

Allegheny County Housing Authority

Single Audit

September 30, 2016

MaherDuessel
Certified Public Accountants

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ALLEGHENY COUNTY HOUSING AUTHORITY

FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015

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ALLEGHENY COUNTY HOUSING AUTHORITY

FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015

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Independent Auditor's Report

Board of Directors
Allegheny County Housing Authority

Report on the Financial Statements

We have audited the accompanying financial statements of the Allegheny County Housing Authority (Authority), as of and for the years ended September 30, 2016 and 2015, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of September 30, 2016 and 2015, and the respective changes in

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

Other Matters

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The financial data schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 19, 2017 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control

over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Maheer Duessel

Pittsburgh, Pennsylvania
June 19, 2017

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, 2016. 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 the Uniform Guidance. A summary of the auditor’s results can be found on page 60. There were no findings noted for the year ended September 30, 2016.

FINANCIAL HIGHLIGHTS

- During 2016, the Enterprise Fund's total assets increased by \$11.6 million (or 6.0%). Total assets were \$210.4 million and \$198.9 million for 2016 and 2015, respectively. The \$11.6 million increase is comprised of three factors: changes in current assets, changes in capital assets, and changes in other assets. Current assets increased by \$3.2 million. Capital assets increased \$8.8 million. Other assets decreased \$0.5 million. The net increase in capital assets is due to the increase in buildings of \$14.2 million, mainly due to the completion of work at Orchard Park and an increase of the Construction Work in Progress of \$1.0 million due to continuing modernization work at Sheldon Park, Truman Towers and General Braddock Towers. These increases are offset to a degree by the normal depreciation of \$9.3 million. Current assets increased due to a \$3.7 million increase in cash and cash equivalents, which was offset by a decrease of \$0.6 million in accounts and notes receivable. Other assets declined as a result of normal amortization of the Authority's mixed finance activities.
- The Enterprise Fund net position increased to \$189.2 million for 2016 compared to \$178.6 million for 2015. Unrestricted net position decreased by \$2.2 million, while restricted net position increased \$1.2 million, and net investment in capital assets increased by \$11.6 million. The change in unrestricted net position represents the difference of a \$2.6 million HUD required reclassification of capital debt to operating borrowings and a \$0.7 million surplus. The increase in net investment in capital assets is related to the change in Capital Assets of \$8.8 million coupled with the reclassification mentioned above of \$2.6 million. The increase in restricted net position can be contributed mainly to bringing Orchard Park online offset to a degree with the amortization of some mixed financing loans.
- The Enterprise Fund's total revenues increased by \$14.2 million (or 20%) from \$71.2 million in fiscal year 2015 to \$85.4 million in fiscal year 2016. The \$14.2 million increase is related to the following main factors. Capital grants decreased by \$4.0 million. Operating subsidies increased by \$4.1 million. Other revenue increased by \$1.2 million and tenant rent rose by \$0.6 million. Partnership contributions increased by \$12.2 million with the tax credit contributions to Orchard Park.
- The Enterprise Fund's total operating expenses increased by \$3.1 million. Total operating expenses were \$64.5 million and \$61.7 million for 2016 and 2015, respectively. This increase is mainly attributable to housing assistance payments increasing by \$2.5 million.
- The Enterprise Fund's total non-operating expenses increased by \$0.4 million (or 4%). Total non-operating expenses were (\$9.9) million and (\$9.5) million for 2016 and 2015, respectively. This increase is attributable to depreciation and amortization expense increasing by \$0.5 million offset by small fluctuations in extraordinary maintenance and casualty losses.

- The Enterprise Fund’s total capital contributions increased \$8.1 million (or 96%) in 2016 as compared to 2015. Total capital contributions were \$16.6 million and \$8.5 million for 2016 and 2015, respectively. HUD capital grants declined by \$4.0 million and partnership contributions rose \$12.2 million.

USING THIS ANNUAL REPORT

The following graphic outlines the format of the Annual Report:

<p>MD&A</p> <p>~ Management’s Discussion and Analysis ~</p>
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<p>Basic Financial Statements</p> <p>~ Authority-Wide Financial Statements – pp 1-6 ~ Notes to Financial Statements – pp 7-35</p>
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Authority-Wide Financial Statements

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

Net position is reported in three broad categories:

Net Investment in Capital Assets: This component of net position consists of all capital assets, reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

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

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

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

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

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

Allegheny County Housing Authority’s Programs

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

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

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

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

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

Emergency Solutions Grant Program (ESG) - A grant program to provide assistance to homeless individuals and families, which are funded through HUD and passed through Allegheny County and the City of Pittsburgh

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

Business Activities - The Business Activities represent various endeavors by the Authority to supplement the mission of the agency.

AUTHORITY-WIDE FINANCIAL STATEMENTS

Statements of Net Position

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

TABLE 1
STATEMENTS OF NET POSITION

	2016 (in millions of dollars)	2015 (in millions of dollars)	2014 (in millions of dollars)
Current Assets	\$ 24.6	\$ 21.4	\$ 24.1
Capital Assets	170.7	161.9	161.2
Other Assets	15.1	15.6	16.2
Total Assets	\$ 210.4	\$ 198.9	\$ 201.5
Current Liabilities	\$ 5.9	\$ 5.0	\$ 6.4
Noncurrent Liabilities	15.4	15.3	16.5
Total Liabilities	\$ 21.3	\$ 20.3	\$ 22.9
Net Position:			
Net Investment in			
Capital Assets	\$ 158.0	\$ 146.5	\$ 144.2
Restricted	23.9	22.7	22.9
Unrestricted	7.2	9.4	11.5
Total Net Position	\$ 189.1	\$ 178.6	\$ 178.6

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

Major Factors Affecting the Statements of Net Position

Current assets increased \$3.2 million in fiscal year 2016. Cash and investments increased by \$3.7 million. Accounts and notes receivable decreased by \$0.6 million. Prepaid assets and inventory remained static.

Capital assets increased \$8.8 million due to the normal depreciation of \$9.0 million, which was offset by the completion of Orchard Park which caused an increase in buildings of \$14.2 million and Land of \$2.1 million. Construction Work in Progress increased \$1.1 million for work at Sheldon Park, Truman Towers and General Braddock Towers. Administrative Equipment also increased \$0.5 million.

Total liabilities increased less than \$1.0 million. Total current liabilities increased by \$0.9 million and total non-current liabilities increased \$0.1 million. The most significant activity affecting liabilities was the increase in the Authority's accounts payable of \$0.7 million.

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

TABLE 2

CHANGE IN UNRESTRICTED NET POSITION

	Millions of Dollars	Millions of Dollars
	<u> </u>	<u> </u>
Unrestricted Net Position as of September 30, 2015		\$ 9.4
Operating Income (Loss)	\$ 3.9	
Non-Operating Revenue (Expenses)	(9.9)	
Capital Contributions	16.6	
Net Decrease in Net Position		<u>10.6</u>
<u>Other Changes in Net Position</u>		
Change in Net Investment in Capital Assets	(11.6)	
Change in Restricted Net Position	<u>(1.2)</u>	
		<u>(12.8)</u>
Unrestricted Net Position as of September 30, 2016		<u><u>\$ 7.2</u></u>

This table demonstrates that the breakeven change in net position was comprised as follows: the Authority increased its net investment in capital assets by \$11.6 million, increased its restricted net position by \$1.2 million, and decreased its unrestricted net position by \$2.2 million.

TABLE 3
STATEMENTS OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION

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

	2016 (in millions of dollars)	2015 (in millions of dollars)	2014 (in millions of dollars)
Revenues:			
Resident revenue - rents and other	\$ 10.6	\$ 10.0	\$ 10.0
Operating subsidies and grant	52.1	47.9	42.2
Capital grants	3.9	8.0	3.7
Investment income	-	-	-
Partnership contribution	12.7	0.5	1.9
Other revenue	6.1	4.8	4.8
Total revenues	<u>85.4</u>	<u>71.2</u>	<u>62.6</u>
Expenses:			
Administrative	9.4	8.7	9.6
Tenant services	0.8	0.9	0.7
Utilities	5.2	5.3	5.1
Maintenance	8.0	8.2	8.2
Protective services	0.7	0.7	0.7
Insurance	1.6	1.6	1.5
General	2.2	1.9	1.7
Housing assistance payments	37.0	34.5	30.8
Depreciation and amortization	9.3	8.8	9.2
Casualty losses	-	0.2	0.1
Extraordinary maintenance	0.2	-	-
Interest expense	0.4	0.4	0.7
Total expenses	<u>74.8</u>	<u>71.2</u>	<u>68.3</u>
Net increase (decrease)	<u>\$ 10.6</u>	<u>\$ -</u>	<u>\$ (5.7)</u>

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

Total revenues increased by \$14.2 million (as compared to the previous year) primarily due to the following: Capital grants decreased by \$4.1 million, operating subsidies and grants increased by \$4.2 million. Tenant revenue rose by \$0.6 million. Other revenue increased by \$1.2 million and, finally, the Authority's partnership contributions increased by \$12.2 million.

Total expenses increased by \$3.1 million in fiscal year 2016. Administrative expenses increased by \$0.7 million. Tenant services declined by \$0.1 million. Utilities fell by \$0.2 million. Maintenance decreased by \$0.2 million while protective services, insurance and general expenses remained consistent. HAP expense increased by \$2.5 million. Depreciation expense increased by \$0.5 million and interest expenses remained unchanged.

CAPITAL ASSETS AND DEBT ADMINISTRATION

TABLE 4

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

	2016 (in millions of dollars)	2015 (in millions of dollars)	2014 (in millions of dollars)
Land	\$ 12.2	\$ 10.1	\$ 10.1
Buildings	286.7	272.5	271.0
Equipment - dwellings	16.6	16.7	12.4
Equipment - administrative	2.6	2.0	2.0
Accumulated depreciation	(158.1)	(149.0)	(141.0)
Construction in progress	10.7	9.6	6.7
Total	<u>\$ 170.7</u>	<u>\$ 161.9</u>	<u>\$ 161.2</u>

Capital Assets

As of September 30, 2016, the Authority had \$170.7 million invested in a variety of capital assets as reflected in the table above, which represents a net increase (addition, deductions, and depreciation) of \$8.8 million from \$161.9 million at September 30, 2015. This increase was due to the normal depreciation of \$9.0 million along with an increase in construction work in progress of \$1.0 million, along with an increase in buildings of \$14.2 million, and equipment of \$0.5 million. Land increased by \$2.1 million.

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

	Totals		
	2016	2015	2014
Current portion of long-term debt	\$ 1.3	\$ 1.3	\$ 1.7
Noncurrent portion of long-term debt	13.5	14.1	15.3
Total debt	<u>\$ 14.8</u>	<u>\$ 15.4</u>	<u>\$ 17.0</u>

Debt Outstanding

As of year-end, the Authority had \$14.8 million in debt outstanding, compared to \$15.4 million in 2015. The decrease of \$0.6 million is due mainly to the normal reduction on our CFFP Loan and various equipment capital leases that are paid down.

ECONOMIC FACTORS

Significant economic factors affecting the Authority are as follows:

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

CONTACTING THE AUTHORITY’S FINANCIAL MANAGEMENT

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

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

ALLEGHENY COUNTY HOUSING AUTHORITY

STATEMENTS OF NET POSITION

SEPTEMBER 30, 2016 AND 2015

Assets		
	2016	2015
Current assets:		
Cash and cash equivalents:		
Cash - unrestricted	\$ 11,932,793	\$ 9,671,714
Cash - restricted - modernization and development	46,191	-
Cash - other restricted	9,559,252	8,192,516
Cash - tenant security deposits	779,437	751,829
Cash - restricted for payment of current liability	140	140
Total cash and cash equivalents	22,317,813	18,616,199
Accounts and notes receivables, net of allowances for doubtful accounts:		
Accounts receivable - HUD other projects	213,651	550,235
Accounts receivable - other government	29,553	-
Accounts receivable - miscellaneous	752,792	986,207
Accounts receivable - tenants - dwelling rents	219,580	166,805
Allowance for doubtful accounts - dwelling rents and other	(80,685)	(71,232)
Tenant fraud recovery	26,705	86,287
Accrued interest receivable	-	1,649
Total accounts and notes receivables, net of allowances for doubtful accounts	1,161,596	1,719,951
Investments:		
Investments - unrestricted	527,229	527,194
Investments - restricted	154,946	117,357
Total current investments	682,175	644,551
Prepaid expenses and other assets	483,897	450,763
Inventories	2,187	2,187
Total current assets	24,647,668	21,433,651
Noncurrent assets:		
Capital assets:		
Land	12,153,407	10,060,367
Buildings	286,743,257	272,526,776
Furniture, equipment, and machinery - dwellings	16,670,291	16,735,776
Furniture, equipment, and machinery - administration	2,554,326	1,976,431
Accumulated depreciation	(158,075,899)	(149,068,073)
Construction in progress	10,678,929	9,626,660
Total capital assets, net of accumulated depreciation	170,724,311	161,857,937
Investment in mixed finance activities, net of accumulated amortization	14,533,410	15,089,671
Notes and mortgages receivable - non-current	213,366	282,649
Other assets	112,617	-
Investment in partnership	245,000	245,000
Total noncurrent assets	185,828,704	177,475,257
Total Assets	\$ 210,476,372	\$ 198,908,908

See accompanying notes to financial statements.

(Continued)

ALLEGHENY COUNTY HOUSING AUTHORITY

STATEMENTS OF NET POSITION

SEPTEMBER 30, 2016 AND 2015

(Continued)

Liabilities and Net Position

	2016	2015
Liabilities:		
<u>Current liabilities:</u>		
Accounts payable	\$ 1,532,996	\$ 823,694
Accrued wage/payroll taxes payable	106,825	387,616
Accrued compensated absences - current	190,233	178,235
Accounts payable - HUD PHA programs	107,037	88,326
Accounts payable - other government	288,219	587,859
Tenant security deposits	779,437	751,829
Unearned revenue	52,665	51,677
Current portion of long-term debt	1,307,176	1,316,354
Other current liabilities	1,569,420	863,178
Accrued liabilities - other	49	178
Total current liabilities	5,934,057	5,048,946
<u>Noncurrent liabilities:</u>		
Long-term debt, net of current portion	14,025,351	14,063,047
Other noncurrent liabilities	578,895	505,934
Accrued compensated absences - noncurrent	760,924	712,945
Total noncurrent liabilities	15,365,170	15,281,926
Total Liabilities	21,299,227	20,330,872
<u>Net Position:</u>		
Net investment in capital assets	158,039,195	146,478,536
Restricted for:		
Mixed financing loans	14,746,776	15,372,320
Partnership reserves	9,003,310	7,319,814
Housing Choice Voucher Program	123,796	8,829
Modernization and development	46,191	-
Unrestricted net position	7,217,877	9,398,537
Total Net Position	189,177,145	178,578,036
Total Liabilities and Net Position	\$ 210,476,372	\$ 198,908,908

(Concluded)

See accompanying notes to financial statements.

ALLEGHENY COUNTY HOUSING AUTHORITY

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015

	2016	2015
Operating Revenues:		
<hr/>		
Tenant revenue:		
Net tenant rental revenue	\$ 10,519,009	\$ 9,877,502
Tenant revenue - other	86,116	92,818
Total tenant revenue	10,605,125	9,970,320
HUD PHA operating grants	51,881,310	47,756,179
Other governmental operating grants	211,407	168,930
Investment income - unrestricted	21,518	20,841
Other revenue	6,069,703	4,861,520
Investment income - restricted	4,415	6,391
Total operating revenues	68,793,478	62,784,181
 Operating Expenses:		
<hr/>		
Housing assistance payments	36,995,626	34,504,397
Administrative:		
Administrative salaries	3,625,422	4,319,815
Auditing fees	248,489	233,856
Advertising and marketing	10,265	17,746
Employee benefit contributions - administrative	1,508,628	1,518,587
Office expenses	1,255,095	1,065,103
Legal expense	308,939	255,291
Travel	139,435	127,491
Other operating - administrative	2,269,931	1,115,007
Tenant services:		
Tenant services - salaries	433,939	445,015
Relocation costs	4,080	-
Employee benefit contributions - tenant services	132,449	141,345
Tenant services - other	222,520	266,903
Utilities:		
Water	930,904	795,669
Electricity	1,970,952	2,083,328
Gas	684,803	1,065,034
Sewer	1,553,062	1,336,829
Ordinary maintenance and operations:		
Ordinary maintenance and operations - labor	3,389,571	3,426,515
Ordinary maintenance and operations - materials and other	1,333,268	1,425,105
Ordinary maintenance and operations - contract costs	1,973,766	2,082,364
Employee benefit contributions - ordinary maintenance	1,331,106	1,307,787
Protective services:		
Protective services - labor	518,439	528,658
Protective services - other contract costs	29,768	40,578
Protective services - other	3,354	3,973
Employee benefit contributions - protective services	173,963	164,256

(Continued)

See accompanying notes to financial statements.

ALLEGHENY COUNTY HOUSING AUTHORITY

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015

(Continued)

	2016	2015
Insurance expense:		
Property insurance	865,510	853,676
Liability insurance	252,950	220,863
Workmen's compensation insurance	369,411	343,061
Other insurance	155,739	153,790
General expenses:		
Other general expenses	1,360,710	1,022,055
Compensated absences	134,128	178,489
Payments in lieu of taxes	438,117	463,137
Bad debt	251,504	223,024
Total operating expenses	64,875,843	61,728,747
Operating Income (Loss)	3,917,635	1,055,434
Non-Operating Revenue (Expenses):		
Extraordinary maintenance	(162,550)	(101,636)
Casualty losses - non-capitalized	(63,220)	(167,472)
Interest expense	(413,624)	(413,931)
Gain (loss) on disposal of capital asset	1,510	285
Depreciation and amortization expense	(9,289,862)	(8,824,099)
Total non-operating revenue (expenses)	(9,927,746)	(9,506,853)
Capital Contributions:		
HUD capital grants	3,919,310	7,956,455
Partnership contribution	12,689,910	494,500
Total capital contributions	16,609,220	8,450,955
Change in Net Position	10,599,109	(464)
Total net position - beginning	178,578,036	178,578,500
Total net position - ending	\$ 189,177,145	\$ 178,578,036

(Concluded)

See accompanying notes to financial statements.

ALLEGHENY COUNTY HOUSING AUTHORITY

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015

	2016	2015
Cash Flows From Operating Activities:		
Operating grants received	\$ 52,144,827	\$ 46,871,149
Receipts from tenants	10,648,993	9,995,296
Other receipts	6,191,489	4,622,934
Housing assistance payments	(36,995,626)	(34,504,397)
Payments for good and services	(15,875,839)	(15,827,866)
Payments to employees	(11,334,331)	(11,723,749)
Net cash provided by (used in) operating activities	4,779,513	(566,633)
Cash Flows From Noncapital and Related Financing Activities:		
Cash received from partnership contribution	-	252,000
Loan repayments received	69,283	97,137
Net cash provided by (used in) noncapital and related financing activities	69,283	349,137
Cash Flows From Capital and Related Financing Activities:		
HUD and other capital grants	4,192,942	7,711,043
Acquisition of capital assets and construction of capital assets	(3,898,730)	(9,272,077)
Investment in mixed finance development activities	(20,595)	10,688
Proceeds from debt	54,144	54,144
Principal payment on long-term debt	(1,051,277)	(1,089,283)
Interest paid on long-term debt	(413,624)	(413,931)
Net cash provided by (used in) capital and related financing activities	(1,137,140)	(2,999,416)
Cash Flows From Investing Activities:		
Purchase (sale) of investments	(37,624)	41,187
Interest income	27,582	26,562
Net cash provided by (used in) investing activities	(10,042)	67,749
Net Increase (Decrease) in Cash and Cash Equivalents	3,701,614	(3,149,163)
Cash and Cash Equivalents:		
Beginning of year	18,616,199	21,765,362
End of year	\$ 22,317,813	\$ 18,616,199
Noncash Investment, Capital, and Financing Activities:		
Acquisition of capital assets through partnership contribution	\$ 12,689,910	\$ -
Acquisition of capital assets by assuming directly related debt	\$ 1,215,000	\$ -
Forgiveness of debt	\$ -	\$ 299,781

(Continued)

See accompanying notes to financial statements.

ALLEGHENY COUNTY HOUSING AUTHORITY

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015

(Continued)

	2016	2015
Reconciliation of Operating Income (Loss) to Net Cash and Cash Equivalents From Operating Activities:		
Operating income (loss)	\$ 3,917,635	\$ 1,055,434
Adjustments to reconcile operating income (loss) to cash and cash equivalents provided by (used in) operating activities:		
Investment (income) loss	(25,933)	(27,232)
Forgiveness of debt	-	(299,781)
Change in assets and liabilities:		
Accounts receivable	283,074	4,927
Prepaid expenses and other assets	(33,134)	(48,650)
Other assets	(112,617)	-
Accounts payable and accrued liabilities	1,014,241	(951,638)
Unearned revenue	988	(34,952)
Long-term debt, operating	(264,741)	(264,741)
Total adjustments	861,878	(1,622,067)
Net cash and cash equivalents provided by (used in) operating activities	\$ 4,779,513	\$ (566,633)

(Concluded)

See accompanying notes to financial statements.

ALLEGHENY COUNTY HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015

1. ORGANIZATION

Reporting Entity

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

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

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

Component Units

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

The Authority is financially accountable for:

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

ALLEGHENY COUNTY HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015

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

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

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

Blended Component Units:

Mixed Financing Blended Component Units

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

The Authority has interests in numerous partnerships, created as part of mixed financing transactions, which are considered to be blended component units because of the Authority's ongoing control, involvement, and regulatory authority with the partnerships, HUD limitations on use of the properties, and because the outside entities involved in the partnerships do not benefit in the risks and rewards of ownership, except under certain limited circumstances. Additionally, all of the partnerships have appointed the Authority as the management agent, and the partnership site is leased from the Authority in all instances described below,

ALLEGHENY COUNTY HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015

except for Pine Ridge Heights Associates and Hays Manor Associates. The Authority may, under certain circumstances, be compelled to reacquire the properties.

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

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

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

AMP	Legal Name	Partner	Partner Type	
103	Pine Ridge Heights Associates	Three Rivers Communities	Exempt Organization	No ground lessor
201	Sharpsburg Housing Limited Partnership	Three Rivers Communities	Exempt Organization	Ground lessor
301	Hays Manor Associates	Three Rivers GP Corp	Corporation	No ground lessor
303	Groveton Housing Partnership, L.P.	Ohio Valley Housing GP Corp	Corporation	Ground lessor
501	Homestead Housing Development, L.P.	Three Rivers Communities	Exempt Organization	Ground lessor
502	Homestead Housing Development, L.P. II	Three Rivers Communities	Exempt Organization	Ground lessor
503	Homestead Housing Development, L.P. III	Three Rivers Communities	Exempt Organization	Ground lessor
504	Homestead Housing Development, L.P. IV	Three Rivers Communities	Exempt Organization	Ground lessor
701	Dumplin Hall Housing Partnership, L.P.	Dumplin Hall Housing Partnership, L.P.	Exempt Organization	Ground lessor
704	Fraser Housing Limited Partnership	Waterfront Fraser, LLC	Disregarded Entity	Ground lessor
801	Felix Negley, L.P.	Waterfront Housing GP Corp	Exempt Organization	Ground lessor
805	Ohioview Housing Partnership, L.P.	Fox Hill Management, Inc.	Exempt Organization	Ground lessor
806	Ohioview Housing Partnership, L.P. II	Fox Hill Management, Inc.	Exempt Organization	Ground lessor
814	Tarentum Housing Limited Partnership	Waterfront Housing GP Corp	Exempt Organization	Ground lessor
815	Tarentum Housing Limited Partnership II	Waterfront Housing GP Corp	Exempt Organization	Ground lessor
821/822	514 Lydia Street, LP	Three Rivers Communities	Exempt Organization	Ground lessor
824	Orchard Park Housing Initiative, L.P.	Waterfront Orchard I GP, LLC	Disregarded Entity	Ground lessor

Historically, these mixed financing partnerships have been part of the Low Income Public Housing (LIPH) Program; however, in fiscal year 2016, per clarification from HUD, these mixed financing partnerships are reported as a

ALLEGHENY COUNTY HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015

blended component unit on the Authority's Financial Data Schedule (FDS), with only the related notes receivable, long-term debt, and subsidy activity reported in the LIPH Program.

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

Glenshaw Gardens, Inc.

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

It has been determined that Three Rivers Communities, Inc., St. Brendan's Apartments, and Harrison High Rise (owned by Allegheny Housing Development Corporation), have also met the requirements to be blended component units, as they provide services exclusively for the benefit of the Authority, and are wholly owned by the Authority.

Investment in Partnership

In addition to the above described entities, West Pine Affordable Housing, Inc., a wholly-owned subsidiary of the Authority, is a limited partner in West Pine Associates at an investment cost of \$245,000. The low-income housing apartment complex consists of 38 units, of which eight units will be occupied by public housing tenants, under a regulatory and operating agreement. The Authority, under no circumstances, can be compelled to acquire the property or acquire operational responsibility. The \$245,000 investment is shown on the statements of net position as investment in partnership as of September 30, 2016 and 2015, and the partnership is immaterial to report as a component unit of the Authority.

ALLEGHENY COUNTY HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

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

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

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

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

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

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

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

ALLEGHENY COUNTY HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015

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

Emergency Solutions Grant Program (ESG): A grant program to provide assistance to homeless individuals and families, which are funded through HUD and passed through Allegheny County and the City of Pittsburgh.

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

Business Activities: Business activities represent various endeavors by the Authority to supplement the mission of the agency.

Operating Revenues and Expenses

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

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. The Authority as a whole is not required to adopt a legally authorized budget on an annual basis and is therefore not required to present budget to actual financial information as part of its basic financial statements.

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.

ALLEGHENY COUNTY HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015

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.

Fair Value Measurement

The Authority categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Prepaid Expenses

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

Inventories

Materials and supplies are expensed when purchased.

Capital Assets

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

Compensated Absences

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

ALLEGHENY COUNTY HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015

accrued and expensed as earned. Unused sick leave is not paid and, therefore, is not subject to accrual.

Use of Estimates

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

Classifications of Net Position

The following are the three categories of net position:

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

The Authority's restricted net position as of September 30, 2016 consisted of \$14,746,776 restricted in accordance with mixed financing and loan

ALLEGHENY COUNTY HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015

agreements as discussed in Notes 5 and 6, respectively, \$9,003,310 restricted per various partnership escrow agreements in the component units, \$123,796 of net position restricted in the Housing Choice Voucher Program, as this portion of net position is available only for future housing assistance payments, and \$46,191 restricted for modernization and development.

The Authority's restricted net position as of September 30, 2015 consisted of \$15,372,320 restricted in accordance with mixed financing and loan agreements as discussed in Notes 5 and 6, respectively, \$7,319,814 restricted per various partnership escrow agreements in the LIPH Program, and \$8,829 of net position restricted in the Housing Choice Voucher Program, as this portion of net position is available only for future housing assistance payments.

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

Use of Restricted and Unrestricted Resources

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

Reclassification

Certain amounts presented in the prior year have been reclassified in order to be consistent with the current year's presentation.

Adopted Pronouncements

The requirements of the following Governmental Accounting Standards Board (GASB) Statements were adopted for the Authority's 2016 financial statements:

GASB Statement No. 72, "*Fair Value Measurement and Application.*" This statement addresses accounting and financial reporting issues related to fair value measurements.

ALLEGHENY COUNTY HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015

GASB Statement No. 79, “*Certain External Investment Pools and Pool Participants.*” This statement addresses accounting and reporting for certain external investment pools and pool participants.

GASB Statement No. 80, “*Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14.*” This statement improves financial reporting by clarifying the financial statement presentation requirements for certain component units.

Pending Pronouncements

GASB has issued several statements that will become effective in future years including Statements Nos. 84 (Fiduciary Activities) and 85 (Omnibus). Management has not yet determined the impact of these statements on the Authority’s financial statements.

3. CASH AND INVESTMENTS

Cash

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

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

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

As of September 30, 2016, \$1,222,168 of the Authority’s \$21,989,091 bank balance was insured by the Federal Deposit Insurance Corporation. The

ALLEGHENY COUNTY HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015

remaining bank balance was exposed to custodial credit risk, which is collateralized in accordance with Act 72 of the Pennsylvania state legislature, which requires the institution to pool collateral for all governmental deposits and have the collateral held by an approved custodian in the institution's name. These deposits have carrying amounts of \$21,247,332 as of September 30, 2016.

Excluded from the above amounts, but presented as cash and cash equivalents on the statement of net position, are investments of \$1,070,481 (book and bank value), described in more detail under the investments section below.

As of September 30, 2015, \$906,973 of the Authority's \$18,451,840 bank balance was insured by the Federal Deposit Insurance Corporation. The remaining bank balance was exposed to custodial credit risk, which is collateralized in accordance with Act 72 of the Pennsylvania state legislature, which requires the institution to pool collateral for all governmental deposits and have the collateral held by an approved custodian in the institution's name. These deposits have carrying amounts of \$17,621,667 as of September 30, 2015.

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

Investments

Investments consisted of the following at September 30, 2016 and 2015:

Investment Type	Fair Value	
	2016	2015
INVEST	\$ 16,054	\$ 16,020
U.S. Treasury and Federal Agency obligations	1,054,427	978,512
Mutual fund - BlackRock	682,175	644,551
	<u>\$ 1,752,656</u>	<u>\$ 1,639,083</u>

As of September 30, 2016 and 2015, the entire investments in INVEST and U.S. Agencies are considered to be cash equivalents for presentation on the statements of net position.

ALLEGHENY COUNTY HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015

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 Authority can withdraw funds from the external investment pools and BlackRock without limitation. INVEST may also impose certain administration fees.

U.S. Treasury and Federal Agency obligations and mutual funds are valued using quoted market prices (Level 1 inputs).

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, 2016 and 2015, investments in BlackRock have received an AAA rating from Standard & Poor's.

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

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

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

ALLEGHENY COUNTY HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015

4. CAPITAL ASSETS

A summary of changes in capital assets during fiscal year 2016 for the Authority is as follows:

	September 30, 2015	Increases/ Transfers	Decreases/ Transfers	September 30, 2016
Capital assets, not being depreciated:				
Land	\$ 10,060,367	\$ 2,093,040	\$ -	\$ 12,153,407
Construction in progress	9,626,660	3,859,960	(2,807,691)	10,678,929
Total capital assets not being depreciated	19,687,027	5,953,000	(2,807,691)	22,832,336
Capital assets being depreciated:				
Buildings	272,526,776	14,416,359	(199,878)	286,743,257
Furniture, equipment, and machinery - dwellings	16,735,776	-	(65,485)	16,670,291
Furniture, equipment, and machinery - administration	1,976,431	605,474	(27,579)	2,554,326
Total capital assets being depreciated	291,238,983	15,021,833	(292,942)	305,967,874
Less accumulated depreciation for:				
Buildings	(137,737,000)	(8,435,911)	199,878	(145,973,033)
Furniture, equipment, and machinery - dwellings	(9,825,167)	(579,655)	-	(10,404,822)
Furniture, equipment, and machinery - administration	(1,505,906)	(219,717)	27,579	(1,698,044)
Total accumulated depreciation	(149,068,073)	(9,235,283)	227,457	(158,075,899)
Total capital assets being depreciated, net	142,170,910	5,786,550	(65,485)	147,891,975
Total capital assets	\$ 161,857,937	\$ 11,739,550	\$ (2,873,176)	\$ 170,724,311

ALLEGHENY COUNTY HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015

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

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

5. NOTES RECEIVABLE

In 2002, the Authority recorded long-term notes receivable for second mortgages for individuals through the Family Self-Sufficiency program of \$80,000 in component unit Three Rivers and \$71,000 in the LIPH Fund, (total \$151,000), at 0% for twenty years. If a property is sold, the related note becomes due. After ten years, the Authority will forgive these notes at a rate of 10% a year for ten years. The receivables are recorded at their net present value of \$94,333 and \$102,333 as of September 30, 2016 and 2015, respectively.

In fiscal year 2002, the Authority issued a note in the amount of \$534,396, at 5.7% for a term of fourteen years, to assist a local non-profit entity in financing construction costs as related to a property (The Life Center) leased to the non-profit entity by the Authority. This amount owed to the Authority at September 30, 2016 and 2015 was \$0 and \$34,863, respectively.

ALLEGHENY COUNTY HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015

Component unit Three Rivers has a long-term note receivable from St. Joseph Apartment Associates for the St. Joseph property in Wilmerding. The receivable is recorded at its net present value, assuming a 1% interest rate, of \$119,033 at September 30, 2016 and 2015.

In fiscal year 2006, component unit Three Rivers issued multiple second mortgage notes in the amount of \$731,347 at 0% for ten years. If any of the properties (which are located at Pleasant Ridge) are sold, the related note would become due. The Authority amortizes these notes at a rate of 10% a year for ten years, and were fully amortized as of September 30, 2016. Amortization expense for these notes was \$26,420 and \$63,865 in fiscal years 2016 and 2015, respectively. The receivables are recorded at their net present value of \$0 and \$26,420 as of September 30, 2016 and 2015, respectively.

A summary of the above-described notes receivable as of September 30, 2016 and 2015 is as follows:

Note	2016	2015
Second mortgages	\$ 94,333	\$ 102,333
Life Center note	-	34,863
St. Joseph	119,033	119,033
Pleasant Ridge second mortgages	-	26,420
Total	<u>\$ 213,366</u>	<u>\$ 282,649</u>

6. MIXED FINANCE DEVELOPMENT ACTIVITIES

As part of the mixed financing development activities, long-term loans were made by the Authority (or one of its controlled entities) to each of the various partnerships established as part of the mixed financing transaction in order to fund the revitalization of the site.

As further described in Note 1, the Authority has interests in a number of these partnerships, and considers them to be blended component units.

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

ALLEGHENY COUNTY HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015

As of September 30, 2016, the balance of the loans payable to the Authority, and from the partnerships, are as follows:

AMP	Property	September 30, 2016
201	Sharps Terrace	\$ 5,510,075
301	Hays Manor	8,774,231
303	Groveton Village	9,637,281
501	Homestead Apartments	1,340,567
502	Homestead Apartments II	2,044,791
503	Homestead Apartments III	3,019,260
504	Homestead Apartments IV	2,604,049
701	Dumplin Hall	1,703,658
704	John Fraser Hall	3,301,865
801	Negley Gardens	3,117,140
805	Pleasant Ridge I (Ohioview I)	8,570,639
806	Pleasant Ridge II (Ohioview II)	3,829,648
814	Dalton's Edge I (Tarentum I)	2,145,520
815	Dalton's Edge II (Tarentum II)	5,790,226
821	Andrew Carnegie Apartments	1,014,483
824	Orchard Park	3,466,961
	Long-term debt recorded in component units on FDS prior to elimination	<u>\$ 65,870,394</u>

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NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015

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

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

Investment in Mixed Finance Activities

In addition to the partnerships and properties created through mixed financing transactions reported as blended component units as described in Note 1 and previously in this Note, the Authority has invested in some mixed financing housing sites solely as a lender as described below (except for Meyers Ridge where the Authority is also the ground lessor). The Authority holds various notes and mortgages receivable ranging in length from 15 years to 40 years, with no payment being due until maturity. Interest rates range from 0% to 7.11%. These long-term investments are amortized over the life of each note receivable, as it is the Authority's intent to continue to utilize these properties for its low-income housing mission over the life of these loans. Amortization expense is included in depreciation and amortization expense in the statements of revenues, expenses, and changes in net position.

ALLEGHENY COUNTY HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015

As of September 30, 2016, the balance of the notes receivable, which is considered an investment in mixed finance activities, was as follows:

<u>Property</u>	<u>Term</u>	<u>Due Date</u>	<u>Amount</u>
Lavender Heights	30 years	04/01/2029	\$ 505,300
Monroe Meadows	30 years	01/10/2031	940,500
Forest Green #1	40 years	08/14/2040	2,475,000
Meyers Ridge	40 years	02/13/2040	3,238,830
Forest Green #2	40 years	08/14/2040	49,715
Meyers 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	1,336,021
North Hills Housing #2	40 years	03/01/2051	<u>799,140</u>
Subtotal			21,577,139
Accumulated amortization as of September 30, 2015		\$ (6,501,293)	
Amortization for the year ended September 30, 2016		<u>(542,436)</u>	
	Accumulated amortization as of September 30, 2016		<u>(7,043,729)</u>
	Balance at September 30, 2016		<u>\$ 14,533,410</u>

ALLEGHENY COUNTY HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015

As of September 30, 2015, the balance of the notes receivable, which is considered an investment in mixed finance activities, was as follows:

<u>Property</u>	<u>Term</u>	<u>Due Date</u>	<u>Amount</u>
Lavender Heights	30 years	04/01/2029	\$ 505,300
Monroe Meadows	30 years	01/10/2031	940,500
Forest Green #1	40 years	08/14/2040	2,475,000
Meyers Ridge	40 years	02/13/2040	3,238,830
Forest Green #2	40 years	08/14/2040	49,715
Meyers Ridge #2	40 years	08/01/2040	3,124,045
Caldwell Station *	15 years	06/18/2012	434,000
Ohioview Infrastructure	40 years	10/17/2044	8,674,588
North Hills Housing #1	40 years	03/01/2051	1,338,396
North Hills Housing #2	40 years	03/01/2051	<u>810,590</u>
Subtotal			21,590,964
Accumulated amortization as of September 30, 2014		\$ (5,958,857)	
Amortization for the year ended September 30, 2015		<u>(542,436)</u>	
	Accumulated amortization as of September 30, 2015		<u>(6,501,293)</u>
	Balance at September 30, 2015		<u>\$ 15,089,671</u>

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

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

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FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015

	<u>September 30, 2016</u>
Notes, loans, & mortgages receivable - mixed financing partnerships	\$ 80,403,804
Elimination of loans between the Authority & controlled entities	<u>(65,870,394)</u>
Investment in mixed finance activities, net of accumulated amortization recorded on statement of net position	<u>\$ 14,533,410</u>
	<u>September 30, 2015</u>
Notes, loans, & mortgages receivable - mixed financing partnerships	\$ 75,381,880
Elimination of loans between the Authority & controlled entities	<u>(60,292,209)</u>
Investment in mixed finance, net of accumulated amortization recorded on statement of net position	<u>\$ 15,089,671</u>

Other Component Unit Activities

In 2009, component unit Three Rivers issued a note in the amount of \$164,302 to Glenshaw, to refinance a previous note, which is unrelated to mixed financing activities. The amount outstanding was \$113,975 and \$122,093 as of September 30, 2016 and 2015, respectively. As this amount is due between component units, it is eliminated for presentation on the financial statements.

7. LONG-TERM DEBT

Notes and Mortgages Payable

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

Homestead Housing Development Limited Partnership (a blended component unit of the Authority) has a note payable in an original principal amount of \$806,139 payable to Pennsylvania Housing Finance Agency, due May 2032. Annual payments of

ALLEGHENY COUNTY HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015

\$26,871 are to be paid from surplus of revenues over expenses, if any, generated by the project during the calendar year. No interest will be due and payable. The note is collateralized by a first leasehold mortgage on the apartment complex.

In November 2005, Ohioview Housing Limited Partnership, (a blended component unit of the Authority) obtained a note payable in an original principal amount of \$500,000 (of which \$470,000 was borrowed as of September 30, 2016 and 2015) payable to Action Housing Inc., due November 2045. Annual principal payments are to be paid from surplus of revenues over expenses, if any, generated by the project during the calendar year. No interest will be due and payable. The note is collateralized by a first leasehold mortgage on the apartment complex.

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

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

In 2012, the Authority purchased 40 units to be converted to public housing at Pine Ridge in exchange for assuming the mortgages on the building and providing \$240,000 in cash. The principal balance of the mortgage assumed was \$777,759 payable to the Pennsylvania Housing Finance Agency, due February 2030. Annual payments are due in an amount equal to 50% of the surplus of revenues over expenses, if any, generated by the project during the calendar year. In addition, the Authority also assumed an additional mortgage on the property in the amount of \$170,063, payable in full in December 2029. No interest will be due and payable on these notes. Both notes are collateralized by a first leasehold mortgage on the respective property.

ALLEGHENY COUNTY HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015

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

In October 2012, the Authority purchased 20 units that were converted to public housing at the Meadows at Forest Glen. As part of the purchase, the Authority assumed the mortgages on the building and provided \$388,000 in cash. The balance of the first mortgage assumed was \$960,000 in principal and \$649,728 of accrued interest, with an interest rate of 5.64%, due August 2029. Accrued interest was \$852,768 and \$798,624 at September 30, 2016 and 2015, respectively. Annual payments are due in an amount equal to 75% of cash flow up to 1% of the original principal balance and then 50% of cash flow. The note is collateralized by a mortgage on the property. The principal balance of the second mortgage assumed was \$50,000, with an interest rate of 0%, with no payments due until August 2019. The note is collateralized by a mortgage on the property.

In November 2008, the Authority (through their component unit Three Rivers) purchased four rental properties. As part of that purchase, the Authority assumed the remaining portion of the existing mortgages on three of these properties. These mortgage notes were paid in full in 2015.

In 2016, the Authority purchased 20 units that were converted to public housing at Orchard Park. As part of the purchase, the Authority assumed the mortgages on the building. The balance of the first mortgage assumed was \$475,000 in principal, with an interest rate of 0%, due 30 years from the date of construction completion of the project. Annual payments are due in an amount equal to 50% of excess revenue. The principal balance of the second mortgage assumed was \$740,000, with an interest rate of 0%, due in October 2064. Annual payments are due in an amount equal to 50% of cash flow. Both notes are collateralized by a mortgage, a regulatory agreement, and a security agreement on the property.

CFFP Notes Payable

In 2006, the Authority issued four notes in the amount of \$500,000, \$700,000, \$2,800,000, and \$2,000,000. These notes were issued to assist in providing funding for continuing mixed financing projects as described in Notes 1 and 5 and bear interest at rates of 4.46%, 6.58%, 6.58%, and 7.02%, respectively. Payments of principal and interest are due annually through October 2025. The notes are

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NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015

collateralized by future Capital Fund grant revenues of the Authority. As of September 30, 2016, the aggregate principal balance outstanding was \$3,000,000. A summary of future payments on these note obligations is as follows:

<u>Fiscal Year Ending</u> <u>September 30,</u>	<u>Principal</u> <u>Payment</u>	<u>Interest</u> <u>Payment</u>
2017	\$ 300,000	\$ 196,474
2018	300,000	176,826
2019	300,000	157,179
2020	300,000	137,532
2021	300,000	117,885
2022-2026	<u>1,500,000</u>	<u>294,709</u>
	<u>\$ 3,000,000</u>	<u>\$ 1,080,605</u>

Capital Lease

In January 2014, the Authority entered into an agreement in the amount of \$6,354,654 to (1) refinance the 2001, 2003, and 2007 capital leases, (2) install certain energy saving capital equipment to the Authority's owned and operated public housing in the amount of \$4,346,400, and (3) finance the costs of issuance of the capital lease. The lease will be paid back in 77 monthly installments of varying amounts, commencing January 1, 2014, at an effective interest rate of 2.19%, scheduled as follows:

<u>Fiscal Year Ending</u> <u>September 30,</u>	<u>Minimum</u> <u>Lease Payments</u>
2017	\$ 1,057,486
2018	1,089,865
2019	1,123,234
2020	<u>625,482</u>
Total payments	3,896,067
Less: interest	<u>153,277</u>
Present value	<u>\$ 3,742,790</u>

ALLEGHENY COUNTY HOUSING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015

Included as capital leases are approximately \$4.4 million in capital assets: furniture, equipment, and machinery – dwellings, along with accumulated depreciation of approximately \$634,000.

In addition to the above leases, the Authority has additional capital leases totaling approximately \$45,000, which are not considered to be material.

Total long-term debt payments are as follows:

Fiscal Year Ending September 30,	
2017	\$ 1,598,680
2018	1,566,691
2019	1,834,502
2020	1,063,013
2021	417,885
2022-2026	2,324,308
2027-2031	2,760,590
2032-2036	1,720,739
2042 (Groveton)	345,000
2045 (Ohioview I, Orchard Park)	945,000
2046 (Ohioview II)	1,250,000
2064 (Orchard Park)	740,000
Total minimum debt payments	16,566,408
Less: amounts representing interest	1,233,881
Future minimum debt payments	<u>\$ 15,332,527</u>

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NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015

Changes in Long-Term Liabilities

The schedule of changes in long-term liability activity for the year ended September 30, 2016 is presented below:

	Balance at September 30, 2015	Additions	Reductions	Balance at September 30, 2016	Due Within One Year
Groveton Housing, LP Note	\$ 345,000	\$ -	\$ -	\$ 345,000	\$ -
Homestead Housing, LP Note	806,139	-	-	806,139	-
Ohioview Housing I, LP Note	470,000	-	-	470,000	-
Tarentum Housing I, LP Note	914,600	-	-	914,600	-
Ohioview Housing II, LP Note	1,250,000	-	-	1,250,000	-
Pine Ridge Note	777,759	-	-	777,759	-
Pine Ridge Note	170,063	-	-	170,063	-
Pine Ridge Notes	204,089	-	-	204,089	-
St. Brendan Apartments Note	530,000	-	-	530,000	-
Meadows at Forest Glen Note	1,808,624	54,144	-	1,862,768	-
Orchard Park Notes	-	1,215,000	-	1,215,000	-
CFFP Notes Payable	3,300,000	-	(300,000)	3,000,000	300,000
Capital Leases	4,803,127	-	(1,016,018)	3,787,109	1,007,176
Total long-term debt	15,379,401	1,269,144	(1,316,018)	15,332,527	1,307,176
Compensated Absences	891,180	238,212	(178,235)	951,157	190,233
Other Noncurrent	505,934	72,961	-	578,895	-
Total other noncurrent liabilities	1,397,114	311,173	(178,235)	1,530,052	190,233
Total long-term liabilities	\$ 16,776,515	\$ 1,580,317	\$ (1,494,253)	\$ 16,862,579	\$ 1,497,409

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NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015

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

	Balance at September 30, 2014	Additions	Reductions	Balance at September 30, 2015	Due Within One Year
Groveton Housing, LP Note	\$ 345,000	\$ -	\$ -	\$ 345,000	\$ -
Homestead Housing, LP Note	806,139	-	-	806,139	-
Ohioview Housing I, LP Note	470,000	-	-	470,000	-
Tarentum Housing I, LP Note	914,600	-	-	914,600	-
Ohioview Housing II, LP Note	1,250,000	-	-	1,250,000	-
Pine Ridge Note	777,759	-	-	777,759	-
Pine Ridge Note	170,063	-	-	170,063	-
Pine Ridge Notes	204,089	-	-	204,089	-
St. Brendan Apartments Note	530,000	-	-	530,000	-
Meadows at Forest Glen Note	1,754,480	54,144	-	1,808,624	-
Three Rivers Rental Properties Notes	441,781	-	(441,781)	-	-
CFFP Notes Payable	3,600,000	-	(300,000)	3,300,000	300,000
Capital Leases	5,715,151	-	(912,024)	4,803,127	1,016,354
Total long-term debt	<u>16,979,062</u>	<u>54,144</u>	<u>(1,653,805)</u>	<u>15,379,401</u>	<u>1,316,354</u>
Compensated Absences	824,677	231,437	(164,934)	891,180	178,235
Other Noncurrent	573,504	-	(67,570)	505,934	-
Total other noncurrent liabilities	<u>1,398,181</u>	<u>231,437</u>	<u>(232,504)</u>	<u>1,397,114</u>	<u>178,235</u>
Total long-term liabilities	<u>\$ 18,377,243</u>	<u>\$ 285,581</u>	<u>\$ (1,886,309)</u>	<u>\$ 16,776,515</u>	<u>\$ 1,494,589</u>

8. 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

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the use of the building, specifically that it will be used for an adult daily living center, licensed by the Pennsylvania Department of Aging.

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

Minimum yearly payments are as follows:

Fiscal Year Ending September 30,	Amount
2017	\$ 233,052
2018	236,496
2019	240,042
2020	243,588
2021	247,242
2022	125,448
	<u>\$ 1,325,868</u>

The net book value of this building was approximately \$1,961,000 and \$2,077,000 as of September 30, 2016 and 2015, respectively.

9. 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 2016 and 2015, the Authority contributed from 8% to 8.5% of the employee's salary, based upon their employment contract. The employee's mandatory contribution is 4% of salary, with optional employee contributions permitted up to a maximum of \$18,000 in 2016 and 2015, and an additional \$6,000 catch-up for certain employees over age 50 in 2016 and 2015. After five years of service, participants are 100% vested. The Authority deposits the total contribution with a trustee for investment and administration. Employer contributions for the years ended September 30, 2016 and 2015 were approximately \$710,000 and \$689,000, respectively. Employee contributions for the years ended

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September 30, 2016 and 2015 were approximately \$523,000 and \$501,000, respectively.

10. OPERATING LEASE

The Authority entered into a non-cancelable lease agreement for their current office space in March 2002, for which the lease expires on December 31, 2017. In March 2017, the Authority entered into an amended lease agreement for an additional two years which expires on December 31, 2019. Rental expense for the office lease amounted to approximately \$330,000 for the years ended September 30, 2016 and 2015.

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

<u>Fiscal Year Ending September 30,</u>	<u>Minimum Lease Payments</u>
2017	\$ 330,110
2018	333,357
2019	372,124
2020	96,032
	<u>\$ 1,131,623</u>

11. CONTINGENCIES, CONCENTRATIONS, AND COMMITMENTS

The Authority is a defendant in various lawsuits, for which it believes it has meritorious defenses. Outcomes that would have a material impact on the Authority's financial status are not anticipated at this time.

The Authority is economically dependent on receiving operating subsidies and grant funding from HUD. The Authority's ability to maintain or improve operations would be severely impacted by a material reduction in HUD funds. Reductions in operating subsidies could occur in fiscal year 2017, but any such reductions are not currently expected to have an immediate material adverse impact to the Authority.

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

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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, 2016 amounted to approximately \$7.3 million.

12. 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

2016													
Line Item No.	Description	14.850	14.871	14.181	14.856	14.870	14.231						
		Total LIPH	Section 8 Housing Choice Voucher	Section 8 - Mainstream	Total Section 8 - Mod Rehab	Total ROSS/FSS	Total ESG	Total State/Local	Total Business Activities	Total Component Units	Subtotal	Elimination	Total
111	Cash - unrestricted	5,739,226	227,066	72,541	183,354	-	-	-	53,384	5,657,222	11,932,793	-	11,932,793
112	Cash - restricted - modernization and development	46,191	-	-	-	-	-	-	-	-	46,191	-	46,191
113	Cash - other restricted	606,524	555,942	-	-	-	-	-	-	8,396,786	9,559,252	-	9,559,252
114	Cash - tenant security deposits	467,386	-	-	-	-	-	-	-	312,051	779,437	-	779,437
115	Cash - restricted for payment of current liability	140	-	-	-	-	-	-	-	-	140	-	140
100	Total Cash	6,859,467	783,008	72,541	183,354	-	-	-	53,384	14,366,059	22,317,813	-	22,317,813
121	Accounts receivable - PHA projects	-	-	-	-	-	-	-	-	-	-	-	-
122-010	Accounts receivable - HUD other projects - Operating Subsidy	-	-	-	-	-	-	-	-	-	-	-	-
122-020	Accounts receivable - HUD other projects - Capital fund	157,234	-	-	-	-	-	-	-	-	157,234	-	157,234
122-030	Accounts receivable - HUD other projects - Other	-	-	-	-	56,417	-	-	-	-	56,417	-	56,417
122	Accounts receivable - HUD other projects	157,234	-	-	-	56,417	-	-	-	-	213,651	-	213,651
124	Account receivable - other government	-	-	-	-	-	-	29,553	-	-	29,553	-	29,553
125-010	Account receivable - miscellaneous - Not For Profit	-	-	-	-	-	-	-	-	-	-	-	-
125-020	Account receivable - miscellaneous - Partnership	-	-	-	-	-	-	-	-	-	-	-	-
125-030	Account receivable - miscellaneous - Joint Venture	-	-	-	-	-	-	-	-	-	-	-	-
125-040	Account receivable - miscellaneous - Tax Credit	-	-	-	-	-	-	-	-	-	-	-	-
125-050	Account receivable - miscellaneous - Other	567,118	11,056	-	-	-	-	-	-	174,618	752,792	-	752,792
125	Account receivable - miscellaneous	567,118	11,056	-	-	-	-	-	-	174,618	752,792	-	752,792
126	Accounts receivable - tenants	155,773	-	-	-	-	-	-	-	63,807	219,580	-	219,580
126.1	Allowance for doubtful accounts - tenants	(60,761)	-	-	-	-	-	-	-	(19,924)	(80,685)	-	(80,685)
126.2	Allowance for doubtful accounts - other	-	-	-	-	-	-	-	-	-	-	-	-
127	Notes, Loans, & Mortgages Receivable - Current	-	-	-	-	-	-	-	-	-	-	-	-
128	Fraud recovery	11,466	-	-	-	-	-	-	-	15,239	26,705	-	26,705
128.1	Allowance for doubtful accounts - fraud	-	-	-	-	-	-	-	-	-	-	-	-
129	Accrued interest receivable	-	-	-	-	-	-	-	-	-	-	-	-
120	Total receivables, net of allowance for doubtful accounts	830,830	11,056	-	-	56,417	-	29,553	-	233,740	1,161,596	-	1,161,596
131	Investments - unrestricted	527,229	-	-	-	-	-	-	-	-	527,229	-	527,229
132	Investments - restricted	154,946	-	-	-	-	-	-	-	-	154,946	-	154,946
135	Investments - restricted for payment of current liability	-	-	-	-	-	-	-	-	-	-	-	-
142	Prepaid expenses and other assets	276,743	-	-	-	-	-	-	-	207,154	483,897	-	483,897
143	Inventories	-	-	-	-	-	-	-	-	2,187	2,187	-	2,187
143.1	Allowance for obsolete inventories	-	-	-	-	-	-	-	-	-	-	-	-
144	Inter program - due from	85,970	-	-	-	-	-	-	-	-	85,970	(85,970)	-
145	Assets held for sale	-	-	-	-	-	-	-	-	-	-	-	-
150	Total Current Assets	8,735,185	794,064	72,541	183,354	56,417	-	29,553	53,384	14,809,140	24,733,638	(85,970)	24,647,668
161	Land	5,372,938	-	-	-	-	-	-	-	6,780,469	12,153,407	-	12,153,407
162	Buildings	131,243,065	-	-	-	-	-	-	2,884,221	152,615,971	286,743,257	-	286,743,257
163	Furniture, equipment and machinery - dwellings	15,339,568	-	-	-	-	-	-	-	1,330,723	16,670,291	-	16,670,291
164	Furniture, equipment and machinery - administration	1,409,012	199,655	-	-	-	-	-	-	945,659	2,554,326	-	2,554,326
165	Leasehold improvements	-	-	-	-	-	-	-	-	-	-	-	-
166	Accumulated depreciation	(110,080,389)	(171,313)	-	-	-	-	-	(922,951)	(46,901,246)	(158,075,899)	-	(158,075,899)
167	Construction in progress	10,296,929	-	-	-	-	-	-	-	382,000	10,678,929	-	10,678,929
168	Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-
160	Total capital assets, net of accumulated depreciation	53,581,123	28,342	-	-	-	-	-	1,961,270	115,153,576	170,724,311	-	170,724,311
171-010	Notes, Loans, & mortgages receivable - Non-current - Not For Profit	-	-	-	-	-	-	-	-	-	-	-	-
171-020	Notes, Loans, & mortgages receivable - Non-current - Partnership	73,789,431	-	-	-	-	-	-	-	6,614,373	80,403,804	(65,870,394)	14,533,410
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	-	-	-	-	-	-	-	142,366	213,366	-	213,366
171	Notes, Loans, & mortgages receivable - Non-current	73,860,431	-	-	-	-	-	-	-	6,756,739	80,617,170	(65,870,394)	14,746,776
172-010	Notes, Loans, & mortgages receivable - Non-current - past due - NFP	-	-	-	-	-	-	-	-	-	-	-	-
172-020	Notes, Loans, & mortgages receivable - Non-current - Partnership	-	-	-	-	-	-	-	-	-	-	-	-
172-030	Notes, Loans, & mortgages receivable - Non-current - Joint Venture	-	-	-	-	-	-	-	-	-	-	-	-
172-040	Notes, Loans, & mortgages receivable - Non-current - Tax Credit	-	-	-	-	-	-	-	-	-	-	-	-
172-050	Notes, Loans, & mortgages receivable - Non-current - Other	-	-	-	-	-	-	-	-	-	-	-	-
172	Notes, Loans, & mortgages receivable - Non-current - past due	-	-	-	-	-	-	-	-	-	-	-	-
173	Grants receivable - Non-current	-	-	-	-	-	-	-	-	-	-	-	-
174-010	Other assets - Not For Profit	-	-	-	-	-	-	-	-	-	-	-	-
174-020	Other assets - Partnership	-	-	-	-	-	-	-	-	-	-	-	-
174-030	Other assets - Joint Venture	-	-	-	-	-	-	-	-	-	-	-	-
174-040	Other assets - Tax Credit	-	-	-	-	-	-	-	-	-	-	-	-
174-050	Other assets - Other	-	-	-	-	-	-	-	-	112,617	112,617	-	112,617
174	Other assets	-	-	-	-	-	-	-	-	112,617	112,617	-	112,617
176-010	Investment in Joint venture - Not For Profit	-	-	-	-	-	-	-	-	-	-	-	-
176-020	Investment in Joint venture - Partnership	-	-	-	-	-	-	-	-	245,000	245,000	-	245,000
176-030	Investment in Joint venture - Joint Venture	-	-	-	-	-	-	-	-	-	-	-	-
176-040	Investment in Joint venture - Tax Credit	-	-	-	-	-	-	-	-	-	-	-	-
176-050	Investment in Joint venture - Other	-	-	-	-	-	-	-	-	-	-	-	-
176	Investment in joint venture	-	-	-	-	-	-	-	-	245,000	245,000	-	245,000
180	Total Non-current Assets	127,441,554	28,342	-	-	-	-	-	1,961,270	122,267,932	251,699,098	(65,870,394)	185,828,704
190	Total Assets	136,176,739	822,406	72,541	183,354	56,417	-	29,553	2,014,654	137,077,072	276,432,736	(65,956,364)	210,476,372

2016													
Line Item No.	Description	14.850	14.871	14.181	14.856	14.870	14.231						
		Total LIPH	Section 8 Housing Choice Voucher	Section 8 - Mainstream	Total Section 8 - Mod Rehab	Total ROSS/FSS	Total ESG	Total State/Local	Total Business Activities	Total Component Units	Subtotal	Elimination	Total
311	Bank overdraft	-	-	-	-	-	-	-	-	-	-	-	-
312	Accounts payable <= 90 days	535,415	-	-	282	-	-	-	-	997,299	1,532,996	-	1,532,996
313	Accounts payable > 90 days past due	-	-	-	-	-	-	-	-	-	-	-	-
321	Accrued wage/payroll taxes payable	71,605	-	-	-	-	-	-	-	35,220	106,825	-	106,825
322	Accrued compensated absences - current portion	144,545	26,013	-	-	-	-	-	-	19,675	190,233	-	190,233
324	Accrued contingency liability	-	-	-	-	-	-	-	-	-	-	-	-
325	Accrued interest payable	-	-	-	-	-	-	-	-	-	-	-	-
331-010	Accounts payable - HUD PHA Programs - Operating Subsidy	-	703	-	53,712	-	-	-	-	-	54,415	-	54,415
331-020	Accounts payable - HUD PHA Programs - Capital fund	24,294	-	-	-	-	-	-	-	-	24,294	-	24,294
331-030	Accounts payable - HUD PHA Programs - Other	-	-	-	-	-	-	-	28,328	-	28,328	-	28,328
331	Accounts payable - HUD PHA Programs	24,294	703	-	53,712	-	-	-	28,328	-	107,037	-	107,037
332	Accounts payable - PHA Projects	-	-	-	-	-	-	-	-	-	-	-	-
333	Accounts payable - other government	238,584	-	-	-	-	-	-	-	49,635	288,219	-	288,219
341	Tenant security deposits	467,386	-	-	-	-	-	-	-	312,051	779,437	-	779,437
342-010	Unearned revenue - Operating Subsidy	-	-	-	-	-	-	-	-	-	-	-	-
342-020	Unearned revenue - Capital fund	-	-	-	-	-	-	-	-	-	-	-	-
342-030	Unearned revenue - Other	-	-	-	-	-	-	-	-	52,665	52,665	-	52,665
342	Unearned Revenue	-	-	-	-	-	-	-	-	52,665	52,665	-	52,665
343-010	CFFP	35,259	-	-	-	-	-	-	-	-	35,259	-	35,259
343-020	Capital Projects/ Mortgage Revenue	990,904	13,032	-	-	-	-	-	-	3,240	1,007,176	-	1,007,176
343	Current portion of LTD - capital projects/mortgage revenue bonds	1,026,163	13,032	-	-	-	-	-	-	3,240	1,042,435	-	1,042,435
344	Current portion of long-term debt - operating borrowings	264,741	-	-	-	-	-	-	-	-	264,741	-	264,741
345	Other current liabilities	409,258	-	-	-	-	-	-	-	1,160,162	1,569,420	-	1,569,420
346	Accrued liabilities - other	49	-	-	-	-	-	-	-	49	49	-	49
347	Inter program - due to	-	-	-	-	56,417	-	29,553	-	-	85,970	(85,970)	-
348	Loan liability - current	-	-	-	-	-	-	-	-	-	-	-	-
310	Total Current Liabilities	3,182,040	39,748	-	53,994	56,417	-	29,553	28,328	2,629,947	6,020,027	(85,970)	5,934,057
351-010	Long-term debt - CFFP	-	317,330	-	-	-	-	-	-	-	317,330	-	317,330
351-020	Long-term - Capital Projects/ Mortgage Revenue	4,640,833	2,269	-	-	-	-	-	-	72,552,643	77,195,745	(65,870,394)	11,325,351
351	Capital Projects/ Mortgage Revenue Bonds	4,958,163	2,269	-	-	-	-	-	-	72,552,643	77,513,075	(65,870,394)	11,642,681
352	Long-term debt, net of current - operating borrowings	2,382,670	-	-	-	-	-	-	-	-	2,382,670	-	2,382,670
353	Non-current liabilities - other	146,749	432,146	-	-	-	-	-	-	-	578,895	-	578,895
354	Accrued compensated absences- Non-current	578,177	104,052	-	-	-	-	-	-	78,695	760,924	-	760,924
355	Loan liability - Non-current	-	-	-	-	-	-	-	-	-	-	-	-
356	FASB 5 Liabilities	-	-	-	-	-	-	-	-	-	-	-	-
357	Accrued Pension and OPEB Liability	-	-	-	-	-	-	-	-	-	-	-	-
350	Total Non-Current Liabilities	8,065,759	538,467	-	-	-	-	-	-	72,631,338	81,235,564	(65,870,394)	15,365,170
300	Total Liabilities	11,247,799	578,215	-	53,994	56,417	-	29,553	28,328	75,261,285	87,255,591	(65,956,364)	21,299,227
508.1	Net investment in capital assets	47,596,797	13,041	-	-	-	-	-	1,961,270	42,597,693	92,168,801	65,870,394	158,039,195
511.1	Restricted Net Position	74,513,146	123,796	-	-	-	-	-	-	15,153,525	89,790,467	(65,870,394)	23,920,073
512.1	Unrestricted Net Position	2,818,997	107,354	72,541	129,360	-	-	-	25,056	4,064,569	7,217,877	-	7,217,877
513	Total Equity/Net Position	124,928,940	244,191	72,541	129,360	-	-	-	1,986,326	61,815,787	189,177,145	-	189,177,145
600	Total Liabilities and Equity/Net Position	136,176,739	822,406	72,541	183,354	56,417	-	29,553	2,014,654	137,077,072	276,432,736	(65,956,364)	210,476,372

2016			740	790									
Line Item No.	Description	14.850	14.871	14.181	14.856	14.870	14.231						
		Total LIHP	Section 8 Housing Choice Voucher	Section 8 - Mainstream	Total Section 8 - Mod Rehab	Total Ross/FSS	Total ESG	Total State/Local	Total Business Activities	Total Component Units	Subtotal	Elimination	Total
70300	Net tenant rental revenue	5,750,160			-	-	-	-	-	4,768,849	10,519,009	-	10,519,009
70400	Tenant revenue - other	69,060			-	-	-	-	-	17,056	86,116	-	86,116
70500	Total Tenant Revenue	5,819,220	-	-	-	-	-	-	-	4,785,905	10,605,125	-	10,605,125
70600-010	Housing assistance payments		33,431,716	260,888	427,165						34,119,769	-	34,119,769
70600-020	Ongoing administrative fees earned		3,198,120	40,028	48,969						3,287,117	-	3,287,117
70600-030	FSS Coordinator											-	
70600-040	Actual independent public accountant audit costs											-	
70600-050	Total preliminary fees earned											-	
70600-060	Interest earned on advances											-	
70600-070	Admin fee calculation description											-	
70600	HUD PHA operating grants	13,865,806	36,629,836	300,916	476,134	608,618	-	-	-	-	51,881,310	-	51,881,310
70610	Capital grants	3,919,310									3,919,310	-	3,919,310
70710	Management Fee	2,482,924									2,482,924	(2,482,924)	-
70720	Asset Management Fee	196,620									196,620	(196,620)	-
70730	Book-Keeping Fee	726,795									726,795	(726,795)	-
70740	Front Line Service Fee	3,112,429									3,112,429	(3,112,429)	-
70750	Other Fees												-
70700	Total Fee Revenue	6,518,768	-	-	-	-	-	-	-	-	6,518,768	(6,518,768)	-
70800	Other government grants						81,854	129,553		3,415,731	3,627,138	(3,415,731)	211,407
71100-010	Housing Assistance Payment - investment income unrestricted												
71100-020	Administrative Fee - investment income unrestricted		52										
71100	Investment income - unrestricted	2,059	52						5	19,402	21,518		21,518
71200	Mortgage interest income	2,111,223									2,111,223	(2,111,223)	-
71300	Proceeds from disposition of assets held for sale												-
71310	Cost of sale of assets												-
71400-010	Housing Assistance Payment - fraud recovery												
71400-020	Administrative Fee - fraud recovery		19,646										
71400	Fraud recovery		19,646							50	19,696		19,696
71500	Other revenue	1,417,243	3,224,956	14,903	2,737					14,080,078	18,739,917		18,739,917
71600	Gain or loss on sale of capital assets	1,510									1,510		1,510
72000-010	Housing Assistance Payment - investment income restricted												
72000-020	Administrative Fee - investment income restricted												
72000	Investment income - restricted								109	4,306	4,415		4,415
70000	Total Revenue	33,655,139	39,874,490	315,819	478,871	608,618	81,854	129,553	114	22,305,472	97,449,930	(12,045,722)	85,404,208
91100	Administrative salaries	2,044,791	955,319					84,811		540,501	3,625,422		3,625,422
91200	Auditing fees	62,218	13,748							172,523	248,489		248,489
91300	Management Fee	1,445,717	829,224	8,352	8,832					190,799	2,482,924	(2,482,924)	-
91310	Book-Keeping Fee	197,790	518,265	5,220	5,520						726,795	(726,795)	-
91400	Advertising and Marketing	8,767	616							882	10,265		10,265
91500	Employee benefit contributions - administrative	821,040	400,706					22,483		264,399	1,508,628		1,508,628
91600	Office Expenses	610,621	426,572					20,175		197,727	1,255,095		1,255,095
91700	Legal Expense	200,431	626							107,882	308,939		308,939
91800	Travel	85,591	29,397			8,947		687		14,813	139,435		139,435
91810	Allocated Overhead												-
91900	Other	1,333,641			3	56,592	81,854	1,397	1,027	795,417	2,269,931		2,269,931
91000	Total Operating-Administrative	6,810,607	3,174,473	13,572	14,355	65,539	81,854	129,553	1,027	2,284,943	12,575,923	(3,209,719)	9,366,204
92000	Asset Management Fee	196,620									196,620	(196,620)	-
92100	Tenant services - salaries	22,548				411,391					433,939		433,939
92200	Relocation Costs	4,080									4,080		4,080
92300	Employee benefit contributions - tenant services	761				131,688					132,449		132,449
92400	Tenant services - other	85,705								136,815	222,520		222,520
92500	Total Tenant Services	113,094	-	-	-	543,079	-	-	-	136,815	792,988	-	792,988
93100	Water	625,593								305,311	930,904		930,904
93200	Electricity	1,303,824								667,128	1,970,952		1,970,952
93300	Gas	479,472								205,331	684,803		684,803
93400	Fuel												-
93500	Labor												-
93600	Sewer	995,005								558,057	1,553,062		1,553,062
93700	Employee benefit contributions - utilities												-
93750	HAP Portability-In												-
93800	Other utilities expense												-
93000	Total Utilities	3,403,894	-	-	-	-	-	-	-	1,735,827	5,139,721	-	5,139,721

2016													
Line Item No.	Description	14.850	740 14.871	790 14.181	14.856	14.870	14.231						
		Total LIHP	Section 8 Housing Choice Voucher	Section 8 - Mainstream	Total Section 8 - Mod Rehab	Total Ross/FSS	Total ESG	Total State/Local	Total Business Activities	Total Component Units	Subtotal	Elimination	Total
94100	Ordinary maintenance and operations - labor	2,723,191			-	-	-	-	-	666,380	3,389,571	-	3,389,571
94200	Ordinary maintenance and operations - materials and other	847,634	25		-	-	-	-	-	485,609	1,333,268	-	1,333,268
94300	Ordinary maintenance and operations contracts	3,294,854	-	-	-	-	-	-	-	1,791,341	5,086,195	(3,112,429)	1,973,766
94500	Employee benefit contribution - ordinary maintenance	1,040,149			-	-	-	-	-	290,957	1,331,106	-	1,331,106
94000	Total Maintenance	7,905,828	25	-	-	-	-	-	-	3,234,287	11,140,140	(3,112,429)	8,027,711
95100	Protective services - labor	518,439								-	518,439	-	518,439
95200	Protective services - other contract costs	29,342								426	29,768	-	29,768
95300	Protective services - other	3,354								-	3,354	-	3,354
95500	Employee benefit contributions - protective services	173,963								-	173,963	-	173,963
95000	Total Protective Services	725,098	-	-	-	-	-	-	-	426	725,524	-	725,524
96110	Property Insurance	495,831	7,251	-	-	-	-	-	-	362,428	865,510	-	865,510
96120	Liability Insurance	77,142	20,005	-	-	-	-	-	-	155,803	252,950	-	252,950
96130	Workmen's Compensation	286,926	16,383	-	-	-	-	-	-	66,102	369,411	-	369,411
96140	All other Insurance	122,208	12,678	-	-	-	-	-	-	20,853	155,739	-	155,739
96100	Total Insurance Premiums	982,107	56,317	-	-	-	-	-	-	605,186	1,643,610	-	1,643,610
96200	Other general expenses	4,394,923	209,623		172	-	-	-	-	171,723	4,776,441	(3,415,731)	1,360,710
96210	Compensated absences	81,400	25,552		-	-	-	-	-	27,176	134,128	-	134,128
96300	Payments in lieu of taxes	225,968			-	-	-	-	-	212,149	438,117	-	438,117
96400	Bad debt - tenant rents	161,430			-	-	-	-	-	88,006	249,436	-	249,436
96500	Bad debt - mortgages	-			-	-	-	-	-	-	-	-	-
96600	Bad debt - other	-	740		1,328	-	-	-	-	-	2,068	-	2,068
96800	Severance expense	-			-	-	-	-	-	-	-	-	-
96000	Total Other General Expenses	4,863,721	235,915	-	1,500	-	-	-	-	499,054	5,600,190	(3,415,731)	2,184,459
96710	Interest of Mortgage (or Bonds) Payable	270,589			-	-	-	-	-	6,691	277,280	-	277,280
96720	Interest on Notes Payable (Short and Long Term)	94,692	1,221		-	-	-	-	-	2,151,654	2,247,567	(2,111,223)	136,344
96730	Amortization of Bond Issue Costs	-			-	-	-	-	-	-	-	-	-
96700	Interest Expense and Amortization Cost	365,281	1,221	-	-	-	-	-	-	2,158,345	2,524,847	(2,111,223)	413,624
96900	Total Operating Expenses	25,366,250	3,467,951	13,572	15,855	608,618	81,854	129,553	1,027	10,654,883	40,339,563	(12,045,722)	28,293,841
97000	Excess Revenue Over Operating Expenses	8,288,889	36,406,539	302,247	463,016	-	-	-	(913)	11,650,589	57,110,367	-	57,110,367
97100	Extraordinary maintenance	109,783								52,767	162,550	-	162,550
97200	Casualty losses- Non-capitalized	20,383								42,837	63,220	-	63,220
97300-010	Mainstream 1 & 5 year										-	-	-
97300-020	Home-Ownership		327,438								327,438	-	327,438
97300-025	Litigation										-	-	-
97300-030	FSS Escrow Deposits		104,124								104,124	-	104,124
97300-035	Moving to Work										-	-	-
97300-040	Tenant Protection		295,075								295,075	-	295,075
97300-050	Portability out		2,976,867								2,976,867	-	2,976,867
97300-060	Enhanced										-	-	-
97300-070	All Other		29,613,245	275,182	425,770						30,314,197	-	30,314,197
97300	Total Housing assistance payments	-	33,316,749	275,182	425,770	-	-	-	-	-	34,017,701	-	34,017,701
97400	Depreciation expense	4,499,382	10,836						115,369	4,664,275	9,289,862	-	9,289,862
97350	Port In	-	2,977,925								2,977,925	-	2,977,925
97800	Dwelling units rent expense	-									-	-	-
90000	Total Expenses	29,995,798	39,773,461	288,754	441,625	608,618	81,854	129,553	116,396	15,414,762	86,850,821	(12,045,722)	74,805,099

2016													
Line Item No.	Description	14.850	740 14.871	790 14.181	14.856	14.870	14.231						
		Total LIPH	Section 8 Housing Choice Voucher	Section 8 - Mainstream	Total Section 8 - Mod Rehab	Total Ross/FSS	Total ESG	Total State/Local	Total Business Activities	Total Component Units	Subtotal	Elimination	Total
10010	Operating transfer in	1,539,928				-		-	-	-	1,539,928	(1,539,928)	-
10020	Operating transfer out	(1,539,928)				-		-	-	-	(1,539,928)	1,539,928	-
10070	Extraordinary items, net gain/loss	-				-		-	-	-	-	-	-
10080	Special items, net gain/loss	-				-		-	-	-	-	-	-
10091	Inter AMP Excess Cash Transfer In	606,000				-		-	-	-	606,000	(606,000)	-
10092	Inter AMP Excess Cash Transfer Out	(606,000)				-		-	-	-	(606,000)	606,000	-
10100	Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	-	-	-	-
10000	Excess (Deficiency) of Revenue Over (Under) Expenses	3,659,341	101,029	27,065	37,246	-	-	-	(116,282)	6,890,710	10,599,109	-	10,599,109
11020	Required Annual Debt Principal Payments	1,232,935	12,330			-		-	-	-	1,245,265	-	1,245,265
11030	Beginning equity	89,992,693	143,162	45,476	92,114	-		-	88,017,686	286,905	178,578,036	-	178,578,036
11040-010	Equity Transfers - Three Rivers to Comp Unit	-				-		-	(85,915,078)	85,915,078	-	-	-
11040-020	Equity Transfers - To AMPs for Loans	68,646,878				-		-	-	(68,646,878)	-	-	-
11040-030	Equity Transfers - Mixed Finance Non-9999 Transfer	(37,369,972)				-		-	-	37,369,972	-	-	-
11040-040	Equity Transfers - COCC to AMPs to fund AMP deficit	-				-		-	-	-	-	-	-
11040	Prior period adjustments, equity transfers, and correction of errors	31,276,906	-	-	-	-	-	-	(85,915,078)	54,638,172	-	-	-
11170-001	Administrative Fee Equity- Beginning Balance		134,333								134,333		134,333
11170-010	Administrative Fee Revenue		3,198,120								3,198,120		3,198,120
11170-020	Hard to House Fee Revenue										-		-
11170-030	Audit Costs										-		-
11170-040	Investment Income		52								52		52
11170-045	Fraud Recovery Revenue		19,646								19,646		19,646
11170-050	Other Revenue		3,224,956								3,224,956		3,224,956
11170-051	Comment for Other Revenue										-		-
11170-060	Total Admin Fee Revenues		6,442,774								6,442,774		6,442,774
11170-080	Total Operating Expenses		6,445,876								6,445,876		6,445,876
11170-090	Depreciation		10,836								10,836		10,836
11170-100	Other Expenses										-		-
11170-101	Comment for Other Expense										-		-
11170-110	Total Expenses		6,456,712								6,456,712		6,456,712
11170-002	Net Administrative Fee		(13,938)								(13,938)		(13,938)
11170-003	Administrative Fee Equity- Ending Balance		120,395								120,395		120,395
11170	Administrative Fee Equity		120,395								120,395		120,395
11180-001	Housing Assistance Payments Equity - Beginning Balance		8,829								8,829		8,829
11180-010	Housing Assistance Payments Revenue		33,431,716								33,431,716		33,431,716
11180-015	Fraud Recovery Revenue										-		-
11180-020	Other revenue										-		-
11180-021	Comment for other revenue										-		-
11180-025	Investment Income										-		-
11180-030	Total HAP revenues		33,431,716								33,431,716		33,431,716
11180-080	Housing Assistance Payments		33,316,749								33,316,749		33,316,749
11180-090	Other expense										-		-
11180-091	Comment for other expense										-		-
11180-100	Total Housing Assistance Payments Expense		33,316,749								33,316,749		33,316,749
11180-002	Net Housing Assistance Payments		114,967								114,967		114,967
11180-003	Housing Assistance Payment Equity - Ending Balance		123,796								123,796		123,796
11180	Housing Assistance Payments Equity		123,796								123,796		123,796
11190	Unit Months Available	35,072	69,102	720	864	-		-	-	2,340	108,098	-	108,098
11210	Unit Months Leased	34,409	69,102	694	864	-		-	-	2,218	107,287	-	107,287
11270	Excess Cash	1,784,206				-		-	-	-	1,784,206	-	1,784,206
11610	Land Purchases										-		-
11620	Building Purchases	4,025,508									4,025,508		4,025,508
11630	Furniture & Equipment-Dwelling Purchases										-		-
11640	Furniture & Equipment-Administrative Purchases										-		-
11650	Leasehold Improvements Purchases										-		-
11660	Infrastructure Purchases										-		-
13510	CFFP Debt Service Payments	516,445									516,445		516,445
13901	Replacement Housing Factor Funds										-		-

Low-Income Public Housing
Financial Data Schedule

Public Housing Balance Sheet																											
Line Item No.	Description	AMP 101	AMP 102	AMP 103	AMP 201	AMP 202	AMP 203	AMP 301	AMP 302	AMP 303	AMP 304	AMP 305	AMP 401	AMP 403	AMP 501	AMP 502	AMP 503	AMP 504	AMP 601	AMP 602	AMP 701	AMP 702	AMP 703	AMP 704	AMP 705		
311	Bank overdraft																										
312	Accounts payable <= 90 days	8,798	19,099				3,653	4,552				4,069	755	3,512						7,499	12,328			6,806	4,725	5,876	
313	Accounts payable > 90 days paid due																										
11625	Accrued wage payroll taxes payable																										
322	Accrued compensated absences - current portion	5,902	7,295			295	8,446			324			533	3,189	1,587					4,280	4,984		3,149	1,829	2,162		
324	Accrued contingency liability																										
325	Accrued interest payable																										
331-010	Accounts payable - HUD PHA Programs - Operating Subsidy																										
331-020	Accounts payable - HUD PHA Programs - Capital fund																										
331-090	Accounts payable - HUD PHA Programs - Other																										
331	Accounts payable - HUD PHA Programs																										
332	Accounts payable - PHA Projects																										
333	Accounts payable - other accounts	11,215	16,784			46,954	52,061						10,766	22,907						17,269	3,137		27,404	11,117	1,829		
341	Tenant security deposits	42,917	49,428			52,180	59,636			12,340			8,443	31,243	51,509						39,879	19,092	52,834	18,889	14,106		
342-010	Uncleared revenue - Operating Subsidy																										
342-020	Uncleared revenue - Capital fund																										
342-030	Uncleared revenue - Other																										
342	Uncleared Revenue																										
343-010	CFPP	1,588																									
343-020	Capital Projects Mortgage Revenue	32,514	18,731			22,662	143,869			17,738			2,262	43,353							20,870			2,342	10,259		
343	Current portion of LTB - capital projects/mortgage revenue bonds	34,102	18,731			22,662	142,869			17,738			2,262	43,353							20,870			2,342	10,259		
344	Current portion of long-term debt - operating borrowings																										
345	Other current liabilities		6,318	1,785	1,620	6,112	7,484	4,080	5,363	30,845	7,055	7,609	1,650	4,610	5,994	1,977	1,800	1,998	1,536	9,243	32,596		35,000	77	47,057	2,160	1,275
346	Accrued liabilities - other																										
347	Inter program - due to																										
348-010	Loan liability - current - Not For Profit																										
348-020	Loan liability - current - Partnership																										
348-030	Loan liability - current - Joint Venture																										
348-040	Loan liability - current - Tax Credit																										
348-050	Loan liability - current - Other																										
348	Loan liability - current																										
310	Total Current Liabilities	102,934	117,635	1,785	1,620	131,856	274,858	4,080	41,249	32,960	2,692	14,695	52,823	150,212	1,977	1,800	1,998	1,536	123,664	620,951	37,943	121,336	176,636	2,160	35,248		
351-010	Long-term debt - CFPP	14,288																			187,832			22,800	92,130		
351-020	Long-term - Capital Projects Mortgage Revenue	40,417	29,747			64,881	417,217			47,524			81,461	124,656							49,988	1,532,044		80,202	216,720		
351	Capital Projects Mortgage Revenue Bonds	104,705	49,747			64,881	417,217			52,524			81,461	124,656							99,926	1,532,054		80,202	216,720		
352	Long-term debt, net of current - operating borrowings																										
353	Non-current liabilities - other																										
354	Accrued compensated absences - Non-current	23,607	29,180			1,180	3,783			1,297			2,133	12,755	6,348						17,120	19,936		12,996	7,316		
355-010	Loan liability - Non-current - Not For Profit																										
355-020	Loan liability - Non-current - Partnership																										
355-030	Loan liability - Non-current - Joint Venture																										
355-040	Loan liability - Non-current - Tax Credit																										
355-050	Loan liability - Non-current - Other																										
355	Loan liability - Non-current																										
356	FASB 5 Liabilities																										
357	Accrued Pension and OPEB Liability																										
350	Total Non-Current Liabilities	128,312	78,957			66,061	446,000		53,821	277,607		2,133	97,216	131,084						274,040	1,551,990	215,000	115,678	316,386		8,647	
300	Total Liabilities	231,246	196,592	1,785	1,620	197,917	720,858	4,080	95,070	316,567	2,692	16,828	150,041	281,216	1,977	1,800	1,998	1,536	398,604	2,172,941	252,043	237,014	493,022	2,160	33,895		
505.1	Net investment in capital assets	7,430,094	1,388,968		43,655	789,654	2,017,580	1,000	3,805,193	109,727		1,408	4,627,070	6,361,221	121,174	115,590			115,590	2,202,217	5,862,900	89,290	6,095,678	609,453		343,760	
511.1	Restricted Net Position				5,510,075		8,774,231			9,637,281																3,301,865	
512.1	Unrestricted Net Position	184,473	251,127	151,786	10,890	241,182	438,085	25,322	66,500	124,688	14,738	41,871	127,531	291,308	14,237	685	22,073	26,449	107,172	113,338	1,184,977	699,343	143,311		57,007	30,863	
513	Total Equity/Net Position	7,614,567	1,714,091	151,786	5,969,790	1,030,836	2,455,625	8,810,553	3,873,799	5,963,324	14,738	43,279	4,954,603	6,654,991	1,495,523	2,164,066	3,041,333	2,745,079	2,389,389	5,845,562	1,439,643	6,495,212	752,794		3,359,472	414,632	
600	Total Liabilities and Equity/Net Position	7,845,813	1,910,683	153,571	5,971,410	1,228,753	3,176,483	8,814,633	3,966,829	9,811,831	17,430	60,107	5,104,641	6,938,807	1,611,500	2,162,866	3,043,331	2,746,615	2,787,993	8,018,503	1,883,586	6,642,226	1,245,816		3,364,632	448,527	

Public Housing Balance Sheet																									
Line Item No.	Description	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	AMP 820	AMP 821	AMP 822	AMP 823	AMP 824	Total AMPS	COCC	Total Public Housing	
109	Cash - unrestricted	14,585		4,218	11,440	54,356	51,337	19,381	14,683	15,551	18,508		224,231	209,419	11,704	6,378	8,880	43,699		59,855	68,232	4,416,968	1,322,258	5,739,226	
112	Cash - restricted-administration and development																			46,971			46,971		
113	Cash - other restricted				2,978			175	222,438													597,380	9,144	606,524	
114	Cash - tenant security deposits																1,780				13,114	467,260		480,374	
115	Cash - Reserved for payment of current liability																					150		150	
100	Total Cash	14,585		4,218	13,718	54,356	51,337	19,553	537,121	15,551	18,508		224,231	209,419	11,704	6,378	10,660	43,699		119,160	68,232	5,528,665	1,331,402	6,859,467	
121	Accounts receivable - PHA projects																								
122-010	Accounts receivable - HUD other projects - Operating Subsidy																					157,234		157,234	
122-020	Accounts receivable - HUD other projects - Capital Fund																								
122-030	Accounts receivable - HUD other projects - Other																								
122	Accounts receivable - HUD other projects																					157,234		157,234	
123	Accounts receivable - other government																								
124-010	Accounts receivable - miscellaneous - Not For Profit																								
124-020	Accounts receivable - miscellaneous - Partnership																								
124-030	Accounts receivable - miscellaneous - Joint Venture																								
124-040	Accounts receivable - miscellaneous - Tax Credit																								
124-050	Accounts receivable - miscellaneous - Other																								
124	Accounts receivable - miscellaneous																								
125	Accounts receivable - income																								
126	Accounts receivable - income																								
126-1	Allowance for doubtful accounts - tenants																				8,745	115,875		124,620	
126-2	Allowance for doubtful accounts - other																								
127	Notes, Loans & Mortgages Receivable - Current																								
128	Notes, Loans & Mortgages Receivable - Current																								
128-1	Allowance for doubtful accounts - tenant																								
129	Accrued interest receivable																								
120	Total receivables, net of allowance for doubtful accounts																				8,745	343,287	487,543	838,830	
131	Investments - unrestricted																						527,229	527,229	
132	Investments - restricted																						154,946	154,946	
135	Investments - Restricted for payment of current liability																								
142	Prepaid expenses and other assets																							276,743	276,743
143	Investments																								
143-1	Allowance for obsolete investments																								
144	Enter program - due from																							85,970	85,970
145	Asset held for sale																								
150	Total Current Assets	14,585		4,218	13,718	54,356	51,337	19,553	537,121	15,551	18,508		224,231	209,419	11,704	6,378	10,660	43,699		127,905	68,232	5,871,352	2,863,831	8,735,185	
161	Land	59,251				190,000	189,691	150,000	149,347												165,362	5,365,439	7,499	5,372,938	
162	Buildings					3,193,493	482,977										248,000				2,030,651	123,174,129	6,068,936	131,243,065	
163	Furniture, equipment and machinery - buildings																					14,336,969		14,336,969	
164	Furniture, equipment and machinery - administration																					422,273	966,539	1,388,812	
165	Leasehold improvements																								
166	Accumulated depreciation					(1,023,919)	(154,553)															(253,883)	(1,056,344)	(110,080,389)	
167	Construction in progress																							10,296,929	
168	Infrastructure																								
169	Total capital assets, net of accumulated depreciation	59,251				2,361,574	518,115	150,000	149,347								198,400				1,961,219	51,574,493	2,066,630	53,581,132	
171-010	Notes, Loans & mortgages receivable - Non-current - Not For Profit																								
171-020	Notes, Loans & mortgages receivable - Non-current - Partnership	3,117,140			1,504,309	8,570,639	3,829,648	1,896,065	2,017,612	235,807	446,738		2,145,520	5,790,226	1,137,202	681,304					1,014,483	3,466,961	73,789,431	73,789,431	
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	Notes, Loans, & mortgages receivable - Non-current	3,117,140			1,504,309	8,570,639	3,829,648	1,896,065	2,017,612	235,807	446,738		2,145,520	5,790,226	1,137,202	681,304					1,014,483	3,466,961	73,789,431	71,000	
172-010	Notes, Loans, & mortgages receivable - Non-current - past due - NFP																								
172-020	Notes, Loans, & mortgages receivable - Non-current - Partnership																								
172-030	Notes, Loans, & mortgages receivable - Non-current - Joint Venture																								
172-040	Notes, Loans, & mortgages receivable - Non-current - Tax Credit																								
172-050	Notes, Loans, & mortgages receivable - Non-current - Other																								
172	Notes, Loans, & mortgages receivable - Non-current - past due																								
173	Grants receivable - Non-current																								
174-010	Other assets - Not For Profit																								
174-020	Other assets - Partnership																								
174-030	Other assets - Joint Venture																								
174-040	Other assets - Tax Credit																								
174-050	Other assets - Other																								
174	Other assets																								
176-010	Investment in joint venture - Not For Profit																								
176-020	Investment in joint venture - Partnership																								
176-030	Investment in joint venture - Joint Venture																								
176-040	Investment in joint venture - Tax Credit																								
176-050	Investment in joint venture - Other																								
176	Investment in joint venture																								
180	Total Non-current Assets	3,117,140			1,504,309	10,932,215	4,347,761																		

Public Housing Balance Sheet																									
Line Item No.	Description	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	AMP 820	AMP 821	AMP 822	AMP 823	AMP 824	Total AMPS	COCC	Total Public Housing	
311	Bank overdraft	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
312	Accounts payable <= 90 days	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,472	-	-	-	-	-	88,613	446,802	535,415
313	Accounts payable > 90 days past due	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
10625	Accrued wage/paidroll taxes payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	71,005	71,005
322	Accrued compensated absences - current portion	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	100,550	144,545
324	Accrued contingency liability	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
325	Accrued interest payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
331-010	Accounts payable - HUD PHA Programs - Operating Subsidy	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
331-020	Accounts payable - HUD PHA Programs - Capital fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	24,294	24,294
331-030	Accounts payable - HUD PHA Programs - Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
331	Accounts payable - HUD PHA Programs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	24,294	24,294
332	Accounts payable - PHA Projects	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
333	Accounts payable - other accounts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
341	Tenant security deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
342-010	Unearned revenue - Operating Subsidy	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,700	-	-	-	-	-	-	-	
342-020	Unearned revenue - Capital fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
342-030	Unearned revenue - Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
342	Unearned Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
343-010	CFPP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
343-020	Capital Projects - Mortgage Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
343	Current portion of FLD - capital projects/mortgage revenue bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
344	Current portion of long-term debt - operating borrowings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
345	Other current liabilities	1,140	-	-	-	3,564	1,928	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
346	Accrued liabilities - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
347	Inter program - due to	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
348-010	Loan liability - current - Not For Profit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
348-020	Loan liability - current - Partnership	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
348-030	Loan liability - current - Joint Venture	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
348-040	Loan liability - current - Tax Credit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
348-050	Loan liability - current - Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
348	Loan liability - current	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
310	Total Current Liabilities	1,140	-	-	-	3,564	1,928	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
351-010	Long-term debt - CFPP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
351-020	Long-term - Capital Projects - Mortgage Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
351	Capital Projects - Mortgage Revenue Bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
352	Long-term debt, net of current - operating borrowings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
353	Non-current liabilities - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
354	Accrued compensated absences - Non-current	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
355-010	Loan liability - Non-current - Not For Profit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
355-020	Loan liability - Non-current - Partnership	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
355-030	Loan liability - Non-current - Joint Venture	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
355-040	Loan liability - Non-current - Tax Credit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
355-050	Loan liability - Non-current - Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
355	Loan liability - Non-current	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
356	PASB 3 Liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
357	Accrued Pension and OPEB Liability	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
350	Total Non-Current Liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
300	Total Liabilities	1,140	-	-	-	3,564	1,928	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
508.1	Net investment in capital assets	59,251	-	-	-	2,361,576	518,115	150,000	149,347	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
511.1	Restricted Net Position	3,117,140	-	-	-	1,506,587	8,576,639	3,829,648	1,896,277	2,540,050	235,807	446,738	-	2,145,320	5,790,226	1,137,303	681,304	-	-	-	-	-	-	-	-
512.1	Unrestricted Net Position	13,445	-	4,218	11,448	50,762	99,499	19,381	14,683	15,551	18,508	-	1,963,219	1,001,311	11,304	6,378	6,844	-	-	-	-	-	-	-	-
513	Total Equity/Net Position	3,189,836	-	4,218	1,518,027	10,968,511	4,397,172	2,065,618	2,704,080	251,358	465,246	-	1,278,647	4,877,695	1,148,906	687,682	205,344	-	-	-	-	-	-	-	-
600	Total Liabilities and Equity/Net Position	3,198,976	-	4,218	1,518,027	10,968,511	4,399,100	2,065,618	2,704,080	251,358	465,246	-	2,266,751	5,999,645	1,148,906	687,682	209,660	-	-	-	-	-	-	-	-

ALLEGHENY COUNTY HOUSING AUTHORITY

NOTE TO FINANCIAL DATA SCHEDULES

FOR THE YEAR ENDED SEPTEMBER 30, 2016

1. ELIMINATION ENTRIES

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

ALLEGHENY COUNTY HOUSING AUTHORITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED SEPTEMBER 30, 2016

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Passed Through to Subrecipients</u>	<u>Total Federal Expenditures</u>
<u>U.S. Department of Housing and Urban Development (HUD)</u>			
Public and Indian Housing	14.850	\$ -	\$ 11,701,117
Public Housing Capital Fund	14.872	-	6,083,999
Resident Opportunity and Supportive Services - Service Coordinators	14.870	-	608,618
Lower Income Housing Assistance Program - Section 8 Moderate Rehabilitation / Section 8 Project-Based Cluster	14.856	-	476,134
Section 8 Housing Choice Vouchers / Housing Voucher Cluster	14.871	2,977,925	39,781,677
Supportive Housing for Persons with Disabilities	14.181	-	300,916
<u>Passed through the County of Allegheny, Pennsylvania:</u>			
Emergency Solutions Grant Program	14.231	-	45,854
<u>Passed through the City of Pittsburgh, Pennsylvania:</u>			
Emergency Solutions Grant Program	14.231	-	36,000
Subtotal 14.231		-	81,854
Total Expenditures of Federal Awards		<u>\$ 2,977,925</u>	<u>\$ 59,034,315</u>

See accompanying notes to schedule of expenditures of federal awards.

ALLEGHENY COUNTY HOUSING AUTHORITY

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED SEPTEMBER 30, 2016

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (Schedule) includes the federal award activity of the Allegheny County Housing Authority (Authority) under programs of the federal government for the year ended September 30, 2016. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the net position, changes in net position, or cash flows of the Authority.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule is presented using the accrual basis of accounting. Expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, or the cost principles contained in the Uniform Guidance. The Authority has elected to not use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**Allegheny County
Housing Authority**

Independent Auditor's Reports
Required by the Uniform Guidance

Year Ended September 30, 2016

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

Board of Directors
Allegheny County Housing Authority

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Allegheny County Housing Authority (Authority), as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated June 19, 2017.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

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

Purpose of this Report

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

Maier Duessel

Pittsburgh, Pennsylvania
June 19, 2017

Independent Auditor's Report on Compliance for Each Major Program
and on Internal Control over Compliance Required by the Uniform Guidance

Board of Directors
Allegheny County Housing Authority

Report on Compliance for Each Major Federal Program

We have audited the Allegheny County Housing Authority's (Authority) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Authority's major federal programs for the year ended September 30, 2016. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Authority's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Authority's compliance.

Opinion on Each Major Federal Program

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2016.

Report on Internal Control over Compliance

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

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

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

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

Maher Duessel

Pittsburgh, Pennsylvania
June 19, 2017

ALLEGHENY COUNTY HOUSING AUTHORITY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED SEPTEMBER 30, 2016

I. Summary of Audit Results

1. Type of auditor's report issued: Unmodified, prepared in accordance with Generally Accepted Accounting Principles

2. Internal control over financial reporting:

Material weakness(es) identified? yes no

Significant deficiencies identified that are not considered to be material weakness(es)?

yes none reported

3. Noncompliance material to financial statements noted? yes no

4. Internal control over major programs:

Material weakness(es) identified? yes no

Significant deficiencies identified that are not considered to be material weakness(es)?

yes none reported

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

6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)? yes no

7. Major Programs:

CFDA Number(s)

14.850

14.872

Name of Federal Program or Cluster

Public and Indian Housing

Public Housing Capital Fund

8. Dollar threshold used to distinguish between type A and type B programs: \$1,771,029

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, 2016

NONE