of this building was approximately \$2,538,000 and \$2,653,000 as of September 30, 2011 and 2010, respectively. Depreciation on the building during the year was approximately \$115,000 in both 2011 and 2010.

### 8. PENSION PLAN

The Authority sponsors a defined contribution, contributory pension plan (Plan) covering all eligible employees. Plan provisions and contribution requirements are established and may be amended by the Authority. All full-time employees are eligible to participate in the Plan upon completion of one hundred and eighty days of full-time employment. In fiscal years 2011 and 2010, 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 \$16,500 and an additional \$5,500 catch-up for certain employees over age 50. After five years of service, participants are 100% vested. The Authority deposits the total contribution with a trustee for investment and administration. The table below approximately summarizes pension financial data for fiscal years 2011 and 2010:

# ALLEGHENY COUNTY HOUSING AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2011 AND 2010

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	2011	2010
Plan participants at year-end	181	175
Employer contributions	\$ 708,000	\$ 656,000
Employee contributions	\$ 458,000	\$ 420,000
Total payroll	\$ 9.0 million	\$ 8.1 million
Plan payroll	\$ 8.6 million	\$ 7.8 million

### 9. OPERATING LEASE

The Authority entered into a non-cancelable lease agreement for their current office space in March 2002, for which the lease expires December 31, 2018. Rental expense for the office lease amounted to approximately \$306,000 for both years ended September 30, 2011 and 2010.

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

Fiscal Year Ending September 30,	Minimum Lease Payments
2012	\$ 306,102
2013	320,346
2014	330,110
2015	330,110
2016	330,110
2017-2018	411,383
	<u>\$ 2,028,161</u>

### 10. LONG-TERM DEBT

#### Notes and Mortgages Payable

In December 2002, Groveton Housing Limited Partnership (a public housing site of the Authority, report 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

# ALLEGHENY COUNTY HOUSING AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2011 AND 2010

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

In November 2005, Ohioview Housing Limited Partnership, (a public housing site of the Authority, report 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, 2011 and 2010) payable to Action Housing Inc., due November 2045. Annual principal payments are to be paid from surplus of revenues over expenses, if any, generated by the project during the calendar year. No interest will be due and payable. The note is collateralized by a first leasehold mortgage on the apartment complex.

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

In October 2004, Ohioview Housing Limited Partnership II, (a public housing site of the Authority, report 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.

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# ALLEGHENY COUNTY HOUSING AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2011 AND 2010

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

In March 2007, the Authority obtained a note payable in an original principal amount of \$1,800,000, of which only \$1,755,378 was ultimately borrowed by the Authority and payable to S&T Bank. This note was obtained to assist in financing the construction of the Tarentum Life Center. Payments of principal and interest of \$8,671 are due monthly through 2022. The note bears interest at a rate of 5.3275% and is collateralized by a first leasehold mortgage on the property. The schedule below is an estimated payment schedule as of September 30, 2011:

<u>Fiscal Year Ending September 30,</u>	<u>Principal Payment</u>	<u>Interest Payment</u>
2012	\$ 44,594	\$ 59,771
2013	46,898	57,149
2014	49,495	54,552
2015	52,236	51,811
2016	54,989	49,058
2017-2021	324,809	195,426
2022-2023	549,748	34,192
	<u>\$ 1,122,769</u>	<u>\$ 501,959</u>

In November 2008, the Authority (through their Three Rivers Business Activity) purchased four rental properties. As part of that purchase, the Authority assumed the remaining portion of the existing mortgages on three of these properties in the amounts of \$228,308, \$142,960, and \$70,513. These notes bear interest at rates of 2.0%, 3.0%, and 3.02%, respectively. Payments of principal and interest are due in monthly installments of \$1,968, \$2,530, and \$1,631, respectively, through November 2019, March 2014, and December 2012, respectively. As currently established, the monthly payment will not exceed the monthly cash flow from the real property and improvements to the property which secures each note.

Principal payments were to begin in March 2009; however, due to continuing negotiations regarding the above-noted requirement limiting the monthly payment, interest-only payments were made during 2009, 2010, and 2011. Principal payments are scheduled to begin in 2012; however, the payment schedule is expected to change

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# ALLEGHENY COUNTY HOUSING AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2011 AND 2010

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once negotiations are complete and the terms are finalized. Because of this, amounts due in 2009, 2010, and 2011 have been included as amounts due in 2017-2020 in the schedule below. As of September 30, 2011, the aggregate principal balance outstanding was \$441,781.

<u>Fiscal Year Ending September 30,</u>	<u>Principal Payment</u>	<u>Interest Payment</u>
2012	\$ 67,888	\$ 5,660
2013	54,950	3,921
2014	36,121	2,678
2015	21,500	2,121
2016	21,934	1,687
2017-2020	239,388	2,378
	<u>\$ 441,781</u>	<u>\$ 18,445</u>

In February 2006, the Authority issued three notes in the amount of \$500,000, \$700,000, and \$2,800,000, and in August 2006 issued an additional note in the amount of \$2,000,000. These notes were issued to assist in providing funding for continuing mixed financing projects as described in Notes 3 and 6 and bear interest at rates of 4.46%, 6.58%, 6.58%, and 7.02%, respectively. Payments of principal and interest are due annually through October 2025. The notes are collateralized by future Capital Fund grant revenues of the Authority. As of September 30, 2011, the aggregate principal balance outstanding was \$4,500,000.

<u>Fiscal Year Ending September 30,</u>	<u>Principal Payment</u>	<u>Interest Payment</u>
2012	\$ 300,000	\$ 294,710
2013	300,000	275,062
2014	300,000	255,415
2015	300,000	235,768
2016	300,000	216,121
2017-2021	1,500,000	555,631
2022-2026	1,500,000	478,921
	<u>\$ 4,500,000</u>	<u>\$ 2,311,628</u>

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# ALLEGHENY COUNTY HOUSING AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2011 AND 2010

### Capital Leases

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

The Authority has entered into five agreements to acquire equipment through capital leases for the LIPH Program. Lease one was paid in full in 2010. Leases two and four noted below are refinancing agreements of the original leases entered into in October 2000 and March 2002. The table below shows the agreement dates, term, interest rates, monthly payments, and repayment schedule for the remaining four leases:

Fiscal Year Ending September 30th:

	<u>Lease #1</u>	<u>Lease #2</u>	<u>Lease #3</u>	<u>Lease #4</u>	<u>Total Leases</u>
Agreement date	Nov, 2003	June, 2001	Nov, 2003	July, 2007	
Term	121 Months	135 Months	109 Months	144 Months	
Equipment value	\$ 4,370,391	\$ 357,119	\$ 1,484,334	\$ 2,780,428	\$ 8,992,272
Interest rate	4.26%	5.60%	4.10%	4.50%	
Monthly payment	42,324	3,739	16,501	Varies	62,564
Due in fiscal year 2012	507,888	44,865	198,011	318,821	1,069,585
Due in fiscal year 2013	507,888	44,865	49,504	301,140	903,397
Due in fiscal year 2014	126,972	11,218	-	304,114	442,304
Due in fiscal year 2015	-	-	-	309,094	309,094
Due in fiscal year 2016	-	-	-	308,013	308,013
Due fiscal years 2017-2020	-	-	-	1,198,478	1,198,478
Total payments	1,142,748	100,948	247,515	2,739,660	4,230,871
Less interest	54,897	6,308	6,638	544,481	612,324
Present value	<u>\$ 1,087,851</u>	<u>\$ 94,640</u>	<u>\$ 240,877</u>	<u>\$ 2,195,179</u>	<u>\$ 3,618,547</u>

Accumulated depreciation on the four equipment leases was approximately \$7.1 million and \$6.4 million as of September 30, 2011 and 2010, respectively.

In addition to the above leases, the Authority has additional capital leases totaling approximately \$67,000, which are not considered to be material.

# ALLEGHENY COUNTY HOUSING AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2011 AND 2010

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Total long-term debt payments are as follows:

Fiscal Year Ending September 30,	
2012	\$ 1,852,703
2013	1,689,475
2014	1,140,754
2015	972,529
2016	951,801
2017-2021	4,254,742
2022-2026	2,378,649
2032 ( Homestead)	806,139
2036 (Tarentum)	914,600
2042 (Groveton)	345,000
2045 (Ohioview I)	470,000
2046 (Ohioview II)	<u>1,250,000</u>
Total minimum debt payments	17,026,392
Less: amounts representing interest	<u>3,490,409</u>
Future minimum debt payments	<u><u>\$ 13,535,983</u></u>

# ALLEGHENY COUNTY HOUSING AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2011 AND 2010

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### Changes in Long-Term Liabilities

The schedule of changes in long-term liability activity for the year ended September 30, 2011 for the primary enterprise entity is presented below:

	Balance at September 30, 2010	Additions	Reductions	Balance at September 30, 2011	Due Within One Year
Groveton Housing, LP Note	\$ 345,000	\$ -	\$ -	\$ 345,000	\$ -
Homestead note payable - PHFA	806,139	-	-	806,139	-
Ohioview Housing I, LP Note	470,000	-	-	470,000	-
Tarentum I note payable - PHFA	914,600	-	-	914,600	-
Ohioview Housing II, LP Note	1,250,000	-	-	1,250,000	-
Tarentum Life Center Note	1,165,197	-	(42,428)	1,122,769	44,594
3 Rivers Rental Properties Notes	441,781	-	-	441,781	67,888
CFFP notes payable	4,800,000	-	(300,000)	4,500,000	300,000
Capital leases	4,489,889	14,076	(818,271)	3,685,694	928,902
Compensated absences	753,746	236,044	(150,661)	839,129	167,826
Other noncurrent	993,043	-	(190,951)	802,092	28,328
Total noncurrent liabilities	<u>\$ 16,429,395</u>	<u>\$ 250,120</u>	<u>\$ (1,502,311)</u>	<u>\$ 15,177,204</u>	<u>\$ 1,537,538</u>

# ALLEGHENY COUNTY HOUSING AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2011 AND 2010

The schedule of changes in long-term liability activity for the year ended September 30, 2010 for the primary enterprise entity is presented below:

	Balance at September 30, 2009	Additions	Reductions	Balance at September 30, 2010	Due Within One Year
Groveton Housing, LP Note	\$ 345,000	\$ -	\$ -	\$ 345,000	\$ -
Homestead note payable - PHFA	806,139	-	-	806,139	-
Ohioview Housing I, LP Note	470,000	-	-	470,000	-
Tarentum I note payable - PHFA	914,600	-	-	914,600	-
Ohioview Housing II, LP Note	1,250,000	-	-	1,250,000	-
Tarentum Life Center Note	1,205,403	-	(40,206)	1,165,197	42,227
3 Rivers Rental Properties Notes	441,781	-	-	441,781	100,925
CFFP notes payable	5,100,000	-	(300,000)	4,800,000	300,000
Capital leases	5,557,027	-	(1,067,138)	4,489,889	889,129
Compensated absences	739,436	162,082	(147,772)	753,746	150,661
Legal contingency	493,961	-	(493,961)	-	-
Other noncurrent	1,101,328	186,103	(294,388)	993,043	28,328
Total noncurrent liabilities	<u>\$ 18,424,675</u>	<u>\$ 348,185</u>	<u>\$(2,343,465)</u>	<u>\$ 16,429,395</u>	<u>\$ 1,511,270</u>

### 11. INTERFUND RECEIVABLE AND PAYABLE

In 2009, Business Activities (Three Rivers) issued two notes in the amounts of \$164,302 and \$208,006 to Glenshaw, to refinance a previous note. The notes both bear interest at a rate of 3.8%, and payments on the notes are due in 216 monthly installments of \$1,051 and \$1,331, respectively. The amount outstanding was \$344,372 as of September 30, 2011 and \$358,858 as of September 30, 2010. Amounts are due between entities and are eliminated for presentation on the financial statements.

# ALLEGHENY COUNTY HOUSING AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2011 AND 2010

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<u>Fiscal Year Ending September 30,</u>	<u>Principal Payment</u>	<u>Interest Payment</u>
2012	\$ 15,804	\$ 12,785
2013	16,415	12,174
2014	17,050	11,539
2015	17,709	10,880
2016	18,394	10,195
2017-2021	103,207	39,741
2022-2026	124,766	18,182
2027-2028	31,027	676
	<u>\$ 344,372</u>	<u>\$ 116,172</u>

### 12. CONTINGENCIES, CONCENTRATIONS, AND COMMITMENTS

The Authority is a defendant in various lawsuits, for which it believes it has meritorious defenses. Outcomes that would have a material impact on the Authority's financial status are not anticipated at this time. Also, the Authority operations primarily depend on HUD funding. The Authority's ability to maintain operations may be severely impacted by a material reduction in HUD funds. A material reduction in HUD funding is not anticipated for fiscal year 2012, but such reductions may occur in future years.

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

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

The Authority is also involved in contracts related to various projects. Construction and development commitments outstanding related to these projects as of September 30, 2011 amounted to approximately \$10 million.

# ALLEGHENY COUNTY HOUSING AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2011 AND 2010

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### **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**









Line Item No.	Description	14-000										14-200				14-300		14-400		14-500		14-600		14-700		14-800		14-900		14-999	
		TOTAL LPFH	Section 8 Housing Choice Voucher	704 Supportive Housing for Persons with Disabilities	701 KD HAP	14-071 Section 8 - VASH	97-109 OHAP	14-000 Section 8 - Mod Rehab Total	410 CFP AMRA 2009	14-000 AMRA Competitive Total	14-210 CDBG TOTAL	14-220 HOME-TOTAL	14-370 Row/FPS Totals	14-307 Total HPRP	14-307 Other Part 2 Development	TOTAL - Other Federal	TOTAL - State/Local	TOTAL BUSINESS ACTIVITIES	Glenview Gardens - Component Unit	SUBTOTAL	REAC Elimination	REAC TOTAL	Financial Statement Elimination	ACMA TOTAL							
10000	Operating transfer in	926,714																	926,714		926,714		926,714								
10000	Operating transfer out	(926,714)																	(926,714)		(926,714)		(926,714)								
10000-000	Partnership	-																	-		-		-								
10000-000	Bank Transfer	-																	-		-		-								
10000-000	Fee Credit	-																	-		-		-								
10000-000	Other	-																	-		-		-								
10000	Operating transfer from / to military government	-																	-		-		-								
10000	Operating transfer from / to component unit	-																	-		-		-								
10000	Operating transfer from / to partner	-																	-		-		-								
10000	Operating transfer from / to partner	-																	-		-		-								
10000	Special event, not partner	-																	-		-		-								
10000	Special event, partner	-																	-		-		-								
10000	Inter-AMP Expense Cash Transfer In	3,037,413																	3,037,413		3,037,413		3,037,413								
10000	Inter-AMP Expense Cash Transfer Out	(3,037,413)																	(3,037,413)		(3,037,413)		(3,037,413)								
10000	Transfer from Programs to AMR	-																	-		-		-								
10000	Transfer from AMR to Programs	-																	-		-		-								
10000	Transferring from/ to other component	-																	-		-		-								
10000	Excess (Deficiency) of Revenue Over (Under) Expenses	(138,842)	(824,976)	1,288		97,846	-	6,833	1,219,316	2,889,507	926,648	(46,926)	-	10,761	(781)	345,799	3,729,687	(24,624)	7,626,428	-	7,601,802	-	7,601,802								

Line Item No.	Description	14.800 TOTAL LPH	14.801		14.802 14.101 Supportive Housing for Persons with Disabilities	14.803 14.102 KD HAP	14.871 Section 8 - VASH	97.009 CHAP	14.806 Section 8 - Mod Ruhb Total	416 14.808 COP AFRA 2008	14.804 AMRA Competitive Total	14.218 COBG TOTAL	14.228 HOME-TOTAL	14.870 RooFSES Totals	14.207 Total HFRP	14.807 Other Part 2		TOTAL - Other Federal	TOTAL - State/Local	TOTAL BUSINESS ACTIVITIES	Glenview Gardens Component Unit	SUBTOTAL	REAC Elimination	REAC TOTAL	Financial Statement Elimination	ACMA TOTAL	
			Section 8 Housing Choice Voucher	14.801 Section 8 Housing Choice Voucher												Other Part 2	Other Part 2										
11000	Regional Annual State Principal Payments	198,212																		141,152		79,060		79,060		79,060	
11000	Beginning Balances	99,222,662	5,929,227	2,171	14,624	666,000	2,262	387,624				81,099	15,266				761	362,871	76,980,026	47,336	149,221,147		149,221,147		149,221,147		
11000-010	Prior period adjustments and correction of errors - deficits																										
11000-020	Equity Transfers - AMRA Equity Tot	5,989,721								(1,182,114)	(2,806,566)																
11000-030	Equity Transfers - CTFP - non Equity Tot																										
11000-040	Equity Transfers - CTFP & AMP Equity Tot																										
11000-050	Equity Transfers - CHOC & AMR Equity Tot	(2,223,373)									(4,222,520)																
11000-060	Equity Transfers - Business Activities & Other Business Equity Tot																										
11000-070	Equity Transfers - HOME & CHOC Equity Tot												(4,398)								4,398						
11000-080	Equity Transfers - VASH & CHOC Equity Tot		453,087																								
11000-090	Equity Transfers - CHOC Equity to AMR						107,093																				
11000-100	Equity Transfers																										
11000-110	Equity Transfers																										
11000	Prior period adjustments, equity transfers, and correction of errors	5,717,058	453,087				107,093			(1,182,114)	(2,806,566)	(4,398)								4,398							
11170-000	Administrative Exp Equity - Beginning Balance		221,217																			221,217		221,217		221,217	
11170-010	Administrative Exp Revenue		3,659,967																			3,659,967		3,659,967		3,659,967	
11170-020	Special Income Exp Revenue																										
11170-030	Adult Care																										
11170-040	Assessment Service																										
11170-050	Fraud Recovery Revenue																										
11170-060	Other Revenue		458,366																			458,366		458,366		458,366	
11170-070	Contract for Other Revenue		3,898,973																			3,898,973		3,898,973		3,898,973	
11170-080	State Admin Exp Revenue		3,867,269																			3,867,269		3,867,269		3,867,269	
11170-090	Fraud Recovery Expenses		9,602																			9,602		9,602		9,602	
11170-100	Other Expenses - equity transfers		(377,271)																			(377,271)		(377,271)		(377,271)	
11170-110	Contract for Other Expense		4,658,463																			4,658,463		4,658,463		4,658,463	
11170-120	State Expenses		(151,996)																			(151,996)		(151,996)		(151,996)	
11170-000	Net Administrative Exp		71,447																			71,447		71,447		71,447	
11170-000	Administrative Exp Equity - Ending Balance		71,447																			71,447		71,447		71,447	
11170	Administrative Exp Equity		71,447																			71,447		71,447		71,447	
11180-000	Housing Assistance Payments Equity - Beginning Balance		3,764,998																			3,764,998		3,764,998		3,764,998	
11180-010	Housing Assistance Payments Revenue		27,328,474																			27,328,474		27,328,474		27,328,474	
11180-020	Fraud Recovery Revenue																										
11180-030	Other revenue		654,681																			654,681		654,681		654,681	
11180-040	Contract for other revenue																										
11180-050	Business Revenue		(8,214)																			(8,214)		(8,214)		(8,214)	
11180-060	State HAP Revenue		29,981,311																			29,981,311		29,981,311		29,981,311	
11180-070	Housing Assistance Payments		26,811,033																			26,811,033		26,811,033		26,811,033	
11180-080	CHOC Revenue																										
11180-090	Contract for other revenue																										
11180-100	State Housing Assistance Payments Expense		26,811,033																			26,811,033		26,811,033		26,811,033	
11180-110	Net Housing Assistance Payments		221,950																			221,950		221,950		221,950	
11180-000	Housing Assistance Payments Equity - Ending Balance		3,682,447																			3,682,447		3,682,447		3,682,447	
11180	Housing Assistance Payments Equity		3,682,447																			3,682,447		3,682,447		3,682,447	
11200	12th Month Available	54,338	43,093	726			1,000		1,000													101,967		101,967		101,967	
11200	12th Month Liquid	31,843	43,093	766			1,000		1,000													102,834		102,834		102,834	
11200	Finance Cash	1,857,291																				1,857,291		1,857,291		1,857,291	
11210	Fund Balances																										
11220	Building Purchase	6,964,026																				6,964,026		6,964,026		6,964,026	
11230	Aviation & Equipment Purchase																										
11240	Equipment & Equipment Administration Purchase																										
11250	CTFP Debt Service Payments	198,212																				198,212		198,212		198,212	
11260	Replacement Housing Factor Funds																										

**Low-Income Public Housing  
Financial Data Schedule**

2011 Public Housing Balance Sheet																						
Line Item No	Description	AMP 101	AMP 102	AMP 201	AMP 202	AMP 203	AMP 301	AMP 302	AMP 303	AMP 401	AMP 402	AMP 403	AMP 501	AMP 502	AMP 503	AMP 504	AMP 601	AMP 602	AMP 701	AMP 702		
111	Cash - unrestricted	569,017		159	29,432		9,184	13,000	1,141	16,000			3,343	1,225	846					16,000		
112	Cash - restricted/modernization and development																					
113	Cash - other restricted			419,826			404,556		602,831				393,922	345,430	321,138	211,366				550,099		
114	Cash - tenant security deposits	373,338	44,241	5,487	42,873	38,576	33,673	19,813	7,190	20,142			31,305	6,738	7,880	8,261	12,272	32,285	26,189	11,096	360,638	
115	Cash - Restricted for payment of current liability																					
100	<b>Total Cash</b>	<b>666,175</b>	<b>44,241</b>	<b>425,472</b>	<b>72,305</b>	<b>38,576</b>	<b>427,615</b>	<b>33,813</b>	<b>61,162</b>	<b>36,142</b>			<b>31,325</b>	<b>402,663</b>	<b>354,555</b>	<b>330,485</b>			<b>32,285</b>	<b>42,189</b>	<b>561,997</b>	<b>368,338</b>
122	Accounts receivable - PBA services																					
122-400	Accounts receivable - HUD other projects - Operating Subsidy		36,487		624					3,767												
122-400	Accounts receivable - HUD other projects - Capital fund	17,470	521,330				75,721		2,697	212	164,660											
122-400	Accounts receivable - HUD other projects - Other																					
122	<b>Accounts receivable - HUD other projects</b>	<b>17,470</b>	<b>559,797</b>		<b>624</b>		<b>75,721</b>		<b>2,697</b>	<b>3,979</b>	<b>164,660</b>											
124	Account receivable - other assessment																					
125-400	Account receivable - miscellaneous - Not For Profit																					
125-400	Account receivable - miscellaneous - Partnership																					
125-400	Account receivable - miscellaneous - Joint Venture																					
125-400	Account receivable - miscellaneous - Tax Credit																					
125-400	Account receivable - miscellaneous - Other		89		61					100,000			17			102				1,138	12	
125	<b>Account receivable - miscellaneous</b>		<b>89</b>		<b>61</b>					<b>100,000</b>			<b>17</b>			<b>102</b>				<b>1,138</b>	<b>12</b>	
126	Accounts receivable - Grants	13,914		281			12,744	4,501	3,009	6,604						273				29,227		
126-1	Allowance for doubtful accounts - income		(5,196)				(3,803)	(943)													(3,166)	
126-2	Allowance for doubtful accounts - other																					
127	Notes, Loans, & Mortgages Receivable - Current																					
128	Fund recovery																					
128-1	Allowance for doubtful accounts - fund																					
129	Accrued interest receivable																					
130	<b>Total receivables, net of allowance for doubtful accounts</b>	<b>26,188</b>	<b>559,806</b>	<b>281</b>	<b>685</b>	<b>75,721</b>	<b>10,941</b>	<b>5,657</b>	<b>3,009</b>	<b>110,827</b>	<b>164,660</b>	<b>17</b>			<b>273</b>	<b>102</b>			<b>27,299</b>	<b>12</b>		
131	Investments - unrestricted		18,413	109,139	263,232	234,999	142,703	243,980	213,933	247,611	276,909	184,448	97,290	97,571	109,696	192,220	399,300	262,471	141,753		364,334	
132	Investments - restricted																					
133	Investments - Restricted for payment of current liability																					
142	Prepaid expenses and other assets						300,000															
143	Investments																					
143.1	Allowance for obsolete investments																					
144	Item receivable - due from																					
145	Assets held for sale																					
100	<b>Total Current Assets</b>	<b>632,363</b>	<b>622,740</b>	<b>534,092</b>	<b>336,222</b>	<b>348,876</b>	<b>781,259</b>	<b>284,459</b>	<b>828,104</b>	<b>393,780</b>	<b>441,549</b>	<b>219,840</b>	<b>499,293</b>	<b>452,126</b>	<b>440,154</b>	<b>415,969</b>	<b>498,084</b>	<b>224,669</b>	<b>763,762</b>	<b>394,372</b>		
161	Land	490,380	113,546	83,248	437,660	337,501	816,474	172,371	1,511,385	283,541	287,541	424,340			29,215					164,355		309,254
162	Buildings	11,214,676	3,449,185	5,899,444	8,192,999	6,719,422	9,714,189	10,470,479	8,906,069	16,369,938	3,465,913	6,388,479	6,156,044	6,462,249	8,866,083	9,022,831	12,149,896	8,542,117	6,330,942	9,514,349		9,514,349
163	Furniture, equipment and machinery - depreciable	1,243,877	702,209	66,670	877,991	999,817	136,409	736,138		921,800	1,131,013	571,608	2,008	46,212	2,76,470	200,312	931,509	906,666	125,364			1,007,204
164	Furniture, equipment and machinery - nondepreciable				34,071	9,156				119,260		17,451										
165	Leasehold improvements																					
166	Accumulated depreciation	(9,963,640)	(3,901,266)	(1,220,736)	(6,602,649)	(7,026,467)	(3,568,704)	(6,373,001)	(2,146,142)	(11,170,123)	(2,826,033)	(5,838,261)	(1,467,643)	(1,265,524)	(1,311,103)	(984,327)	(6,438,792)	(6,668,953)	(62,980)		(6,934,407)	
167	Construction in progress	935,667	1,710,528		9,902	11,922,211		492,542		674,423	1,274,468	190,164										6,420,964
168	Infrastructure																					
160	<b>Total capital assets, net of accumulated depreciation</b>	<b>4,449,896</b>	<b>2,074,240</b>	<b>4,828,626</b>	<b>840,567</b>	<b>2,154,654</b>	<b>7,198,489</b>	<b>5,898,531</b>	<b>8,790,373</b>	<b>7,279,638</b>	<b>3,370,309</b>	<b>1,636,650</b>	<b>4,696,659</b>	<b>5,242,937</b>	<b>5,868,667</b>	<b>8,238,706</b>	<b>4,874,662</b>	<b>1,984,217</b>	<b>5,977,808</b>	<b>7,422,484</b>		
171-400	Notes, Loans, & mortgages receivable - Non-current - Not For Profit																					
171-400	Notes, Loans, & mortgages receivable - Non-current - Partnership																					
171-400	Notes, Loans, & mortgages receivable - Non-current - Joint Venture																					
171-400	Notes, Loans, & mortgages receivable - Non-current - Tax Credit																					
171-400	Notes, Loans, & mortgages receivable - Non-current - Other																					
171	<b>Notes, Loans, &amp; mortgages receivable - Non-current</b>																					
172-400	Notes, Loans, & mortgages receivable - Non-current - Not For Profit																					
172-400	Notes, Loans, & mortgages receivable - Non-current - Partnership																					
172-400	Notes, Loans, & mortgages receivable - Non-current - Joint Venture																					
172-400	Notes, Loans, & mortgages receivable - Non-current - Tax Credit																					
172-400	Notes, Loans, & mortgages receivable - Non-current - Other																					
172	<b>Notes, Loans, &amp; mortgages receivable - Non-current - paid due</b>																					
173	Grants receivable - Non-current																					
174-400	Other assets - Not For Profit																					
174-400	Other assets - Partnership																					
174-400	Other assets - Joint Venture																					
174-400	Other assets - Tax Credit																					
174-400	Other assets - Other																					
174	<b>Other assets</b>																					
176-400	Investment in Joint venture - Not For Profit																					
176-400	Investment in Joint venture - Partnership																					
176-400	Investment in Joint venture - Joint Venture																					
176-400	Investment in Joint venture - Tax Credit																					
176-400	Investment in Joint venture - Other																					
176	<b>Investment in joint venture</b>																					
100	<b>Total Non-current Assets</b>																					
100	<b>Total Assets</b>	<b>5,891,309</b>	<b>2,696,980</b>	<b>5,362,518</b>	<b>1,176,789</b>	<b>2,503,529</b>	<b>7,996,968</b>	<b>6,182,981</b>	<b>9,618,477</b>	<b>7,673,418</b>	<b>3,811,928</b>	<b>1,866,490</b>	<b>5,189,952</b>	<b>5,695,063</b>	<b>6,308,821</b>	<b>6,654,666</b>	<b>5,333,546</b>	<b>3,308,877</b>	<b>6,301,570</b>	<b>7,816,270</b>		

2011 Public Housing Balance Sheet																					
Line Item No	Description	AMP 101	AMP 102	AMP 201	AMP 202	AMP 203	AMP 301	AMP 302	AMP 303	AMP 401	AMP 402	AMP 403	AMP 501	AMP 502	AMP 503	AMP 504	AMP 601	AMP 602	AMP 701	AMP 702	
311	Bank overdraft																				
312	Accounts payable - 90 days	64,821	21,246	22,852	47,548	383	6,942	3,187	484	145,320	2,706	18,665	9,237	11,908	3,201	8,766	1,497	3,724	137	8,835	
313	Accounts payable - 90 days past due																				
321	Accrued wage/pension taxes payable	7,878	4,576	1,748	4,977	5,087	4,992	4,398	1,587	5,975	3,311	4,085	1,748	1,748	1,748	1,748	7,896	5,482	2,476	6,348	
322	Accrued compensated absences - current portion	4,609	3,809	1,554	3,405	3,968	565	1,904	1,193	3,285	235	2,490	395	395	395	395	2,819	1,291	2,725	3,197	
324	Accrued contingency liability																				
324	Accrued interest payable																				
331-010	Accounts payable - HUD PHA Programs - Operating Subsidy	17,761		26,972		38,633	19,787	65,344	58,179		234,196	3,458	38,106	22,389	43,467	118,927	21,475	68,299	22,766	54,829	
331-020	Accounts payable - HUD PHA Programs - Capital Fund	175,448																			
331-030	Accounts payable - HUD PHA Programs - Other																				
331	Accounts payable - HUD PHA Programs	193,209		26,972		38,633	19,787	65,344	58,179		234,196	3,458	38,106	22,389	43,467	118,927	21,475	68,299	22,766	54,829	
332	Accounts payable - PHA Projects																				
333	Accounts payable - other government	7,124	2,994		17,414	16,479	211	1,539	10,687	2,960	19,000						16,075	1,759		20,785	
333	Treas security deposits	37,138	44,241	5,487	42,873	38,576	13,871	19,813	7,190	20,142		31,315	6,718	7,880	8,201	12,272	32,281	26,189	11,888	30,038	
342-010	Deferred revenue - Operating Subsidy																				
342-020	Deferred revenue - Capital Fund																				
342-030	Deferred revenue - Other		307		1,029	1,472															
342	Deferred revenue		307		1,029	1,472															
343-010	CFPP	1,367	591		5,829	2,472															
343-020	Capital Projects Mortgage Revenue	102,914	88,127		72,659	82,751		57,724		17,724	72,236	95,264	43,999								
343	Current portion of L.T.D. capital projects/mortgage revenue bonds	104,281	88,717		72,659	82,751		57,724		17,724	72,236	95,264	43,999								
344	Current portion of long-term debt - operating businesses																				
345	Other current liabilities																				
346	Accrued liabilities - other																				
347	Inter program - due to																				
348-010	Loan liability - current - Not For Profit																				
348-020	Loan liability - current - Paycor/Veritas																				
348-030	Loan liability - current - Asset Veritas																				
348-040	Loan liability - current - Tax Credit																				
348-050	Loan liability - current - Other																				
348	Loan liability - current																				
310	Total Current Liabilities	415,148	137,004	58,413	213,884	208,344	48,975	153,949	92,196	257,874	338,771	123,287	98,841	48,292	87,064	143,814	226,789	184,813	78,320	224,864	
351-010	Long-term debt - CFPP		22,447						41,086												
351-020	Long-term - Capital Projects Mortgage Revenue	306,440	173,049	4,297,975	216,311	246,354	8,774,231	171,847	8,380,601	215,100	283,668	138,908	1,807,495	1,999,772	2,418,168	2,038,234	234,317	228,328	1,453,181	270,189	
351	Capital Projects Mortgage Revenue Bonds	328,887	173,049	4,297,975	216,311	246,354	8,774,231	171,847	8,380,601	215,100	283,668	138,908	1,807,495	1,999,772	2,418,168	2,038,234	234,317	228,328	1,453,181	269,334	
352	Long-term debt - not of current operating businesses																				
353	Non-current liabilities - other																				
354	Accrued compensated absences - Non-current	18,674	15,477	6,215	13,626	15,865	2,261	7,776	4,772	13,138	941	9,745	3,219	3,219	3,219	3,219	11,276	5,164	10,891	12,757	
355	Loan liability - Non-current																				
356	FASB 51 Liabilities																				
357	Accrued Pension and OPEB1 liability																				
358	Total Non-Current Liabilities	347,561	188,526	4,316,396	229,927	262,219	8,882,267	179,623	8,601,724	228,247	284,609	140,726	1,807,506	1,918,427	2,426,287	2,054,466	245,700	233,492	1,466,869	219,891	
300	Total Liabilities	762,709	325,530	4,375,209	443,811	470,563	8,882,267	333,572	8,982,923	486,921	623,380	264,013	1,992,607	1,663,719	2,493,891	2,197,460	767,489	418,281	1,940,189	543,955	
401	Increased in capital assets, net of related debt	4,015,818	1,843,004	530,651	551,997	1,825,549	(1,575,822)	5,668,960	(52,386)	4,992,273	2,991,487	1,461,663	2,883,164	3,643,165	3,642,499	6,200,472	4,217,004	1,679,193	3,719,427	7,023,008	
411	Restricted Net Assets																				
412	Unrestricted Net Assets	302,850	527,706	37,812	181,373	207,478	302,592	180,449	144,032	195,224	197,121	110,837	162,219	42,720	43,293	45,368	328,433	211,739	83,655	249,763	
413	Total Equity/Net Assets	4,318,668	2,374,800	568,463	733,370	2,033,027	(868,616)	5,849,489	694,607	5,187,497	3,188,608	1,592,500	3,297,345	4,811,344	3,886,518	6,487,286	4,566,437	1,890,932	4,155,181	7,272,821	
000	Total Liabilities and Equity/Net Assets	5,081,369	2,696,900	5,343,518	1,176,789	2,503,590	7,979,681	6,182,981	9,618,477	7,673,418	3,811,928	1,856,499	5,189,952	5,695,063	6,380,821	8,654,466	5,333,546	2,308,977	6,301,570	7,816,776	

2011 Public Housing Balance Sheet																						COCC		TOTAL PUBLIC HOUSING	
Line Item No.	Description	AMP 703	AMP 704	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 817	AMP 818	TOTAL AMPs					
111	Cash - unrestricted	7,500	5,000	4,200	-	-	-	-	7,000	-	-	-	-	-	-	428	550	-	-	62,040	-	62,040			
112	Cash - restricted/modernization and development	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
113	Cash - other restricted	-	222,269	-	130,274	-	-	115,081	675,057	282,126	-	248,751	-	-	-	247,946	308,116	-	-	5,498,808	423,512	5,922,320			
114	Cash - trust security deposits	18,013	16,776	10,800	7,388	-	-	-	23,282	15,852	-	-	-	-	-	17,307	26,969	-	-	55,018	-	55,018			
115	Cash - Restricted for payment of current liability	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
100	<b>Total Cash</b>	<b>25,513</b>	<b>247,045</b>	<b>15,000</b>	<b>137,282</b>	<b>-</b>	<b>-</b>	<b>115,081</b>	<b>705,439</b>	<b>297,978</b>	<b>-</b>	<b>248,751</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>245,481</b>	<b>335,275</b>	<b>-</b>	<b>-</b>	<b>6,715,973</b>	<b>423,512</b>	<b>7,139,485</b>			
121	Accounts receivable - PFA projects	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
121-010	Accounts receivable - HUD other projects - Operating Subsidy	-	-	-	-	-	-	-	1,081	700	-	-	-	-	2,216	2,727	16,303	-	-	64,386	-	64,386			
121-020	Accounts receivable - HUD other projects - Capital fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	212	791,702	-	791,702			
121-030	Accounts receivable - HUD other projects - Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
122	Accounts receivable - HUD other projects	-	-	-	-	-	-	-	1,081	700	-	-	-	-	2,216	2,727	16,303	-	212	866,088	-	866,088			
123	Account receivable - other agreement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
123-010	Account receivable - miscellaneous - Not For Profit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
123-020	Account receivable - miscellaneous - Partnership	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
123-030	Account receivable - miscellaneous - Joint Venture	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
123-040	Account receivable - miscellaneous - Tax Credit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
123-050	Account receivable - miscellaneous - Other	1,334	1,062	1,986	56	-	-	281	-	-	-	-	-	-	-	3,431	-	-	-	109,709	4,511	114,220			
125	Account receivable - miscellaneous	1,334	1,062	1,986	56	-	-	281	-	-	-	-	-	-	-	3,431	-	-	-	109,709	4,511	114,220			
126	Accounts receivable - tenants	-	-	-	148	-	-	2,550	3,887	-	-	-	-	-	-	2,799	-	-	-	79,781	-	79,781			
126-1	Allowance for doubtful accounts - tenants	-	-	-	480	-	-	(1,770)	(1,600)	-	-	-	-	-	-	(1,450)	-	-	-	(15,200)	-	(15,200)			
126-2	Allowance for doubtful accounts - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
127	Notes, Loans, & Mortgages Receivable - Current	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
128	Notes, Loans, & Mortgages Receivable - Non-current	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
128-1	Allowance for doubtful accounts - fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
129	Accounts receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
120	<b>Total receivables, net of allowance for doubtful accounts</b>	<b>1,334</b>	<b>1,062</b>	<b>1,986</b>	<b>164</b>	<b>-</b>	<b>-</b>	<b>1,180</b>	<b>281</b>	<b>15,918</b>	<b>7,001</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,596</b>	<b>6,238</b>	<b>16,503</b>	<b>-</b>	<b>212</b>	<b>1,040,353</b>	<b>4,511</b>	<b>1,044,864</b>			
131	Investments - unrestricted	255,364	45,121	69,392	152,960	8,519	66,979	28,915	170,474	84,352	20,833	30,941	18,754	123,127	25,324	466,469	972,147	52,232	28,253	5,837,938	3,446,084	9,284,022			
132	Investments - restricted	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
133	Investments - Restricted for payment of current liability	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
142	Prepaid expenses and other assets	-	-	-	-	-	-	-	9,282	5,825	-	-	-	-	-	-	-	-	-	218,775	-	218,775			
143	Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	100,764	319,539			
143-1	Allowance for obsolete investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
144	Investments - due from	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,083,834	1,083,834			
145	Assets held for sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
150	<b>Total Current Assets</b>	<b>282,211</b>	<b>293,228</b>	<b>86,378</b>	<b>290,586</b>	<b>8,519</b>	<b>68,059</b>	<b>144,836</b>	<b>885,476</b>	<b>404,673</b>	<b>27,824</b>	<b>299,692</b>	<b>18,754</b>	<b>123,127</b>	<b>28,020</b>	<b>708,208</b>	<b>972,893</b>	<b>52,232</b>	<b>28,465</b>	<b>13,813,079</b>	<b>6,854,785</b>	<b>18,867,744</b>			
161	Land	119,666	30,568	-	27,881	-	-	-	-	-	-	-	-	-	-	98,382	723,901	-	-	7,121,831	1,393,243	8,515,074			
162	Buildings	5,109,223	11,161,481	-	4,546,397	-	-	19,999,479	11,661,759	6,671,149	9,565,009	224,440,220	-	-	-	6,671,149	9,565,009	-	-	224,440,220	6,668,936	236,509,158			
163	Furniture, equipment and machinery - depreciable	947,298	-	-	8,119	-	-	19,608	164,101	-	-	12,411,202	-	-	-	51,600	62,792	-	-	12,411,202	-	12,461,382			
164	Furniture, equipment and machinery - non-depreciable	-	73,437	-	-	-	-	52,859	-	-	-	62,295	-	-	-	-	-	-	-	62,295	705,642	1,041,021			
164-1	Landheld improvements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
166	Accumulated depreciation	(5,751,696)	(272,521)	-	(780,867)	-	-	(13,049,520)	(1,763,020)	-	-	(923,827)	-	-	-	(11,847,294)	-	-	-	(108,409,255)	(5,775,450)	(112,145,045)			
167	Construction in progress	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	13,588,892	-	13,588,892			
168	Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
160	<b>Total capital assets, net of accumulated depreciation</b>	<b>478,991</b>	<b>18,993,085</b>	<b>-</b>	<b>3,802,250</b>	<b>-</b>	<b>-</b>	<b>16,703,496</b>	<b>10,862,840</b>	<b>-</b>	<b>-</b>	<b>5,959,299</b>	<b>9,284,468</b>	<b>-</b>	<b>-</b>	<b>5,959,299</b>	<b>9,284,468</b>	<b>-</b>	<b>149,637,242</b>	<b>4,932,373</b>	<b>154,009,615</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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	71,000	71,000			
171	<b>Notes, Loans, &amp; mortgages receivable - Non-current</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>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>71,000</b>	<b>71,000</b>			
172-010	Notes, Loans, & mortgages receivable - Non-current - due from AMP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
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 - paid 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>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>			
173	Grants receivable - Non-current	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
174-010	Other assets - Not For Profit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
174-020	Other assets - Partnership	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
174-030	Other assets - Joint Venture	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
174-040	Other assets - Tax Credit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
174-050	Other assets - Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
174	<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>	<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	-	-	-	-																				

2011 Public Housing Balance Sheet																						
Line Item No.	Description	AMP 703	AMP 704	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 817	AMP 818	TOTAL AMPs	COCC	TOTAL PUBLIC HOUSING
111	Bank overdraft																					
112	Accounts payable - 90 days	93	1,883	1,599	794			343	989	639					3,810	1,978	2,577					
113	Accounts payable - 90 days past due																					
321	Accrued wage/paid taxes payable	4,536	129	2,408	2,668				1,981	1,981							2,916	2,916				
322	Accrued compensated absences - current portion	533	2,392	1,489	90				1,526	1,526							196	196				
324	Accrued contingency liability																					
325	Accrued interest payable																					
131-010	Accounts payable - HUD PHA Programs - Operating Subsidy	40,876			106,902	3,125	32,977	13,415	40,859				13,110	2,332	9,378					36,330	1,355	1,135,029
131-020	Accounts payable - HUD PHA Programs - Capital fund	38,661																				250,957
131-030	Accounts payable - HUD PHA Programs - Other	79,477			106,902	3,125	32,977	13,415	40,859				13,110	2,332	9,378					36,330	1,355	1,385,586
131	Accounts payable - PHA Programs	11,053	63	1,030					130	1,663												170,991
341	Tenant security deposits	18,013	19,778	10,800	7,108				23,382	15,852							17,307	26,969				333,318
142-010	Deferred revenue - Operating Subsidy			625																		
142-020	Deferred revenue - Capital fund			625																		
142-030	Deferred revenue - Other	528	1,922	625					1,099	499							1,491	4,849				34,793
142	Deferred revenue	828	1,922	625					1,099	499							1,491	4,849				34,793
143-010	CTFP	10,514																				100,000
143-020	Capital Projects Mortgage Revenue	77,907																				920,809
143	Current portion of LTD - capital projects/mortgage revenue bonds	88,451														101,253	100,000				1,220,809	8,093
144	Current portion of long-term debt - operating borrowings																					
345	Other current liabilities		5,089						20,499	33,111						32,386	44,175					133,498
346	Accrued liabilities - other																					760,632
347	Inter program - due to																					
148-010	Loan liability - current - Not For Profit																					
148-020	Loan liability - current - Partnership																					
148-030	Loan liability - current - Joint Venture																					
148-040	Loan liability - current - Tax Credit																					
148-050	Loan liability - current - Other																					
349	Loan liability - current																					
110	Total Current Liabilities	202,754	31,844	17,993	117,552	3,125	32,977	13,708	99,386	55,281		13,110	2,332	9,378	3,810	188,017	178,999	36,330	1,355	4,024,071	1,378,899	5,402,972
151-010	Long-term debt - CTFP	143,370														1,382,085	1,500,000					4,200,000
151-020	Long-term - Capital Projects Mortgage Revenue	231,934	3,299,115		2,432,651				7,532,531	4,414,161						2,623,104	4,696,146					58,383,599
351	Capital Projects Mortgage Revenue Bonds	375,304	3,299,115		2,432,651				7,532,531	4,414,161						4,005,189	6,196,146					62,583,599
352	Long-term debt - net of current operating borrowings																					
353	Non-current liabilities - other		17,550		9,314											44,145	17,809					241,722
354	Accrued compensated absences - Non-current	2,134	9,567	5,957	358				6,106	6,106						743	743					193,148
355	Loan liability - Non-current																					
356	PASB 1 liabilities																					
357	Accrued Pension and OPEB Liabilities																					
350	Total Non-Current Liabilities	377,498	3,326,232	5,957	2,442,323				7,538,637	4,420,267						4,098,277	6,124,358					63,020,749
300	Total Liabilities	580,192	3,357,933	23,950	2,559,875	3,125	32,977	13,708	7,628,023	4,475,468		13,110	2,332	9,378	3,810	4,208,294	6,362,348	36,330	1,355	67,044,822	1,838,301	68,883,123
080-1	Invested in capital assets, net of related debt	14,866	7,493,970		1,369,999				9,176,963	5,648,679						1,825,077	2,998,322					85,030,574
111-1	Restricted Net Assets		222,269		130,274				11,081	675,097		268,731				247,946	308,116					5,408,808
512-1	Unrestricted Net Assets	165,748	12,483	62,428	33,089	3,394	15,082	15,197	13,927	60,640	27,834	17,813	16,422	133,949	25,110	388,810	522,373	15,902	19,130			5,076,077
511	Total Equity/Net Assets	165,748	12,705,222	62,428	1,533,361	3,394	15,082	15,197	9,306,609	5,991,441	27,834	266,542	16,422	133,949	25,110	2,499,413	3,829,813	15,902	19,130			96,401,670
600	Total Liabilities and Equity/Net Assets	745,940	11,286,315	86,378	4,093,236	6,519	68,059	144,836	17,934,632	10,466,913	27,834	299,692	18,794	123,127	28,226	6,697,707	10,192,161	52,232	20,465	163,450,231	9,558,978	173,009,209









2011 Public Income Statement		782		783		784		785		786		801		802		803		804		805		806		807													
Line Item No.	Description	Total AMP 782	Operating Fund Program	Capital Fund Program	Total AMP 783	Operating Fund Program	Capital Fund Program	Total AMP 784	Operating Fund Program	Capital Fund Program	Total AMP 785	Operating Fund Program	Capital Fund Program	Total AMP 786	Operating Fund Program	Capital Fund Program	Total AMP 801	Operating Fund Program	Capital Fund Program	Total AMP 802	Operating Fund Program	Capital Fund Program	Total AMP 803	Operating Fund Program	Capital Fund Program	Total AMP 804	Operating Fund Program	Capital Fund Program	Total AMP 805	Operating Fund Program	Capital Fund Program	Total AMP 806	Operating Fund Program	Capital Fund Program	Total AMP 807	Operating Fund Program	Capital Fund Program
1000	Net income total income	457,653	457,653	-	251,336	251,336	-	175,432	175,432	-	66,536	66,536	-	14,021	14,021	-	41,809	41,809	-	116,138	116,138	-	296,432	296,432	-	231,619	231,619	-	988	988	-	221,416	221,416	-	988	988	-
1000	Traffic services - other	1,476	1,476	-	466	466	-	126	126	-	1,057	1,057	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
1000	Total Transit Revenue	459,129	459,129	-	251,802	251,802	-	175,558	175,558	-	67,593	67,593	-	14,021	14,021	-	41,809	41,809	-	116,138	116,138	-	297,903	297,903	-	232,617	232,617	-	988	988	-	222,414	222,414	-	988	988	-
1000	EDD PMA operating costs	972,226	942,937	29,289	526,391	525,728	663	5,631	520	1,111	320	1,311	1,311	197,046	197,046	-	9,849	9,849	-	1,640	1,640	-	116,138	116,138	-	170,142	169,621	521	247,173	247,173	-	296,761	296,761	-	296,761	296,761	-
1000	Capital gain	500,000	500,000	-	21,000	21,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
1000	Management Fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
1000	Asset Management Fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
1000	Bank Marketing Fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
1000	Fixed Fee Service Fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
1000	Other Fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
1000	Total Fee Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
1000	Other government grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
1000	Investment income - unrestricted	-	-	-	187	187	-	-	-	-	874	874	-	-	-	-	-	-	-	320	320	-	19	19	-	11	11	-	-	-	-	-	-	-	-		
1000	Investment income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
1000	Special use abatement of taxes held for sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
1000	Fee of sale of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
1000	Grant income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
1000	Other income	11,047	11,047	-	29,828	29,828	-	6,837,726	6,837,726	-	3,739	3,739	-	45,728	45,728	-	-	-	-	-	-	-	21,174	21,174	-	18,834	18,834	-	-	-	-	-	-	-	-	-	
1000	Gain or loss on sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
1000	Investment income - restricted	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	56	56	-	216	216	-	-	-	-	-	-	-	-	-	-	
1000	Total Revenue	1,891,566	1,812,173	79,393	829,975	796,278	26,781	7,889,979	7,889,649	320	32,822	32,822	-	275,073	275,073	-	9,849	9,849	-	116,426	116,426	-	489,711	489,649	221	496,629	496,629	-	296,761	296,761	-	296,761	296,761	-	296,761	296,761	-
1000	Administrative salaries	98,894	98,894	-	98,894	98,894	-	24,916	24,916	-	3,328	3,328	-	-	-	-	-	-	-	-	-	32,609	32,609	-	32,609	32,609	-	32,609	32,609	-	32,609	32,609	-	32,609	32,609	-	
1000	Administration	205,615	205,615	-	12,955	12,955	-	48,999	48,999	-	25,863	25,863	-	25,252	25,252	-	-	-	-	-	-	4,662	4,662	-	164,117	164,117	-	49,026	49,026	-	49,026	49,026	-	49,026	49,026	-	
1000	Bank Marketing Fee	19,125	19,125	-	9,121	9,121	-	9,810	9,810	-	5,187	5,187	-	1,605	1,605	-	-	-	-	-	-	7,260	7,260	-	3,847	3,847	-	3,847	3,847	-	3,847	3,847	-	3,847	3,847	-	
1000	Administrative and Marketing	13,517	13,517	-	961	961	-	7,969	7,969	-	462	462	-	71	71	-	-	-	-	-	-	1,292	1,292	-	1,927	1,927	-	1,927	1,927	-	1,927	1,927	-	1,927	1,927	-	
1000	Employee benefit contributions - administration	17,176	17,176	-	45,822	45,822	-	8,479	8,479	-	6,767	6,767	-	-	-	-	-	-	-	-	-	11,898	11,898	-	11,796	11,796	-	11,796	11,796	-	11,796	11,796	-	11,796	11,796	-	
1000	Other Salaries	31,366	31,366	-	1,761	1,761	-	6,476	6,476	-	1,675	1,675	-	284	284	-	282	282	-	-	-	48	48	-	27,926	27,926	-	49,066	49,066	-	49,066	49,066	-	49,066	49,066	-	
1000	Staff Salaries	1,715	1,715	-	1,963	1,963	-	1,111	1,111	-	1,844	1,844	-	827	827	-	31	31	-	35,195	35,195	-	35,256	35,256	-	35,256	35,256	-	35,256	35,256	-	35,256	35,256	-	35,256	35,256	-
1000	Travel	1,837	1,837	-	885	885	-	764	764	-	764	764	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
1000	Other office expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
1000	Other	17,838	17,838	-	1,871	1,871	-	1,831	1,831	-	764	764	-	1,445	1,445	-	11	11	-	16,647	16,647	-	16,647	16,647	-	14,445	14,445	-	14,445	14,445	-	14,445	14,445	-	14,445	14,445	-
1000	Total Operating Administration	499,588	499,588	-	252,626	252,626	-	79,661	79,661	-	286,776	286,776	-	46,426	46,426	-	284	284	-	98,168	98,168	-	383,432	383,432	-	415,522	415,522	-	249,611	249,611	-	249,611	249,611	-	249,611	249,611	-
1000	Asset Management Fee	27,000	27,000	-	23,166	23,166	-	7,800	7,800	-	3,120	3,120	-	1,320	1,320	-	320	320	-	2,680	2,680	-	9,600	9,600	-	3,100	3,100	-	3,100	3,100	-	3,100	3,100	-	3,100	3,100	-
1000	Traffic services - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
1000	Administration	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
1000	Employee benefit contributions - administration	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
1000	Traffic services - other	276	276	-	144	144	-	17,176	17,176	-	139	139	-	19	19	-	-	-	-	-	-	276	276	-	185	185	-	185	185	-	185	185	-	185	185	-	
1000	Total Transit Revenue	276	276	-	144	144	-	17,176	17,176	-	139	139	-	19	19	-	-	-	-	-	-	276	276	-	185	185	-	185	185	-	185	185	-	185	185	-	
1000	Salaries	26,174	26,174	-	12,688	12,688	-	2,262	2,262	-	16,699	16,699	-	1,589	1,589	-	-	-	-	-	-	3,261	3,261	-	1,999	1,999	-	1,999	1,999	-	1,999	1,999	-	1,999	1,999	-	
1000	Salaries	88,366	88,366	-	47,962	47,962	-	27,706	27,706	-	17,255	17,255	-	-	-	-	-	-	-	-	-	3,261	3,261	-	1,999	1,999	-	1,999	1,999	-	1,999	1,999	-	1,999			





Public Housing Income Statement		B00		B01		B02		B03		B04		B05		B07		B08		TOTAL AMPS	CDCR Operations	CDCR Capital Fund	TOTAL CDCR	TOTAL PUBLIC HOUSING			
Line Item No.	Description	Total AMP B00	Operating Fund Program	Capital Fund Program	Total AMP B01	Operating Fund Program	Capital Fund Program	Total AMP B02	Operating Fund Program	Capital Fund Program	Total AMP B03	Operating Fund Program	Capital Fund Program	Total AMP B04	Operating Fund Program	Capital Fund Program	Total AMP B05						Operating Fund Program	Capital Fund Program	Total AMP B07
9000	Property Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	525,077	7,792	532,870	525,711	1,025,581			
9010	Utilities Income	1,100	1,100	-	204	204	-	224	224	-	351	351	-	2,808	2,808	-	4,624	4,624	-	139	139	-	176,749	4,520	179,269
9020	Resident's Contribution	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,224	3,224	-	-	-	35,272	36,496	71,768
9030	Net Other Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	682	682	-	-	-	10,919	682	12,601
9040	Total Income Provisions	1,100	1,100	-	204	204	-	224	224	-	351	351	-	2,808	2,808	-	4,624	4,624	-	139	139	-	217,445	5,142	222,587
9050	Other capital expenses	(12,200)	(12,200)	-	(2,500)	(2,500)	-	(6,700)	(6,700)	-	(7,601)	(7,601)	-	(6,201)	(6,201)	-	(2,100)	(2,100)	-	(26,116)	(26,116)	-	(18,144)	(18,144)	(44,260)
9060	Amortization expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	40	40	-	-	-	255,000	255,000	505,000
9070	Provision for bad debts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	24,944	24,944	-	-	-	24,944	24,944	49,888
9080	Bad debt - current year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,019	1,019	-	-	-	110,158	111,177	221,335
9090	Bad debt - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	138,588
9100	Bad debt - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9110	Provision for bad debts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	26,963	26,963	-	-	-	26,963	26,963	53,926
9120	Total Other General Expenses	(12,200)	(12,200)	-	(2,500)	(2,500)	-	(7,310)	(7,310)	-	(8,308)	(8,308)	-	(6,801)	(6,801)	-	(2,100)	(2,100)	-	(26,116)	(26,116)	-	(18,144)	(18,144)	(44,260)
9130	Interest of Mortgage for Bonds Payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9140	Interest on Notes Payable (Other and Lease Term)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9150	Amortization of Bond Issue Cost	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	220,665	220,665	-	-	-	440,330	440,330	880,660
9160	Interest expense and amortization cost	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	220,665	220,665	-	-	-	440,330	440,330	880,660
9170	Total Operating Expenses	(12,200)	(12,200)	-	(2,504)	(2,504)	-	(6,476)	(6,476)	-	(6,750)	(6,750)	-	(47,962)	(47,962)	-	(92,932)	(92,932)	-	(148,540)	(148,540)	-	(118,212)	(118,212)	(266,752)
9180	Excess Income Over Operating Expenses	40,900	40,900	-	36,507	36,507	-	20,804	20,804	-	(7,125)	(7,125)	-	(148,911)	(148,911)	200,708	(52,302)	(144,676)	215,568	3,962	(112,801)	(112,801)	(93,130)	(88,891)	(182,021)
9190	Expenditures, maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9200	Capital Expenditures (Non-capital)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9210	Resident maintenance payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9220	Real estate	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9230	Operational expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9240	Plant assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9250	Operating funds not reported	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9260	Total Expenses	(12,200)	(12,200)	-	(2,504)	(2,504)	-	(6,476)	(6,476)	-	(6,750)	(6,750)	-	(47,962)	(47,962)	-	(92,932)	(92,932)	-	(148,540)	(148,540)	-	(118,212)	(118,212)	(266,752)
9270	Excess Income Over Operating Expenses	40,900	40,900	-	36,507	36,507	-	20,804	20,804	-	(7,125)	(7,125)	-	(148,911)	(148,911)	200,708	(52,302)	(144,676)	215,568	3,962	(112,801)	(112,801)	(93,130)	(88,891)	(182,021)
9280	Operating funds from - to primary accounts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9290	Operating funds from - to components unit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9300	Expenditures, net of transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9310	Other items not reported	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9320	Total AMP Excess Cash Transfers To	(141,000)	(141,000)	(49,000)	(49,000)	-	-	-	-	-	368,131	368,131	-	398,444	398,444	-	14,000	14,000	-	-	-	-	3,617,413	3,617,413	7,234,826
9330	Total AMP Excess Cash Transfers From	(141,000)	(141,000)	(49,000)	(49,000)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9340	Transfer from Programs to AMP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9350	Transfer from AMP to Programs	(141,000)	(141,000)	(49,000)	(49,000)	-	-	-	-	-	368,131	368,131	-	398,444	398,444	-	14,000	14,000	-	-	-	-	3,617,413	3,617,413	7,234,826
9360	Total other financing sources (uses)	(141,000)	(141,000)	(49,000)	(49,000)	-	-	-	-	-	368,131	368,131	-	398,444	398,444	-	14,000	14,000	-	-	-	-	3,617,413	3,617,413	7,234,826
9370	Excess (Deficiency) of Revenue Over Expenses	(97,800)	(97,800)	(28,452)	(28,452)	-	(5,380)	(5,380)	-	(7,425)	(7,425)	-	(115,823)	(115,823)	200,708	(54,704)	(144,524)	215,568	15,962	15,962	-	19,934	19,934	-	(198,226)
9380	Excess (Deficiency) of Revenue Over Expenses	(97,800)	(97,800)	(28,452)	(28,452)	-	(5,380)	(5,380)	-	(7,425)	(7,425)	-	(115,823)	(115,823)	200,708	(54,704)	(144,524)	215,568	15,962	15,962	-	19,934	19,934	-	(198,226)
9390	Excess (Deficiency) of Revenue Over Expenses	(97,800)	(97,800)	(28,452)	(28,452)	-	(5,380)	(5,380)	-	(7,425)	(7,425)	-	(115,823)	(115,823)	200,708	(54,704)	(144,524)	215,568	15,962	15,962	-	19,934	19,934	-	(198,226)
9400	Excess (Deficiency) of Revenue Over Expenses	(97,800)	(97,800)	(28,452)	(28,452)	-	(5,380)	(5,380)	-	(7,425)	(7,425)	-	(115,823)	(115,823)	200,708	(54,704)	(144,524)	215,568	15,962	15,962	-	19,934	19,934	-	(198,226)
9410	Excess (Deficiency) of Revenue Over Expenses	(97,800)	(97,800)	(28,452)	(28,452)	-	(5,380)	(5,380)	-	(7,425)	(7,425)	-	(115,823)	(115,823)	200,708	(54,704)	(144,524)	215,568	15,962	15,962	-	19,934	19,934	-	(198,226)
9420	Excess (Deficiency) of Revenue Over Expenses	(97,800)	(97,800)	(28,452)	(28,452)	-	(5,380)	(5,380)	-	(7,425)	(7,425)	-	(115,823)	(115,823)	200,708	(54,704)	(144,524)	215,568	15,962	15,962	-	19,934	19,934	-	(198,226)
9430	Excess (Deficiency) of Revenue Over Expenses	(97,800)	(97,800)	(28,452)	(28,452)	-	(5,380)	(5,380)	-	(7,425)	(7,425)	-	(115,823)	(115,823)	200,708	(54,704)	(144,524)	215,568	15,962	15,962	-	19,934	19,934	-	(198,226)
9440	Excess (Deficiency) of Revenue Over Expenses	(97,800)	(97,800)	(28,452)	(28,452)	-	(5,380)	(5,380)	-	(7,425)	(7,425)	-	(115,823)	(115,823)	200,708	(54,704)	(144,524)	215,568	15,962	15,962	-	19,934	19,934	-	(198,226)
9450	Excess (Deficiency) of Revenue Over Expenses	(97,800)	(97,800)	(28,452)	(28,452)	-	(5,380)	(5,380)	-	(7,425)	(7,425)	-	(115,823)	(115,823)	200,708	(54,704)	(144,524)	215,568	15,962	15,962	-	19,934	19,934	-	(198,226)
9460	Excess (Deficiency) of Revenue Over Expenses	(97,800)	(97,800)	(28,452)	(28,452)	-	(5,380)	(5,380)	-	(7,425)	(7,425)	-	(115,823)	(115,823)	200,708	(54,704)	(144,524)	215,568	15,962	15,962	-	19,934	19,934	-	(198,226)
9470	Excess (Deficiency) of Revenue Over Expenses	(97,800)	(97,800)	(28,452)	(28,452)	-	(5,380)	(5,380)	-	(7,425)	(7,425)	-	(115,823)	(115,823)	200,708	(54,704)	(144,524)	215,568	15,962	15,962	-	19,934	19,934	-	(198,226)
9480	Excess (Deficiency) of Revenue Over Expenses	(97,800)	(97,800)	(28,452)	(28,452)	-	(5,380)	(5,380)	-	(7,425)	(7,425)	-	(115,823)	(115,823)	200,708	(54,704)	(144,524)	215,568	15,962	15,962	-	19,934	19,934	-	(198,226)
9490	Excess (Deficiency) of Revenue Over Expenses	(97,800)	(97,800)	(28,452)	(28,452)	-	(5,380)	(5,380)	-	(7,425)	(7,425)	-	(115,823)	(115,823)	200,708	(54,704)	(144,524)	215,568	15,962	15,962	-	19,934	19,934	-	(198,226)
9500	Excess (Deficiency) of Revenue Over Expenses	(97,800)	(97,800)	(28,452)	(28,452)	-	(5,380)	(5,380)	-	(7,425)	(7,425)	-	(115,823)	(115,823)	200,708	(54,704)	(144,524)	215,568	15,962	15,962	-	19,934	19,934	-	(198,226)
9510	Excess (Deficiency) of Revenue Over Expenses	(97,800)	(97,800)	(28,452)	(28,452)	-	(5,380)	(5,380)	-	(7															

# ALLEGHENY COUNTY HOUSING AUTHORITY

## NOTE TO FINANCIAL DATA SCHEDULES

FOR THE YEAR ENDED SEPTEMBER 30, 2011

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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 are eliminated for the statements of net assets.

# ALLEGHENY COUNTY HOUSING AUTHORITY

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Federal CFDA Number	Expenditures
<u>U.S. Department of Housing and Urban Development (HUD)</u>		
Public and Indian Housing	14.850	\$ 13,071,008
Public Housing Capital Fund Cluster:		
Public Housing Capital Fund	14.872	3,901,517
ARRA - Public Housing Capital Fund Competitive (Recovery Act Funded)	14.884	2,991,123
ARRA - Public Housing Capital Fund Stimulus (Formula)	14.885	2,231,010
Subtotal Public Housing Capital Fund Cluster		9,123,650
Resident Opportunity and Supportive Services - Service Coordinators	14.870	235,751
Section 8 Project Based Cluster:		
Lower Income Housing Assistance Program - Section 8 Moderate Rehabilitation	14.856	466,548
Section 8 Housing Choice Vouchers	14.871	32,548,760
Supportive Housing for Persons with Disabilities	14.181	292,558
<u>Passed through the County of Allegheny, Pennsylvania:</u>		
ARRA - Homelessness Prevention and Rapid Re-Housing Program (HPRP)	14.257	382,352
Community Development Block Grants/Entitlement Grants	14.218	1,034,917
Home Investment Partnerships Program	14.239	98,840
<u>U.S. Department of Justice</u>		
Part E - Developing, Testing, and Demonstrating Promising New Programs	16.541	189,022
		\$ 57,443,406

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, 2011

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

The accompanying schedule of expenditures of federal awards for the year ended September 30, 2011 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 in  
Accordance with OMB Circular A-133

Year Ended September 30, 2011

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 the financial statements of the business-type activities of the Allegheny County Housing Authority (Authority), as of and for the year ended September 30, 2011, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated June 19, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Authority's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over financial reporting.

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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Authority's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of 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

We noted certain other matters that we reported to management of the Authority in a separate letter dated June 19, 2012.

\* \* \* \* \*

This report is intended solely for the information and use of the Authority's Board of Directors, management, others within the Authority, the U.S. Department of Housing and Urban Development, federal awarding agencies, and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

*Maher Duessel*

Pittsburgh, Pennsylvania  
June 19, 2012

Independent Auditor's Report on Compliance with Requirements that Could Have a  
Direct and Material Effect on Each Major Program and on Internal Control over  
Compliance in Accordance with OMB Circular A-133

Board of Directors  
Allegheny County Housing Authority

Compliance

We have audited the Allegheny County Housing Authority's (Authority) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended September 30, 2011. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Authority's management. Our responsibility is to express an opinion on the Authority's compliance based on our audit.

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. Our audit does not provide a legal determination on the Authority's compliance with those requirements.

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2011.

Internal Control over Compliance

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Authority's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance 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

Board of Directors  
Allegheny County Housing Authority  
Independent Auditor's Report on Compliance with  
Requirements that Could Have a Direct and  
Material Effect on Each Major Program

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.

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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

\* \* \* \* \*

This report is intended solely for the information and use of the Authority's Board of Directors, management, others within the Authority, the U.S. Department of Housing and Urban Development, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Maher Duessel*

Pittsburgh, Pennsylvania  
June 19, 2012

# ALLEGHENY COUNTY HOUSING AUTHORITY

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED SEPTEMBER 30, 2011

### I. Summary of Audit Results

1. Type of auditor's report issued: Unqualified

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: Unqualified

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

7. Major Programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
14.871	Section 8 Housing Choice Vouchers
	Public Housing Capital Fund Cluster:
14.872	Public Housing Capital Fund
14.884	ARRA - Public Housing Capital Fund
	Competitive (Recovery Act Funded)
14.885	ARRA - Public Housing Capital Fund Stimulus
	(Formula) Recovery Act Funded

8. Dollar threshold used to distinguish between type A and type B programs: \$1,723,302

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, 2011**

**NONE**